DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—SIXTEENTH PARLIAMENT

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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1928

HOUSE OF COMMONS

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Tuesday, March 13, 1928

The house met at three o'clock.

NIAGARA GORGE BRIDGE COMPANY

Mr. F. WELLINGTON HAY (North Perth) moved:

That in accordance with the recommendation contained in the third report of the select standing committee on miscellaneous private bills, the fee and charges made on Bill No. 25, an act to incorporate the Niagara Gorge Bridge Company, be refunded, less cost of printing and translating the bill.

Motion agreed to.

BRITISH COLUMBIA LANDS

FINAL REPORT OF MR. JUSTICE MARTIN TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a copy of the final report of Mr. Justice Martin, appointed a commissioner to receive and enquire into the arguments of the government of the province of British Columbia in support of its claim for reconveyance to the province by the government of Canada of the land conveyed by the province to the Dominion pursuant to paragraph 2 of the terms of the union. I move that 1,000 copies in English and 500 copies in French of the said report be printed, and that standing order 64 be suspended in connection therewith.

Motion agreed to.

RAILWAY ACT AMENDMENT

JOINT HEARINGS OF RAILWAY AND INTERSTATE COMMERCE COMMISSIONS

Mr. E. G. ODETTE (East Essex) moved for leave to introduce Bill No. 64, to amend the Railway Act (Joint hearings of Board and Interstate Commerce Commission).

Mr. DUNNING: Explain.

Mr. ODETTE: The object of the bill is to empower the Board of Railway Commissioners for Canada to hold joint hearings with the Interstate Commerce Commission, either in the United States or in Canada, regarding matters appertaining to international rates and questions of a like character. A similar bill is now before the House of Representatives in Washington.

Motion agreed to and bill read the first time.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Monday, March 12, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the debate which is about to be concluded, I think I can fairly say, has permitted discussion of a very wide range, which discussion—one can say this without flattery to the house—has been of a very high character and has shown a marked determination on the part of various members to understand the problems with which we have to deal. It has been called a budget debate; just why it has been so described I am at a loss to understand. The hon. member for Hants-Kings (Mr. Ilsley) the other day defined a budget, very properly, as a statement of the expected expenditures of the country, together with its estimated revenues, indicating the sources from which those revenues would be derived and the manner in which the expenditures would be made. The Minister of Finance (Mr. Robb) has given us a story about events that will terminate on March 31 this year. He has not given us a single word indicating what his revenues are to be for the fiscal year ending March 31, 1929, although it is to this year that the estimates relate. Nor has he given us any indication as to where his revenues will come from. This would not be permitted in any other country that I know of under the British flag. To call the statement submitted to the house a budget is to misuse words; the term is a misnomer. The only

single reference which, in his statement, the Minister of Finance made to the revenues of the year 1928-29 was that in which he said that there would be a reduction in the revenues of some $19,000,000. He did not indicate what his expenditures were to be, although as a matter of fact he asks this parliament to vote, in the main estimates, something over $373,000,000, which is a larger sum by $7,000,000 than was voted last year in those estimates. The supplementary estimates are to follow, and extraordinary expenditures are also yet to be provided for. These are the facts. The minister, as I say, does not intimate how his revenues are to be made up; he does not tell the house how much he expects from customs, how much from excise, how much from income tax. All these matters he leaves in the cloudland of conjecture and of doubt. The Chancellor of the Exchequer, in delivering his budget address in the British parliament, is always held to the strictest account to the extent to which he has been able to realize his expectations; and the extent to which his representations agree with the facts of the year under review. In this instance we have been given a review only up to the 31st day of March, 1928; and we are voting supply for 1929 and endeavouring to provide ways and means by which the revenue is to be secured to meet that expenditure. I therefore suggest that this can hardly be called a budget speech for the fiscal year ending March 31, 1929, by any stretch of the imagination, and presumably the hon. gentleman proposes at no distant date to provide us with a budget speech for that year. Until he does so the house is more or less without proper information with respect to the fiscal year with which we are dealing.

The budget has been defended by various members of the administration; the Minister of Health (Mr. King) defended it in a speech which might well be described in the words of Tennyson:

> An infant crying in the night:
> An infant crying for the light:
> And with no language but a cry.

The Minister of Trade and Commerce (Mr. Malcolm) defended this budget in a speech of great casuistry; it was an admirable defence of unemployment, which he said was seasonable in its character. That is true, and he also dealt with other matters in that broad and comprehensive manner for which he is noted, leaving out, of course, many facts to which I shall presently direct attention, no doubt in an earnest endeavour to support the budget presented by the Minister of Finance.

[Mr. Bennett.]

The Minister of Railways and Canals (Mr. Dunning) also essayed to make a gentle speech. His observations were directed first of all to the Canadian National Railway situation, and secondly to explaining how much groups are to be deprecated in a house or parliament such as this. With respect to the first I have only to remind him that he is in error in stating that the Canadian National Railways have available for payment a sufficient sum of money to enable them to meet the interest charges to the public. At page 4 of the preliminary report which has been filed we find that the figures are set out at some length, and while it is perfectly true that the Canadian National railway system had a surplus of earnings of about $46,000,000 which could have been used to pay the interest to the public if there were no other requirements to be met, alas, there were other demands upon that fund which made it impossible to pay the interest upon the advances from the public without regard to the assistance received from the government. At page 4 of the report in question it will be found that there was an operating surplus, gross income as it is called, of $46,463,969.30, but before making that available for the payment of interest on the obligations of the company to the public, $3,599,650.52 had to be used to pay for the hire of freight cars; $92,330.79 for rent of locomotives, and for passenger train cars $291,485.13. In addition to that, joint facility rents, which are a charge upon the revenues, had to be paid to the amount of $1,083,207.19; rent for leased roads $1,212,587.52 and miscellaneous rents $82,091.78; so that after the payment of these charges from the gross revenue there was not sufficient money left to pay the interest charges on the debt to the public, which according to the statement on page 4 of the report amounted to $40,448,274.44. The only difficulty is that my friend the Minister of Railways overlooked the fact that it is one thing to say your earnings amount to so much and another thing to say that they are available for payment of fixed charges. If there are other charges against that money which have to be met before it can be made available for the payment of interest, then that sum is not available, and his confusion with respect to those two matters has caused him to fall into the error which I mention.

Neither is it true, Mr. Speaker, that in any year has the Canadian National Railways earned sufficient money with which to pay the interest on their obligations to the public. The year this government came into power, the year ending March 31, 1923, the Canadian

National Railways obtained $77,863,938.23 from the public treasury; in 1924 they obtained $23,710,616.70; in 1924-25 they obtained $9,934,452.64, and I am happy to say that in the next year they only required $10,000,000. In the following year they required another $10,000,000, and for the year ending March 31, 1928 the figures are not available beyond this, that we advanced them $15,000,000 with which to pay bank overdrafts of which, according to the figures brought down and laid before this house, nearly $6,000,000 was used to pay instalments due for equipment trust obligations which normally would be paid out of income. So that, as far as the railways are concerned, they have not had in any one year during these years sufficient money available with which to pay the interest on the obligations now in the hands of the public. However, the railways have improved their condition very materially during the years recently passed, and we can only hope that if this country prospers as it should, under just and proper policies, they may be able to obtain sufficient traffic to enable them to provide revenue to meet interest charges on obligations held by the public.

Then my hon. friend the Minister of Railways dealt with another feature of the present political situation; he attacked the group system. Of all hon. gentlemen in this house who might attack that system, my hon. friend should be the last. When I recall the circumstances under which this government remained in power only a few short months ago; when I remember the hurried call which brought my hon. friend from Southeast Grey (Miss Macphail) off a steamship in Montreal, I am surprised that for a single moment my hon. friend should attack groups in this country. I will venture to read to him a few words written by his immortal countryman:

> Blow, blow, thou winter wind,
> Thou art not so unkind
> As man's ingratitude:
> Thy tooth is not so keen,
> Because thou art not seen,
> Although thy breath be rude.

But I remember somewhat more clearly the observation of a great Frenchman:

> We seldom find people ungrateful as long as we are in a condition to render them services.

That, it seems to me, must have been the thought in the minds of those who sit to my left.

Then my friend the Minister of Justice (Mr. Lapointe) essayed the gentle arts of advocacy. His speech also divided itself into two parts, in the first of which he contented himself with reading from Hansard the speeches made by various hon. members, contrasting one with the other. It was a very delightful performance for those of us who had not been privileged to be present to hear the speeches delivered by their authors, because he did it most admirably. Then, in a moment of fine frenzy, he indicated how soon he was about to amend the constitution of Canada and pass legislation dealing with navigation laws, the merchant shipping acts and the Admiralty Act. Just why he should have chosen that moment to make that statement it is difficult to understand, but one admired the fine indignation and scorn which he poured upon the hon. member for St. Lawrence-St. George (Mr. Cahan), when he explained that at no distant date this Canadian parliament would pass statutes to deal with the merchant marine and navigation laws. Well, Mr. Speaker, as long as the flag of Mother Britain hangs over the taffrails of our ships, so long shall we rely upon the navigation laws of that country to protect our commerce on the high seas.

Then my delightful friend the Minister of Immigration and Colonization (Mr. Forke) made a defence of his department, and he explained with all the learning of a profound lawyer that section 18 of the Immigration Act governed, and that he had not those high prerogative powers which he has been so fond of exercising. It might be a little more to the point if he would venture to explain to us why he could not exercise the right in the one case, while in other cases he could exercise it so freely. According to the report that was brought down by the deputy minister, we find certain cases of those who would be charges upon the public revenue, or those who were feeble-minded or criminals, all within the prohibited class and I would remind the Minister of Immigration that the permits for a number of these cases to come into Canada were signed by the hon. gentleman himself. At least that is what the deputy of the department says in the report which has been laid upon the table of this house. Why the Minister of Immigration and Colonization should have decided that in a certain class of cases he had authority, but that in a case which arose a few days later he had no authority is somewhat difficult to understand. I feel that the lady and gentlemen who sit to my left when they looked at their former leader, and saw him no longer with them, and heard the terms of his observations, must have thought of Browning's "Lost Leader," and perhaps if I quote them a few lines from that poem they will illumine the dark recesses of my hon. friend's mind:

Blot out his name, then, record one lost soul more,
One task more declined, one more footpath untrod,
One more devil's-triumph and sorrow for angels,
One wrong more to man, one more insult to God!
Life's night begins; let him never come back to us!
There will be doubt, hesitation and pain,
Forced praise on our part—the glimmer of twilight,
Never glad confident morning again!
Best fight on well, for we taught him—strike gallantly,
Menace our heart ere we master his own;
Then let him receive the new knowledge and wait us,
Pardoned in heaven, the first by the throne!

Those were the words which Browning spoke of the "Lost Leader", and I feel that some such thoughts were in the minds of the lady and gentlemen who sit to my left as they gazed at the complacent countenance of my hon. friend enjoying the fruits of office, knowing only too well that he was now ignoring what he had advocated in the days long since forgotten.

There were others who made observations with respect to the budget speech. There was my gallant and learned friend from Shelburne-Yarmouth (Mr. Ralston) who spoke of the Duncan report, and of the obligations of this country with respect thereto, as though they were purely matters of political significance. May I venture to direct attention to the fact that when the Duncan report was adopted by this house it was accepted on all sides as a document to which effect should be given. Further, may I remind him that this house unanimously decided that effect should be given to the report. And now what do we find? We find excuse after excuse being given, and action delayed month after month, and year after year, although the hon. Postmaster General (Mr. Veniot), skilled as he is with respect to economic problems derived principally from his experience in displacing postal labour, promised immediate action. I look at page 37 of the Duncan report and I find the following:

Steel and Customs Tariff

It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.

In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the tariff advisory board, who met us at our request, at the present moment under the consideration of that board.

[Mr. Bennett.]

Remember this is September, 1926. The report goes on to say:

But we do regard it as our duty to record that the significance of this industry to the maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the maritimes but also throughout the agricultural districts of the maritimes.

The report closes:

We record this in order to emphasize the need for prompt action.

Those are the words with which the commission closes its recommendation in that regard, in which it emphasizes the necessity for prompt action. That is equally as emphatic as any recommendation made in the report, if not more so; and yet in the face of that recommendation, for purely political reasons, the rights of the maritime provinces are to be disregarded because the Minister of National Defence is not prepared to do his plain duty in the premises. So this has now become a political matter. The hon. the Postmaster General, who has shown his ability to displace postal labour in various parts of this country, might desire to have this report maintained, but as long as the Minister of National Defence represents a Nova Scotia constituency the government will continue to be guided only by the exigencies of politics, instead of allowing the recommendations of the Duncan report to be carried out.

Now I do not think there is any necessity of making further references in connection with the defence made by the government of this so-called budget. But a controversy has arisen in the country with respect to the debt of Canada. There have been discussions in the newspapers, in magazines, and on the floor of this parliament from time to time as to what the real debt of this country is. May I venture to point out, sir, that it should not be difficult to ascertain what the debt of the country is, and I say further that there is no need to talk about "net" debt or "gross" debt. The proper term to apply is funded debt, and the funded debt of Canada means "the mortgage on the farm." Now if the mortgage on the farm is $5,000, payable the 1st of January, 1929, and you have in your current account at the bank $1,000 which must be used to pay taxes, for seed grain and various other demands, at the end of the year the $1,000 may be partly or wholly exhausted, but the mortgage on the farm still remains $5,000 and must be treated as such.

Now I have taken the trouble to extract from the public accounts of this country, year after year, statements of the funded debt of Canada, and here are the figures. When the war broke out in 1914 the funded debt of

Canada was $303,559,938. On March 31, 1922, it was $2,420,791,260. In 1923 it was $2,452,735,750. In 1924, it was $2,407,806,901. In 1925, it was $2,470,433,576. In 1926 it was $2,471,965,018 and in 1927, on the 31st March, it was $2,435,395,197. What is it in 1928? I go to the last Canada Gazette published on Saturday, March 10, I turn to page 2899, and I find that the funded debt of this country on the 29th February was $2,380,937,686. Thus you have a complete statement of the funded debt of Canada from 1914, when war broke out, until to-day. That is the position.

Now, let us see what has been done with respect to this funded debt. My hon. friend the Minister of Finance, and the government led by my right hon. friend the Prime Minister desire to take great credit for what they have done with respect to the reduction of the debt of Canada. Why, there is only one way to measure it. The Minister of Trade and Commerce knows that when you endeavour to indicate what the debt of your business is, you must always have regard to the accrued interest upon your outstanding obligations. I ventured, during the short time that I was at the Department of Finance, to look into this matter with some degree of care and it will be found that nowhere in that record as a liability is accrued interest even mentioned. When I say that $2,000,000,000 matures between 1933 and 1937 and that a half year's interest upon that sum alone amounts to more than $50,000,000, it will be easy for one to understand why the form and the system that prevail in connection with making out these returns should be altered and we should show what the accrued interest is from month to month in respect to our funded debt. Unless and until that is done, this talk about reduction in debt—and we see from month to month reports of increases in debt or reduction in debt—is only so much wasted breath; it means nothing, because the accrued interest is not included, and the mere difference between assets and liabilities is something that indicates nothing to the intelligent business man. When the hon. member for East Toronto (Mr. Ryckman) the other day indicated that it was just such systems of bookkeeping that brought wreck and ruin to the Home bank, he was stating the case exactly. You cannot make financial returns of the country's business and ask the people to believe them if you make no provision for accrued interest from day to day. In six months it amounts to $50,000,000 alone on these $2,000,000,000 of obligations, to say nothing of other amounts as well, that means a total of over $10,000,000 a month. Accrued interest must be taken care of in those returns if they are to be at all accurate.

But when the Minister of Finance and his government rejoice in what they have done with respect to reduction in funded debt, I too rejoice with them. I rejoice in the fact that the funded debt of Canada during the last six years, that is during the six years ended on the 29th day of February last, has been reduced by $39,853,574. That is an average of $6,735,436 per annum or, to put it in another way, it amounts roughly to $18,500 per day. That is what has been done with respect to our funded debt; it has been reduced by that amount. But we have a right to ask ourselves what sums of money the government received with which to effect that reduction. What money was taken from the taxpayers of this country during the same period? I find that in the six years, 1917, 1918, 1919, 1920, 1921 and to the 31st day of March, 1922, there was extracted from the pockets of the taxpayers of Canada the sum of $1,587,439,352. What was done during the next six years? How much was taken from them during the years 1923, 1924, 1925, 1926, 1927 and up to 1928? This amounts to the enormous sum of $2,002,380,697. What does that mean? It means that the government led by my right hon. friend opposite took from the taxpayers of Canada in those last six years $414,941,345 more than was taken in the preceding six years. There is a smile on the face of the Minister of the Interior (Mr. Stewart). He is probably now sounding the death knell of the national debt, as he did of protection—

Mr. STEWART (Edmonton): Quite right.

Mr. BENNETT: —because his knowledge of the one is about as great as of the other. Let us proceed a step further because he would not laugh for a single moment if he realized what that means to the taxpayers of this country. How much does that mean per annum? It means that $69,156,891 more was taken out of the taxpayers of Canada during each of the last six years than during each of the preceding six years. But let us go a step further. How much does that mean per day? It means that for every day of the last six years $189,471 more was taken from the Canadian taxpayers than during the preceding six years. Let us go another step further. I have pointed out that the government during the last six years have reduced the funded debt of this country by more than $39,000,000; I have pointed out that that amounted to $18,453 per day, and I have pointed out that they received in taxation—

and I will, if necessary, give the pages from which the figures are taken—$189,471 more than their predecessors during every day for the last six years, leaving $171,018 per day more, with which hon. gentlemen opposite have played, than during the preceding six years. Do you mean to tell me, sir, that any government should rejoice for a single moment in the reduction of the national debt by $39,000,000 when they had $171,018 every day more than their predecessors that should have been used to retire our national debt? The extravagance of this administration is something to which I shall presently refer, but I venture to say that the language used by the immortal leader of this party in days when he was in opposition indicates something of the condition which now prevails. These words uttered by Sir John A. Macdonald in Montreal during his opposition days were heard and are recalled by my friend the hon. member for Mount Royal (Mr. White):

> As bees in flowers alighting cease to hum.
> So settling into place Grits grow dumb.

Those were the observations that he made with respect to the attitude of the Liberal party of that day. I put this to any business man in this house—and there are business men opposite; there are some vitally interested in manufacturing, as I shall presently discuss, but let us face this matter frankly. Here we have a government that extracts from the people over $400,000,000 more in six years than their predecessors did in the preceeding six years and all they are able to show is that they have reduced the funded debt of this country by $39,000,000. They have had all these vast sums at their disposal, and with reckless extravagance, with a wilfulness that almost makes the Canadian taxpayer despair, they have wasted those moneys upon matters that presently this house will hear discussed. Now they claim credit because they have made the trifling reduction of $39,000,000 during that period in the funded obligations of this country.

It is worthy of note that during that period they greatly increased our funded obligations by short-date financing which has since been paid off. Just last year the Minister of Finance refunded $20,000,000 of 4 per cent obligations with $20,000,000 of 4½ per cent obligations. He had outstanding 4 per cents and he renewed them with 4½ per cents as he said in his budget speech, thus paying one-half per cent higher rate than he paid before and these were long-term, thirty-year engagements as against his previous three-year obligations. Last year I ventured certain suggestions to the house in connection with the national debt which did not commend themselves very highly to my hon. friends opposite. It may well be that on analysis it is found that the application of the principle that I mentioned to a long-term obligation might not be satisfactory, but I will say this. The Minister of Finance adopted and utilized the suggestion I made in order to secure $45,000,000 from the banks at 4 per cent at par. That is all. I do not claim undue credit to myself when I say that it was in consequence of the suggestion made in this house last year that my hon. friend was able to do that. He got $45,000,000—and the Minister of Finance would not be the man to deny the fact—at 4 per cent at par as against the $20,000,000 he borrowed in the open market at 4½ per cent at slightly better than 97. So you see, though vague and indifferent it may seem to the hon. member for North Battleford (Mr. McIntosh) and others, the suggestion was ample to meet the necessities of the particular case which I had in mind.

What further do I say about the national debt of this country? I say that we should make a determined effort to deal with our national debt on the basis of paying it off. In that regard let me read a single observation from President Coolidge which I think has more application to this country than it has to the United States of America. Speaking in November last, at the union league, the president said:

> At the end of this fiscal year almost one-third of the entire debt will have been paid. The saving in interest alone is about $1,000,000 each day. But well over $18,000,000,000 (eighteen billions) of debt still remain. It is a menace to our credit. It is the greatest weakness in our line of national defence. It is the largest obstacle on the path of our economic development. It should be retired as soon as possible under a system of reasonable taxation. This can only be done by continuing the policy of rigid government economy.
>
> The results have not been easy to accomplish. They have been extremely hard. They have been anything but commonplace. They mark a new epoch and set a new record in successful government financing. The great burden of the work will be indicated when it is remembered that the congress was called in extra session in the spring of 1921 and remained in session for nearly two years. The task is not yet completed, but we have reached the point where we can see the end. We are turning toward a new era.
>
> Because of the past insistence on economy in national expenditures we are in a position to have further moderate tax reduction. But let it be remembered that tax reduction is possible solely on account of economy. Anybody can spend the money somebody else has saved.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: The cheers of the hon gentlemen who sit opposite indicate that they

are perfectly willing at an early date to spend what other people have saved, because the fact is that this country has not increased perceptibly in population, and yet there has been taken from the taxpayers increasing sums of money every year, amounting this year to the largest sum that has ever been taken from the taxpayers of this country; and further, there is no effort on the part of the government to practise the complement of large taxation, namely, economy. Where is it? Will any gentleman name the economies which this government have made? Perhaps the right hon. the Prime Minister may be able to give the house a vivid story of the economies he has effected, but all I can say is that they are not reflected in the Auditor General's report nor yet in the estimates that have been laid on the table of the house.

Let me go a step further. What do I suggest should be done with respect to the national debt? I wonder if hon. gentlemen realize that ever since the days of that great financier Pitt, who in 1798 laid the income tax upon the British people as a war measure, the British people have always maintained a sinking fund. They have suspended the operation of that sinking fund at times when it was essential that they should do so, but look, if you will, at the operations of British finance to-day, and you will see that no matter how hard they may be driven, no matter how difficult may be their path, no matter how onerous their burden of taxation, they have always imposed upon themselves the providing of a sinking fund with which to discharge their national debt. Have we done any such thing? The Minister of Finance read a few lines out of McCulloch, who nearly one hundred years ago made an observation which was placed in the hands of the Finance minister by one of his officials, and the minister thought it might have some effect upon this house, but the hon. member for Ontario Mr. Kaiser) completely demolished that. The Finance minister said that the only way to pay off the debt was out of surplus. I suggest, Mr. Speaker, that there is another way in which we can pay off our national debt, and that is to pass a statute by which we provide that a given sum per annum shall be set aside to pay off the national debt of Canada. What will that do? That will impose upon the people economy. Why? Because when they come clamouring to my hon. friend the Minister of Public Works (Mr. Elliott) for a wharf here or a post office in Guysborough, or a public work in some other community, the Finance minister will be able to say: It cannot be done because the sinking fund must be provided for.

An hon. MEMBER: Mahone Bay.

Mr. BENNETT: Ah yes, the post office that was taken away from Mahone Bay.

Mr. DUFF: Was not that economy?

Mr. BENNETT: Yes, but it was a reckless expenditure of public moneys in another way, with respect to the hon. gentleman himself.

Mr. MANION: Political economy.

Mr. BENNETT: It was what my friend calls political economy. Let me go a step further, Mr. Speaker. I say that we should place upon the statute books of this country at the earliest possible moment a provision by which a sinking fund will be set up such as they have in Great Britain and in other countries, so that we shall be enabled, within a period to be mentioned, absolutely to wipe out and eliminate the national debt of Canada. What is the province of Ontario doing? Do hon. gentlemen opposite realize that in Ontario they have provided for the setting aside of $3,000,000 every year so that at the end of forty years their debt will be entirely wiped out, half being provided by public utilities, and the other half from the taxpayers of the province itself. Do hon. gentlemen realize that?

What sum would have to be set aside to enable us to wipe out our national debt? Assuming only a four per cent rate upon money, if we desire to retire the entire $2,400,000,000 of the national debt of Canada at the end of forty-five years, all we would have to set aside each year would be $19,829,904, and at the end of forty-five years the entire debt would be paid off. If you want to go a step further and make it fifty years, you would have to set aside only $15,720,480 a year. Assume that you do it half-yearly, then if you wish to discharge the entire national debt in forty-five years, you would have to set aside $9,710,448 each half year, or to retire it in fifty years, the sum of $7,686,576 half yearly.

But suppose we do it upon a less ambitious plan. Suppose we seek to retire only $1,500,000,000 of this debt by a statutory sinking fund, by means of a provision placed upon the statute books of this country, so that the demands and pressure by political supporters would not induce the Finance minister to part with public moneys because he would have to meet these sinking fund payments. It would ensure economy in the public service, and what is more, it would make the people of this country increasingly proud as they saw what President Coolidge

has described as this greatest menace to our economic development, this great load of debt hanging over our necks, being gradually retired. What sum would be required by way of sinking fund if we provided for the retirement of only $1,500,000,000 at the end of forty-five years? We would have to set aside each half year $6,069,030. Pass a statute and make a charge upon the revenues of this country prior to every other charge except the service of the debt and pensions, and all you would have to put aside to retire $1,500,000,000 at the end of forty-five years would be $6,069,030 half yearly, or on a yearly basis it would require only $12,518,700.

Is this country to continue to be menaced by this economic evil, by this debt hanging over our heads? Are we to continue, of all countries in the world, to make no provision for the future? Are we to be content to expend our patrimony day by day without putting anything aside to take care of the long days of the future that are before us? I say it is unfair to posterity, and still more, it is unfair to ourselves, it is unfair to the taxpayers of this country to extract from them each year these increasingly large sums of money and make no provision for the retirement of our national obligations. The sum to be set aside is not large. I can only say this, that if we on this side of the house were intrusted with power, we would not hesitate a single moment to make provision for the retirement of the national debt of this country.

It has been said that no government is ever defeated because it is extravagant. That well may be. It well may be that the people may be debauched with their own revenues, and be taught that all you have to do is to spend their taxes freely among them and then you have succeeded, but what is the effect upon the life of the nation as a nation? It is like the observations made by the Minister of Agriculture (Mr. Motherwell) yesterday. In vague and indefinite terms he endeavoured to cast aspersions on men now dead with respect to Port Nelson, not having the courage to make an open charge in this house. The Right Hon. George P. Graham himself selected Port Nelson, as he told the House of Commons when the matter had to be dealt with. He said that it was settled before the government of which he was a member was defeated. I read it in the debates that I had in my hands only yesterday. He said the mind of the government had been made up in respect of Port Nelson on the report of the engineers. It is true Mr. Cochrane is dead and Mr. Bowden the engineer, is dead, but the fact remains that it was on the report of this engineer and others that Port Nelson was selected as the terminal. To talk of extravagance and the loss of public moneys in this instance when Mr. Cochrane and others were relying on the reports given to them by those best able to advise the government of the day is ridiculous, and it ill becomes the hon. minister thus to asperse the memory of men whom it was our privilege and honour to call our friends. To suggest that they were parties to such transactions as will not bear the light of day is unworthy of the minister himself and of the traditions of our parliamentary life.

Now, Mr. Speaker, having dealt with the question of the national debt in the manner in which I have indicated, I now ask myself the question, on the proposals of the Minister of Finance, how he will make good the necessary supply to meet the requirements of the public service. That, of course, involves taxation; he must tax the people. What form of taxation shall he rely upon? He has told us that he proposes to rely upon the income tax, the sales tax, and the other taxes of that nature, and also upon the customs or tariff tax. Those are the methods by which he proposes to make good the supply required for transacting the public business.

Before I deal with the tariff branch of his proposals, let me say a word or two with respect to the income tax. This tax has been either a colossal failure, or else the situation is very different from what it was when the tax was first imposed; one or the other. Only 116,629 individual taxpayers paid income tax for the fiscal year ending March 31, 1927; they paid $18,000,000. The Canada Gazette says that the income tax this year has thus far brought in $55,000,000 as against $46,000,000 last year, the larger part of which, of course, is paid by corporations, the total last year being $29,000,000, and judging from the observation made by the Minister of Finance the other day about the same amount will be recovered from the individual taxpayers this year as last year, namely, something over $18,000,000. In this regard may I point out that when Pitt inaugurated the income tax in Great Britain he definitely and positively stated that it was a war measure. Mr. Gladstone, in one of the greatest speeches by which he will be remembered as Chancellor of the Exchequer, pointed out that he hoped the day would come when war would be ended and peace restored, as then the income tax would be removed entirely, because he felt it was an unfair tax, having regard to the conditions that then prevailed.

Now, the income tax was increased by the Minister of Finance two years ago by removing the freedom from normal tax of dividends paid by Canadian corporations. Having increased the burden of taxation by this form of double taxation, last year he reduced the burden of income tax by 10 per cent, and this year he proposes to reduce it by another 10 per cent, making the reduction 20 per cent in all. But that 20 per cent barely makes up what he took from the taxpayers by the added burden placed upon them. The hon. member for Lisgar (Mr. Brown) the other evening said he was not greatly interested in this form of double taxation. He is a fair-minded gentleman. Let me put this case to him. He has a farm, and when he sells his wheat he makes a thousand dollars net profit. The tax gatherer deducts therefrom $50, or 5 per cent. The hon. gentleman then takes the $950 and deposits it in the savings bank, but the tax gatherer, having found his name among the depositors, takes off $47.50 from the $950. Would my hon. friend regard that as fair?

Mr. BROWN: The analogy is by no means a correct one.

Mr. BENNETT: The position is this, Mr. Speaker. Double taxation has been denounced by Mr. Gladstone, by Mr. Goschen, and by every other great chancellor of the exchequer in Great Britain, and they have always endeavoured to avoid such taxation. When the earnings of corporations have been taxed, then to the extent that the money available for distribution has paid its toll to the exchequer, it should be free from income tax when it comes into the hands of the individual shareholders whose money it is. That is but a fair proposition, and one that I am sure will commend itself to fair-minded gentlemen in every part of this house. That is the first proposition.

But my hon. friend, true to the traditions of his party, desiring to obtain some kudos where none was due, first of all increases the tax, and then says: Look at what I did in reducing it! That sort of thing injures the country as a whole. Why should he not be perfectly frank about it and say, "I will reduce the income tax." Is it because he is afraid of the hon. gentlemen who sit to his right? I would not be under similar circumstances, for I believe they are sufficiently fair-minded that they do not want to tax money twice if they understand what the real position is. I have never discovered among my fellow-Canadians any desire to be unfair to anyone when they have a real appreciation of the facts. That I can say with great certainty, and I am perfectly confident that if they understood that what is sought to be done is to take the same dollar and tax it twice, they would say: This is not a fair or proper thing to do. I do not think there is anything at all in the suggestion that those hon. gentlemen are supporting the income tax because they have none to pay themselves, for from what I know of them they would be only too glad to pay income tax if their incomes were sufficiently large.

But may I go a step further in dealing with the income tax, because, I repeat, Mr. Goulburn, the great Chancellor of the Exchequer in Sir Robert Peel's administration, and Mr. Goschen, both dealt with it in connection with the conversion of the national debt of Great Britain. In England securities are usually issued so they may be called for payment at a certain date before maturity, and I do suggest to the Minister of Finance that when he does any further financing he should consider whether or not it is not desirable to do what all corporations now do, provide that all securities may be callable at fixed prices after notice. That was the case that Mr. Goulburn had to deal with in the great debt conversion of 1844. I commend to every hon. gentleman the great speech in which he moved the resolution for the conversion of the national debt at that time. Forty-four years later Mr. Goschen made one of the most memorable speeches on finance that has been heard in modern times when he converted the British debt and saved the taxpayers of Great Britain annually half a million sterling or more. We have two billion dollars drawing 5½ per cent interest, redeemable roughly in 1933, 1934, 1935, 1936 and 1937. That means an annual interest charge of 110 million dollars. If the interest could be reduced to 4½ per cent we would save 20 million dollars a year, which is more money than was taken out of the pockets of individual taxpayers by income tax last year.

Then why does not the Minister of Finance devote his energies to converting our national debt upon a large scale, instead of reading us some piffling remarks written by an economist a hundred years ago? Let me go further. The saving of 20 million dollars a year on the refunding of the debt might be possible if you would say to the holders of the 5½ per cent tax-exempt securities maturing within the next nine or ten years that there would be freedom from or great reduction of income tax during the next decade. Does it ever occur to hon. members that in addition to the 110 million dollars free money, the exemption from income tax for

the next five or ten years might bring about a great expansion of public revenue? I wonder if hon. gentlemen realize the implications with respect to debt conversion. When I saw on the order paper the other day the resolution of the Minister of Finance to enable him to borrow half a billion dollars for conversion purposes, I sent to the library for the speech of Mr. Goschen on debt conversion. I saw his resolutions and compared them with those of the Minister of Finance, and then I looked at Goulburn's speech. I said to myself. "Is it possible that my hon. friend thinks that this by-play is dealing with the conversion of the debt of the country?" Why, it is an insult to the intelligence of the house to introduce a resolution of that description and to talk about conversion, when these securities are selling to-day so as to yield more than 4 per cent on the market. Moreover, as the day of maturity approaches, these securities, after they have reached the peak, will decline in value, notwithstanding that they are tax-exempt. Surely my hon. friend must realize that; every thoughtful financial man does. If we are to deal with this problem why not let us deal with it as men charged with a solemn responsibility? We have some $2,000,000,000 maturing in the next nine or ten years, and with the possibility of the interest rate going down there is a problem for us to face. The money market is open to us, and we are told by financial men that now is the appointed time; now is the time when money is cheaper than ever before or is likely to be, and that the demand for high class securities is considerable. Yet my hon. friend's method of dealing with the subject is to put a resolution on the order paper asking parliament to allow him to borrow half a billion dollars. That is his method of conversion. No wonder my hon. friend looks at me; he had not thought it was quite so bad until he heard it stated in this way.

Now let us go a step further. Whether or not the income tax shall be retained in this country depends entirely upon the skill and financial ability shown in the conversion of the debt. With two billions of securities maturing in nine or ten years, and with money at 4 per cent, there is the greatest opportunity that was ever offered to any Minister of Finance in this country. To seize that opportunity requires courage, skill, ability, knowledge; it requires willingness to devote some time to a study of the problem. It requires more thought about economies and less inclination to extravagance; it requires more consideration of the question as to how the money is to be secured rather than how it may be spent. It requires the consideration of world factors that determine the price at which money can be obtained. Is this government giving the problem that degree of attention? Is there any evidence of such consideration of the question on their part? Let hon. gentlemen opposite ask themselves that question.

The gradual reduction of the income tax is something that is quite offensive to some hon. members of this house; they consider it an endeavour on the part of rich men to escape the payment of their just deserts. That is the light in which some hon. gentlemen view any attempt to reduce the income tax. I can quite understand their point of view. May I remind the house that last year I argued that, in my judgment, the fairest method of taxation in the world was to be found in the turnover tax. I have not changed my mind in that regard; I think there should be a turnover tax collected every month. Consider what is taking place in this Dominion to-day. How many people escape taxation in this country for the simple reason that they are insolvent when the time comes for the payment of the tax. How many men had an income which was taxable in 1925 but from which no taxation could be derived in 1926. How many men in 1926 with an income could not pay the tax in 1927. And how many more who had an income in 1927 will be unable to discharge their obligation in 1928? A turnover tax, I say, is the most equitable means of securing revenue in this regard. With such a tax one is always in a position to know what he has to pay, inasmuch as the tax is a part of the charge on the business and is payable monthly, as any other tax should be. I pointed out when discussing this question last year that the idea was not original with myself. I do not claim originality for it; it has been submitted to the house before and is endorsed by sound economists and financiers. I urge the Minister of Finance, therefore, to take it into his serious consideration.

Now, it is contended that the income tax is a tax which the rich man pays. But see what is happening in Canada to-day. Men are devising ways and means whereby they may escape the payment of income tax, and they are doing so under the law. It is well to bear in mind, as the House of Lords very properly pointed out, that there can be no evasion of the law so long as it is permitted by the very nature of the law which it is sought to enforce. That is the fact, as every lawyer knows; and so long as men keep within the law that is all they are required to do. I submit to you, Mr. Speaker, and to the government that

much more money would be available for commercial enterprises if the burden of the income tax—the supertax at least—were considerably less than it is at the present time. I shall presently refer to the situation as it exists in the United States. As the Prime Minister said, we are faced with ever-decreasing income tax in the United States, and this fact is having its influence upon our national life. We cannot, therefore, much longer maintain in this country a higher rate of income taxation than is levied in the country to the south of us. The government of the United States is looking forward to the ultimate removal of the income tax; they anticipate its abolition ultimately. We, on the other hand, are apparently endeavouring to make it an absolute fixture. Many of my hon. friends in the far corner of the house oppose any remission of the income tax because, as they fancy, other taxes will be imposed upon the people. May I assure those hon. gentlemen that the buoyancy of business which would attend any substantial reduction of this tax, the release of large sums of money which would not otherwise be available for industrial development, would compensate, as it has done in England and elsewhere, for the increase in taxation—if any—that might be necessary in any other direction. By this means we should broaden the whole foundation, the whole base of our structure of taxation. If we could assure the people of the country that there would be a flat rate of income tax, say, 10 per cent, or any figure you choose, without a supertax, we would be surprised at the effect this would have on the business of the Dominion. I emphasize that statement because the experience of Great Britain proves it beyond question. Formerly they levied a tax of 2 pence on the pound, or 4 cents on five dollars; then it was increased to sixpence on the pound, or 12 cents on five dollars; and gradually the rate went up to 20 cents on every five dollars until finally it reached the point where the government took $2.50, or 10 shillings out of the pound to maintain the national life of the country and to provide for the demands of the sinking fund. Probably, Mr. Speaker, I have said enough on this point. There is not much to be gained by an opposition suggesting anything with respect to the income tax nor indeed, for that matter, respecting taxation generally. Taxes must be imposed by the government and under our institutions proposals in this regard must originate with the administration of the day. The government only can take the necessary action in this respect.

And now I should like to discuss for a moment the sales tax which the Minister of Finance tells us he is reducing 25 per cent this year. It is suggested that next year he intends reducing it still further by 33⅓ per cent and the next year 50 per cent. Stated thus, the reduction has a more imposing sound than if the minister had said that he was reducing the tax by one per cent, or whatever rate he proposes. The sales tax has always been regarded as objectionable, but when my hon. friends opposite came into power they increased it to 6 per cent. The result was so alarming that they decided to reduce it at the same session, so that finally they restored it to the rate that was in force at the time they took office. There are, of course, many exceptions allowed for by order in council, as the Minister of the Interior (Mr. Stewart) would say, whereby the executive may determine who shall be exempt from the payment of the tax. I suggest that it should not be left to the executive to decide this question; this is a matter that should be determined by parliament.

Mr. ROBB: My hon. friend knows that under the constitution this power has been in our act since confederation. The government has power to reduce taxation.

Mr. BENNETT: Surely my hon. friend realizes that I am perfectly well aware of what is in the constitution in this regard. The point I desire to make is that in imposing this form of taxation you subject the executive to unfair pressure by asking them to put certain commodities and classes of people upon the free list, exempt from taxation. That is the point I want to make. In my opinion it would be better for the government itself if this question were left to parliament entirely. It seems to me to be one of the essentials which we are overlooking. We contend that the sales tax should be abolished. Why? The Minister of Finance asks, where shall we get the revenue from? If economy were practised in this country, if an annual sinking fund were put away, money being earmarked for this purpose when derived from the sales tax, then I could understand my hon. friends desiring to continue the tax. But so long as no part of the money is earmarked for some special purpose, so long as there is no statutory sinking fund, so long as reckless expenditure of public money continues, then I say the time has come when this form of taxation should be removed.

Now let me give you an illustration. The other day a lawyer friend of mine had to have an appeal book printed for the Supreme Court of Canada. He had to pay the printer the sales tax on the cost of that book, and

the printer himself had already paid a tax on the paper. There is double taxation, and for all I know some other person may have paid a tax as well, which would make triple taxation. In addition to that, you are now imposing customs duty on the sales tax itself. I received an invoice for some books which came to me from England the other day; I found the sales tax added and the duty computed upon the invoice plus the sales tax. That is taxing a tax. If there is any necessity for revising the customs laws it seems to me it would be a very sound thing to do in that regard, because it is an inferential form of protection, as one of the hon. members from Manitoba would say, and therefore I suppose it is to be condemned.

Then let me proceed to the next form of taxation upon which my hon. friend proposes to rely for the purpose of raising his revenue, namely, changes in the tariff. First of all I desire to make a few observations with respect to these tariff proposals in the light of statements which were made by my hon. friend the Minister of Finance not so very long ago. This summer he had the privilege of visiting western Canada. While doing so I am sure he found a fine, growing country, and I am satisfied that he was greatly pleased with what he saw. In the course of his journey he appeared before the board of trade at Winnipeg and similar organizations at other places as well, and on each occasion delivered addresses with respect to tariff and other matters. The important matter to which he directed his attention in Winnipeg was connected with the tariff, and on that occasion he said, as reported in the newspapers, that the tariff board was a body that had been set up for a very useful purpose. Now, sir, I would venture to read some words which my hon. friend is reported to have used on that occasion; they were never denied, and they formed the subject matter of editorials in leading newspapers. I think if my friends the Minister of Railways, the Minister of Agriculture and all those gentlemen who come from western Canada will take notice of these observations they will perhaps refrain from their campaign of misrepresentation with respect to the fiscal policy of the party which sits to the left of the Speaker. These are the words:

> In each of the general elections since 1878 the tariff has been one of the predominant planks of the political parties, with the natural result that many platform exaggerations by frequent repetition are now accepted as actual facts and a great many, without reasoning and without analyzing the statistical records of growth of Canadian business, the possibilities for international expansion or the practical business problems which must be faced at home take extreme positions on one side or the other of this question. Good government comes when the electorate have actual facts before them; they can then judge what is best for Canada, and it was to get the tariff and trade facts properly before the people that the advisory board on tariff and taxation was founded.

Now, sir, my friend the Minister of Finance in that instance correctly stated the facts. Does not my hon. friend from Brandon (Mr. Forke) realize that for the last forty years in western Canada there has been carried on a campaign of slanderous vilification with respect to the tariff policy of the Conservative party? Does he not realize that the Minister of Railways the other day spoke of high and ever higher tariffs? Does he realize that from one end of that great western country to the other they have spread the gospel that the Conservative party stood for high tariffs, while they themselves preached low tariffs and free trade as it was in England? Does he remember the banners which hung across the streets of Brandon when the election of 1896 was being conducted, and which read:

> Free trade as they have it in England.

From one end of western Canada to the other they have spread the doctrine that the Liberal party stood for free trade or a low tariff or some other kind of tariff, while the Conservative party always stood for a high and still higher tariff. Those are not exaggerated statements. I will give the house an illustration of the campaign which has been carried on by responsible Liberals with respect to tariff matters in western Canada. I recall a Liberal senator and the speech he made with respect to the tariff. He said, "These Tories! They exploit the tariff for their own personal advantage."

Mr. FORKE: Read Hansard for 1925.

Mr. BENNETT: I am so glad my hon. friend the Minister of Immigration remembers 1925, but in remembering it he must blush with shame when he thinks what he is now doing, because in those days he was attacking the government of which he is now a member. In those days he was very properly pointing out that the electorate had been deceived. Have they yet been undeceived? He was then very properly pointing out that the Liberal party sought support from one end of this country to the other by alleging what they would do with respect to the tariff when they came into power, but when they assumed office they did not do it. What are they doing to-day with respect to this budget? They are raising the tariff; they are now doing the

things for which the hon. member for Brandon condemned them in 1925. They are asking this house to give protection to industries on a higher basis than before, which the hon. member formerly condemned. I am glad to know that he is seeing some semblance of light and is coming to realize the plight in which he has been placed by forgetting the principles which he espoused in 1925. He must never forget the words:

While the lamp holds out to burn,

The hon. member for Lisgar (Mr. Brown) is going to supply the second line:

The vilest sinner may return.

Now, Mr. Speaker, let us go a step further. I heard this going on from one end of western Canada to the other. It is now over thirty years since I went to western Canada, and I need offer no apology now, in the words of Macaulay, for having maintained consistently the faith which I then had with respect to this country and the fiscal policy which should be followed to bring success and prosperity. I heard these statements, and I was about to refer to the remarks made by one of the Liberal senators in which, in order to arouse public prejudice and the passions of the people, he stated that these Tory manufacturers, rich at the expense of the people, had sent their families south to Bar Harbour and the summering places nearby, then to Newport among the new rich of the United States. Then he said, "Grown greater still, wrapped around with the mantle of wealth taken by exploitation from the taxpayers of the country, they sent their wives and daughters over to the great watering places of Europe, to marry their children to the effete and worn out aristocracy of Europe?" Those are the arguments which were made; I am sure my hon. friend has heard them, but I am happy to say that he has never used them. This campaign was carried far and wide, and people believed it. The hon. member for Brandon believed it; the hon. members before me believed it and the men and women to my left believed that the Liberal party of that day were honest in what they said, as the hon. member for Rosetown (Mr. Evans) pointed out the other night, and that they would do what they promised. When they did not do it Liberal partisans, to make their position secure, went around and denounced this party as the party of high and ever higher protection.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Hon. members say, "hear, hear". I defy them now to point to anything which the Conservative party have endeavoured to place on the statute books of this country during the last fifteen years to justify the position they have taken. I will go further. I recall that when the reciprocity agreement was introduced it contained provision for a duty on Portland cement, and I wonder if the hon. Minister of National Defence, realized when he spoke about the reciprocity agreement the other day that the alteration of a single item terminated the entire agreement; not one single item could be changed without terminating the entire agreement. It was not a treaty; there was no written agreement or treaty. It could be destroyed at the caprice of either party. Canadian cement was protected by a high duty, but one of the first things Sir Thomas White did as Minister of Finance was to reduce the duty on cement. That is the answer to my hon. friend.

I might perhaps digress a moment here to ask the Minister of National Defence and the hon. member for Hants-Kings (Mr. Ilsley), who spoke on the reciprocity agreement, if they realize that that was not an agreement at all; that each country passed a statute and placed it on its own statute books, so that either party, by changing a single item, would terminate the whole arrangement. In 1920 we had in this country all the benefits of the reciprocity agreement; we had free admission of cattle, potatoes, wheat and other grains into the markets of the United States. Then what happened? There was a change in the government of the United States, and the farmers voted for a high protective tariff against Canada; they had no thought of what would happen to Canadians. I saw Canadian cattlemen ruined by that tariff, which was put into effect without a single thought as to what would happen to the farmers and cattlemen of this country. In the United States they did not care what happened to the Canadians, they were legislating for the people of their own country. Our cattle and our wheat were shut out of the United States market. Do hon. gentlemen not recall the circumstances under which the tariff on wheat was increased up to 42 cents per bushel? I saw that change take place. I saw them raise the duty from 25 to 42 cents. I saw our cattle shut out. Now many of them would like to have our cattle, but the farmers of the United States have a great voting power, and they want the tariff maintained against Canadian cattle and Canadian wheat and they are as much farmers as my hon. friends yonder. Now, sir, digressing for a moment with respect to that, I say to the Minister

of National Defence, and to my young friend from Hants-Kings, that the reason the Conservative party opposed reciprocity was because it meant the establishment of a channel of trade that could be destroyed at the caprice of our neighbour. That is the reason. My hon. friend the Minister of Trade and Commerce realizes better than most men in this house how dangerous it is to establish a channel of trade and then have your competitor destroy it without a word of warning. That was the reason we voted against the reciprocity agreement, and that is the reason we destroyed it. The reason many farmers and cattlemen in Canada were ruined was because the channel of trade thus established by them was cut off without a word of warning.

But, sir, there is something more. The other evening the Minister of Justice quoted from the report of the Economic conference, and he pointed out that at Geneva it was suggested that high tariffs were very bad and that low tariffs were much to be desired. What do I find? That one of the things stressed most strongly was that we should have long term agreements rather than short term agreements. Now the reciprocity agreement was not a treaty at all. It could be terminated by either party without a single moment's notice.

Mr. RALSTON: Was not the disloyalty cry raised by my hon. friends in regard to it?

Mr. BENNETT: I do not think the hon. gentleman is just the type of citizen who should make that observation. The person who said the agreement would make us an adjunct to the United States is the gentleman who is now Chief Justice of the United States Supreme Court. He made the observation that if this agreement passed Canada would become commercially an adjunct to the United States.

Mr. RALSTON: My hon. friends said at that time that reciprocity meant annexation and that it was a disloyal policy.

Mr. BENNETT: I say now that the gentleman who was formerly President of the United States, Mr. Champ Clark, and Mr. Underwood said that. We told the Canadian electors that if once a channel of trade were established for our cattle, our wheat, and our natural products to the United States that channel might be destroyed at somebody's whim or caprice with great resulting injury to Canadians. That is what we said and if my hon. friends opposite can get any comfort from it they are welcome.

[Mr. Bennett.]

Mr. EDWARDS (Frontenac): The hon. minister must have in mind what Edward Blake said.

Mr. BENNETT: It is true that the late Edward Blake had that view, and one might, I fancy, compare his intellectual attainments and his services to the Liberal party not without disadvantage to some hon. gentlemen opposite.

Now, sir, let us proceed to study further what the hon. Minister of Finance said in his speech when the tariff advisory board was set up. I have in my hand a copy of P.C. No. 530, dated 7th April, 1926, appointing the tariff advisory board and defining their duties. The board was duly set up and in the course of time began to function. I find that it has cost this country quite a considerable sum of money to maintain that board. Here is the story. First of all you have the following employees: A. M. Baird, L. H. Byles, K. Byrnes, F. M. Chapman, J. Easton, K. Easton, T. King, F. Lavoie, J. C. Leslie, D. McEvoy, H. B. McKinnon, Theo. Monty, A. Quayle, M. Northcott. These all draw salaries ranging from $4,120 per annum down to $4 a day; among those who are drawing $10 a day is Mr. F. M. Chapman, who was political organizer and henchman for the chairman of the board when he was a candidate for the Liberal party in South Ontario last fall. Here is the board set up, and who comprise it? It consists of Mr. Moore, as chairman, and two other gentlemen with respect to whom nothing can be said. Who is Mr. Moore? He is a defeated Liberal candidate in Ontario. That is fact number one. A few years ago I had occasion to say in the chamber which preceded the present one something regarding the activities of Mackenzie and Mann in every legislature in this country and as to the effect upon the public life of Canada. I can only say this, that Mr. Moore was one of their chief instruments in effecting their purposes. Now let us go a step further. To-day Mr. Moore is exercising the patronage of Ontario and the government accepts his recommendations. More than that, during the last month he has been discussing with his friends what his chances of success are in Ontario at the next election. There are men in this house with whom he talked the matter over. Now let us ask ourselves whether any man in whose constituency there are industries affected by the tariff and upon which he must depend for support should be made chairman of the tariff board. Why Sir, only the other day I read in an Ontario paper, with a picture of the chairman of the board, the statement that he was about to take the

flying camp from Borden down to Whitby in his own constituency. Is that man fit to be chairman of the tariff board? I am not talking about his intellectual fitness at all. Is he fit by reason of his record and of his present endeavours to secure a seat in this parliament for the position which he now holds? There used to be a law which provided that one who occupied a position that touched in any way the right of a citizen to vote, should not be permitted to be a candidate for parliament for a period of years after he left office. That was a sound provision. Now we have the tariff board in the hands of a gentleman who is aiming to be a candidate at the next election, in whose constituency there are a large number of industries that have been touched by these tariff changes, whose political friends—and I wish to say the changes in this tariff are surely political—are benefited, by those changes and whose political opponents are injured by them. I say that is not good for Canada; I say it is not a proper thing for this country.

Now let us see what happens. I have the report made by that gentleman. It was tabled in the house as sessional paper 132A, and it is what? It is a statement that they were unable to function with respect to some of these matters, and they sent them up to the minister without a recommendation or without even the finding of a fact with respect to them. The list starts on page 1 of the annex and there are five pages of the various applications, but there is no fact finding, nothing of that sort within the order in council that I have just read. No effort at all is made to comply with the order in council. One of the features of the report will be found on page 2, where the commissioner says:

> Unfortunately the civil service, as at present constituted, is not fully equipped to meet the board's technical requirements, and it follows that it would be unfortunate if, in its initial, years, the board should be subjected to greater strain than its capacity will bear.

That is the serious and solemn report placed before the minister. It consists of some nine pages and it includes an expression of approval of the assistance that has been given by this person and the other; but there are no findings of fact, nothing upon which a minister could act. I say here and now to the minister that the evidence which was given at those sittings has never been read by him. I know how long it would take him to read it because I took it myself and made an endeavour to read it. These volumes of evidence are calmly transmitted to the minister together with this report and the minister brings in his tariff. Whose tariff is it? This country has a right to know whose tariff it is. I know one man who did not know anything about it and that is the Minister of Finance himself. But he is learning; since this budget was brought down he is beginning to understand something about it. Let us see how the report complies with the terms and provisions of the order in council. An advisory tariff board is not a new thing, as we shall find. Bill 88 introduced by Sir Thomas White in the parliament of 1911-12 was a bill to create a tariff commission, and under the provisions of section 4 of that act the powers of the commission were defined. They consisted in the right to deal with every phase of our economic life and to determine those factors which should be considered in deciding what tariffs should be allowed. But what have we here? Do you realize, sir, that for the first time in the history of Canada, people outside of this country have assisted in determining what our tariff shall be? I have under my hand the briefs that were filed with the tariff board. By whom are they filled? The first brief on the woollen tariff schedule was filed by representatives of the Canadian Woollen and Knit Goods Manufacturers and there were also filed observations on the brief presented by the Canadian Woollen and Knit Goods Manufacturers, by the wool textile delegation of England on behalf of the federations and associations who are its constituent members.

Mr. YOUNG (Saskatoon): Does the hon. member object to that?

Mr. BENNETT: I certainly do. I object to any man who is not a Canadian having anything to do with fixing our tariff. Let us go a step further. Who also had a hand in it?

Mr. DUNNING: The hon. member knows they will give us a hearing in England.

Mr. BENNETT: Has the hon. member tried it?

Mr. DUNNING: Yes, on many occasions.

Mr. BENNETT: They have never had a public hearing at which a Canadian has been asked to appear or give evidence in regard to the Safeguarding of Industries Act. Of course they would give a hearing to the hon. gentleman in England in their offices. They would be glad to welcome him and to talk over anything with him, and a highly intelligent conversation would ensue; but when in the history of this country did you ever see the representative of a competing industry come into Canada and file a brief as has been done in this case?

Mr. YOUNG (Weyburn): I thought the hon. member spoke of observations.

Mr. BENNETT: These are in the form of observations on the brief. If my hon. friend would rather call it "observations", we will call it "observations." Let us go a step further. This is a statement filed by the West Riding Chamber of Commerce, representing whom? Representatives of the chambers of commerce of Batley and Birstall, Bradford, Cleckheaton and Heckmondwike, Dewsbury, Halifax, Huddersfield, Leeds, Ossett and Wakefield. Then comes the Axminster. Jacquard and Chenile Carpet Manufacturers' Association with whom the Tapestry Carpet Manufacturers' Association and practically all British carpet manufacturers not belonging to any associations are co-operating. Then we have the British Agents Association of Canada, who filed observations for the purpose of affecting the tariff of this country. But this was not the end of it. The French also filed a memorandum or observations in respect to this matter. They represented not one or two or three but some thirty-six great French manufacturers. They filed memoranda with our tariff board as to how we should deal with our tariff. Is that what my hon. friend wishes to suggest should be done? In that regard it may be very interesting to ask ourselves just how they treated us. Do you suppose, sir, for a single moment that the great republic of France, in fixing its tariff, would have Canadians tell them how they should deal with it? Do you suppose, under the Safeguarding of Industries Act, the government of Great Britain would rely upon the attitude taken by Canadians as to how they should shape and form their tariff?

Mr. DUNNING: Yes.

Mr. BENNETT: Well, all I can say to my hon. friend is:

I have not found so great faith, no not in Israel.

Mr. DUNNING: Canada was considered and its representations were considered.

Mr. BENNETT: They never had a Canadian representative in connection with the Safeguarding of Industries Act. I am glad the minister has spoken, because I find he also had an idea as to how this should be dealt with. In the fall of 1927 at a banquet given to the Empire Marketing Board, the minister said:

He was not impressed with the fact that it had got far enough away, from the old idea—a relic of colonial days—that it was the business of the colonies and dominions to raise the raw materials to be shipped to the central market to be manufactured and that it was the duties of the colonies and dominions to buy the manufactured article. Mr. Dunning held that the idea was good in the old days, but no longer held in the days of the self-governing dominions. He asked the visitors how many of them would be content to raise the raw materials and develop the natural resources, unless they manufactured the finished product at home, and said that he had pleaded with the British manufacturers—

That is the observation he made.

—to transfer to the dominions plants and portions of plants and their artisan genius, rather than to allow others, sometimes outside of the empire, to gain a control of manufacturing in the dominions which might possibly become permanent.

That is his story, but now he approves of these men not bringing factories to Canada but endeavouring to influence the members of the tariff advisory board as to what protection our industries should have.

Mr. CANNON: How can we have inter-imperial trade if we are not to receive observations from the others sections of the empire?

Mr. BENNETT: I am sure that the Solicitor General was not serious in that observation. This country, as his senior minister has told him, is an autonomous country and we must be a self-governing dominion. When we have to be told by the manufacturers of other communities how we shall transact our business, what happens?

Mr. CASGRAIN: Information.

Mr. BENNETT: If it is information that was wanted, it was not necessary for these gentlemen to come to Canada. They might have sent their information by mail. Why should they examine witnesses?

Mr. LAPOINTE: To get the facts.

Mr. BENNETT: I ask my hon. friend from Manitoba what he thinks with respect to that? There was once a Canadian statesman who made the observation, and it was a very proper one, that he believed a woollen factory in Canada was as great an asset to the British Empire as a woollen factory in Yorkshire. That is the principle upon which we stand. So much for your advisory tariff board and the way it transacts its business.

Then we have the tariff schedules introduced in this budget by the minister, without having read the evidence, without having met the delegations, acting upon a verbal report, I presume, of people who would not put in writing what the order in council said they should do. Has not this house the right to know about it? When these resolutions

are in committee, we want to know why these tariffs have been framed in a way in which heretofore they have never been framed. Do hon. gentlemen opposite realize that in days gone by when my friend (Sir Henry Drayton) was Minister of Finance, he went from one end of the country to the other holding public hearings in order that people might make representations as to how they felt the tariff should be framed?

Mr. LAPOINTE: Nothing came out of it.

Mr. BENNETT: The hon. gentleman never got the opportunity, because an election ensued.

Mr. CANNON: Pass on to another point.

Mr. BENNETT: I am sorry that hon. gentlemen are so vociferous in their applause. I had not expected to meet with their approval to that extent.

May I make this observation—and I think my hon. friend the Minister of Finance will agree with me—that a tariff thus prepared is not a tariff to which the Canadian people can give their assent without the closest scrutiny of every item. I do not propose to discuss these items at length, but this I will say, that when these tariff resolutions are in committee, as no opportunity has been afforded to those vitally affected as should have been done, this house will require the widest possible explanation to justify the action that has been taken. Why? Let me give an illustration. Why should the cotton industry at one point have the duties greatly increased? Why put a duty on cotton yarn and leave woollen yarn free? Why these inconsistencies? Why should you, when there is but one mill in all Canada making a given product, increase its protection, and deny protection to another industry? Why put a drawback on coal that was not asked for?

Mr. MALCOLM: It was asked for.

Mr. BENNETT: The records of the tariff board do not show it.

Mr. MALCOLM: No. I have asked for it a good many sessions.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Well, it has been worth all this just to get that admission. There is one thing we know now that we did not know before. This is not a tariff with which the board had anything to do at all. It is what might be called a log-rolling tariff; that is the kind of tariff it is. If my hon. friend the Minister of Trade and Commerce had his wishes met and is satisfied, peradventure others with similar desires had their wishes met. That will make good reading, Mr. Speaker, as to how a tariff is framed.

There is another matter that might be mentioned. I am not going into details, but with regard to the general trend of these tariff schedules I would point out that steadily we have been increasing our imports from the United States, and steadily our exports have been declining. We made implements practically free, and what has been happening? We find our imports of agricultural implements increasing. Let me read what the United States says about Canadian trade. Let me read what came out in the February 13, 1928, issue of Commerce Reports issued by the United States Department of Commerce.

Mr. POWER: Is this an observation?

Mr. BENNETT: I think it may convince even my hon. friend. This is not an observation; it is a written document. At page 437 the report says:

> The outstanding feature of the shipments of agricultural implements during the year 1927 was the large total that went to Canada, amounting to $29,791,472 which was 33 per cent of the total shipped to all countries, and which exceeded the shipments to all of Europe by more than $8,000,000. Canadian purchases in 1927 were the largest ever reported and were greater than the average shipments to all countries in the years prior to 1918.

This is the United States, remember, upon this subject:

> These large Canadian purchases resulted from the material betterment of conditions in Ontario and the prairie provinces, especially Saskatchewan and Alberta, where American tractors, threshing machines, and harvesters were sold much more extensively than in 1926. Purchases of wheel tractors were exceptionally large, amounting to 15,749 valued at $12,421,105 as compared with 8,173 valued at $6,823,648 in 1926. Sales of American implements in Canada have been showing consistent and rapid increases during the past three years and, since each of these years has been a good crop year, the buying power of the farming population has been materially enhanced. It is also worthy of note that exports of implements to Canada comprised 90 per cent of shipments to all of North America, including Central America and the West Indies, and exceeded those to all of South America by $10,000,000.

There is one question I would put both to my hon. friends to my left and to hon. gentlemen before me. Reading that document I ask them, in view of the fact that the price of agricultural implements is a little higher now than it was when the duty was taken off, because of economic and other conditions, whether or not they believe now that the removal of that duty effected any useful purpose to Canada. I go further. I put in front of them that statement which shows that at

least 10,000 workmen were engaged on this work day by day in order that Canada might be supplied with agricultural implements. There was placed upon Hansard yesterday a statement of what that means in consuming capacity, in answer to a question by my hon. friend from Frontenac-Addington (Mr. Edwards). Think what that means in terms of food and food products. Weigh it carefully, make the computation in the light of the figures given yesterday and what I have given you from the American Commerce Reports, and I ask hon. gentlemen whether they believe that their hopes and expectations in this regard have been justified. I think, if they are the gentlemen I believe them to be, studying these matters as I know they do, that they will say no.

There is another matter. What is, after all, the attitude of any party towards tariffs? It is merely to utilize, if possible, this particular machinery of the government to accomplish a particular result. And what is that result? The result we hope for is to advance the interests of our country. I hold in my hand the February number of the National Review, in which at page 866 appears an article on the plight of British industry, giving figures from the International labour bureau, respecting the comparative real wages in different countries, as follows:

London	100
Amsterdam	87
Berlin	67
Brussels	42
Copenhagen	120
Dublin	102
Lisbon	32
Lodz	45
Madrid	55
Milan	48
Ottawa	153
Paris	57
Philadelphia	175
Prague	49
Riga	50
Rome	49
Stockholm	92
Sydney	136
Tallinn	46
Vienna	44
Warsaw	41

It is against such competition that the Canadian workman is pitted. I ask you, sir, whether or not the Canadian workman has the right to maintain his high standard of living and education for himself and his family? Have we not the right, by the equalization of conditions through any form of legislation that may be devised, to protect our people in the development of our resources from the low wages of these different countries I have mentioned. That is the reason an effort is being made to equalize these conditions. There are the figures; they speak for themselves. I shall not at this hour do more than merely refer to them, but the whole article is illuminating as indicating the conditions under which British industry is maintained.

There is another matter to which I wish to direct attention, in connection with the report of the Economic conference. If my learned friend the Minister of Justice had only turned back a little he would have found in that very report a statement relating to a country that desired to become self-contained. I quote from page 28 of the final report of the World Economic conference:

> The desire to deal with the problem of excessive industrial capacity has usually led to an attempt to reserve the home market for home production by means of tariff barriers erected with a view to creating an independent national economy capable of producing, under the protection of the tariff wall, an increase of invested wealth and a more satisfactory return for the work of the nation. This effort to attain self-sufficiency cannot hope to succeed unless it is justified by the size, natural resources, economic advantages and geographical situation of a country. There are very few countries in the world which can hope to attain it.

And, sir, Canada is one of them. If my hon. friend had read that the other day, as he should have, he would have ascertained that there is the principle upon which we to the left of the Speaker have been endeavouring to work out this country's economic salvation. It is all right to say that you have reduced the tariff year by year. Ever since 1923 there has been a steady effort to reduce tariffs, so they say, and now they have reached the point where, under the guise of reducing the tariff, they are really increasing it. Let me read these words as to the necessity of tariff stability in the Dominion. Do you recall, sir, that in 1923 to your right sat the right hon. Prime Minister and his Minister of Finance, the Right Hon. W. S. Fielding? These are Mr. Fielding's words:

> There is a thought which does not receive as much consideration as I think sometimes it should be given in public discussions, and that is the desirability of something like tariff stability. Business men do not like to be always threatened with changes in the tariff. There is no finality in legislation whether as respects that tariff or as respects anything else. That which parliament can do to-day it can undo to-morrow. Everybody knows that. Everybody must conduct his business in the light of that fact. Nevertheless it is desirable that something like an assurance of tariff stability should be given to business men. Exceptions will occur. Speaking broadly, it is possible to give the country a reasonable assurance of stability of tariff. Such assurances are very desirable, for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes.

The right hon. Prime Minister on May 23 of the same year, dealing with the same matter, said:

What my hon. friend sought to convey to the house in his remarks was that the government, after having carefully studied the situation from all angles, had come to the conclusion that having regard to the situation of Canada to-day in relation to other countries, it should tell the Canadian people that as respects the tariff, unless there were obvious reasons why there should be changes occasioned by necessity, they might be reasonably assured that there would be a steadiness in the tariff for some little time to come. That is what my hon. friend sought to make clear to this house, and he did so for the reason that what we in Canada can do with justice in the matter of tariff revision is necessarily dependent in large part upon what is done by our neighbours to the south and upon what occurs in Europe.

I find to-day—that France, one of the leading members of the League of Nations, is raising her tariff against Canada, while the Minister of Justice talks vaguely of following the mandates of the league. I find further that the right hon. Prime Minister in those days was saying that what we did was largely dependent on what was being done by our neighbours to the south. They have increased their tariffs against this country year in and year out, so as to shut out practically anything that is Canadian—unless they want our raw materials to fabricate in their own factories. The Prime Minister continued:

What is the position with regard to the United States? Since the Liberal convention was held there has been enacted by the United States a much higher tariff than ever before existed between Canada and the United States. The Fordney-McCumber tariff, socalled, to-day is operating to the disadvantage of Canada.

Here is the question he then propounded, and I put it to my friends yonder:

Is there any member of this house who will stand up in his place and say: Notwithstanding that obvious fact we think we should throw down our bars against the United States and give them an opportunity to come in here and affect our industries in a manner even more seriously than they have already been affected?

An hon. MEMBER: Who said that?

Mr. BENNETT: The right hon. Prime Minister of this country on May 23, 1923. But that was intended for consumption by the manufacturers, and when he found he had before him hon. gentlemen led by my friend from Brandon (Mr. Forke), who did not think that way, he commenced to tinker with the tariff, and ever since he has been revising it in the manner that I have indicated. You, sir, will recall that happy expression of the Minister of the Interior who sounded "the death knell of protection" in that famous speech of his, and he now finds himself confronted with the observation I have just read by his leader. That is the position. It is the old story illustrated by the remarks of the Minister of Railways, who endeavours to make the Canadian people believe that we are the party of high tariff because we have dared to say just what the Prime Minister himself said in 1923, that there is no one in this house or in the country who dare say—what? "Notwithstanding that obvious fact we think we should throw down our bars against the United States." Have you done it? Let the statistical record in regard to imports of iron, steel, agricultural implements, tractors, copper, brass, in fact almost everything that might be mentioned, answer—look at those imports steadily increasing. Just as the minister said, the trend is to increase what we buy from the people of the United States and to sell less and less to them, except raw materials. That is what the right hon. Prime Minister then protested against. But power was more important than adherence to the policy he then laid down, and, as the Minister of Immigration and Colonization said in 1925, his thunderbolts launched against the government secured the abrogation of those expressions of opinion, with the result that we have the tariff as it is to-day. That is the position with respect to it.

One step further, Mr. Speaker. We have been dealing with the problem of immigration, and hon. gentlemen on the other side of the house have ventured to say that because we on this side have pointed out the actual conditions in this country we were boosting the United States.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Boosting the United States? Then I ask if that is what the Prime Minister was doing in 1923. May I go further, may I ask my friend from Hants-Kings (Mr. Ilsley) who referred to Sir Richard Cartwright's speeches when the Liberal party was in opposition, was Sir Richard then boosting the United States? That great financial critic pointed out the conditions prevailing in the two countries, and stated what he believed was necessary to be done for the benefit of Canada. It will be a poor day for the Canadian parliament when it becomes a rubber stamp to enforce the will of the Prime Minister; it will be a poor day for this country when the parliament of Canada is to be a rubber stamp to record the will of the Minister of Railways or the Minister of Agriculture; it will be a poor day, sir,—

Mr. DUNNING: Or to rubber stamp your will.

Mr. BENNETT: That might be. What, sir, is the duty of this party? The duty of

every man in this house is to think in terms of his country, and when he finds in 1923 the Prime Minister declaiming against a possible attitude of mind towards the great republic to the south in dealing with fiscal matters, and then changing his mind and calling upon his friend from Brandon and that gentleman's associates to support reductions in the tariff from year to year,—I say the duty of every hon. member is clear. We who criticize know that the right hon. gentleman does not change his mind so lightly, we know there is a purpose behind the change, and we have a right to seek the purpose. And if we have a right to point out the effect we have also a right to point out the purpose. The purpose is power; the effect is injury to Canada. It means loss of population to this country. And it means more than that. The American commercial reports indicating the movement of farm machinery to this country mean that just so many Canadians as might have been engaged in the manufacture of that machinery here are without jobs. Is it treason to point that out? Did the right hon. gentleman hesitate to do it when he talked of usurpation of power and abuse of the institutions of this country? When he spoke of those matters in days gone by was it treason on his part? Do hon. gentlemen opposite fancy that they can becloud the minds of the Canadian people by making such observations? Let me assure them that so long as we are here, so long as we occupy the seats to which we have been elected, we propose fearlessly to criticize the acts of the government notwithstanding what they may say. It ill becomes ministers of the crown, responsible ministers, to foster such a delusion as that and to charge us with engaging in immigration propaganda in the interests of the United States. My hon. friends opposite know perfectly well that people are shut out of that country under the laws that prevail there. Aware of these things, we propose to criticize the government so long as no effort is made to provide work for our people; because work is what is very urgently needed in Canada. Every effort, therefore, which this party makes is an effort to secure work for Canadians and not for others.

I would remind my hon. friends of one other fact. When they were in opposition what did they do? They were not content to make speeches on subjects such as my hon. friend from Hants-Kings has discussed; they moved resolutions. And what was the purport of the resolutions they moved in 1889, in 1890 and again in 1891? It was to secure unrestricted freedom in the trade relations between the United States and Canada. The reform which was suggested, to quote the words of Sir Wilfrid Laurier, was the absolute reciprocal freedom of trade between the two countries. This briefly sums up the history of my hon. friends in this regard; this is the record of those who now attack us because we venture to assert the rights of Canada and to urge those rights as being of greater moment to us than the interests of the United States. When we turn to the record of the party opposite when in opposition, we find that, making a strong appeal for support in 1891, Sir Wilfrid Laurier said:

> The reform suggested by the Liberal party is absolute reciprocal freedom of trade between Canada and the United States.

How long would there have been a Dominion of Canada had that policy been carried into effect? Is that my hon. friends' policy to-day? Is that the goal towards which they are striving? Is that the reason for the tariff being reduced? Is that the reason that they are pursuing the course proposed in days gone by? Let my hon. friends answer these questions before they attack those who sit to the left of the Speaker.

I will not venture to trespass further on the time of the house, but I merely point out that, according to the Commercial Intelligence Journal which we received last week, I find at page 354 that whereas the imports of automobile parts for assembly amounted in 1927 to $29,582,000, in 1926 they were only $25,000,000, an increase of over $4,000,000; while automobile parts for replacement are given respectively as $4,919,000 and $3,600,000. The same condition of things exists in regard to rods. That is the effect of the government's legislation: with decreasing exports we are assembling parts to a greater extent than before. This means less work for Canadians—less manufacturing and an increasing tendency towards the assembling of parts. Now, what is the aim of the Conservative party? It is to endeavour to make this country economically independent. Our objective is to render the Dominion of Canada no longer dependent upon foreigners for our economic existence. I put this to the government: If we are obliged always to go abroad for all our machinery, what will happen supposing, in a moment of caprice, that foreign supply is shut off? What did Adam Smith say on this point?

Mr. DUNNING: Surely you will not quote him.

Mr. BENNETT: I admit that one should be reluctant to quote Adam Smith after the Prime Minister, but I do not think it is at

all amiss to point out the ground on which Adam Smith justified the taking care of industry at home. I ask this house quite seriously this question: is this country to become economically a dependent or an independent community? Are we to find ourselves in such a situation that, at the caprice of a powerful neighbour, for purposes solely selfish and entirely in its own interests, we shall be excluded from our sources of supply? Yet this has happened before. Do my hon. friends realize that in Europe one country has established, and to-day maintains at an annual loss, a factory for the purpose of ensuring that its people shall not be dependent upon foreign supplies as they were during the war? Do hon. gentlemen realize that this particular industry now operates in the Netherlands? Well, is Canada going to find itself in a similar predicament? All we endeavour to do, Mr. Speaker, is by every legislative means within our power, to use the words of a great Englishman, and with the tools that are in our hands, whether they be tariffs, regulations, bonuses, drawbacks, or bounties, to bend our efforts to one purpose and one purpose only, namely, to make the Canadian people a strong and virile nation, developing their own resources to the limit of their ability, and thus become entirely economically independent of foreigners, whoever they may be or wherever they may be found

I have not the time this afternoon to dwell upon the trade treaties which have been entered into by this government; I cannot indicate the extent to which the government has failed in respect of these agreements. Suffice it to say that every trade treaty which the government has entered into has operated against the Dominion of Canada. There is, perhaps, one exception respecting which there may be some doubt; I refer to the treaty with the Netherlands. But so far as the others are concerned I think the statement I have just made can be accepted without any qualification. We have made treaties with Australia, New Zealand, Japan, Italy and France.

Mr. ROBB: And South Africa.

Mr. BENNETT: Yes, and South Africa. And all these treaties have been equally disastrous to Canada. See what happened but yesterday: France raised its duties but we were powerless. We cannot touch ours unless we abrogate the treaty; so the minister told me yesterday. In Australia they increased their tariff; we are powerless. Why? Simply because we were not skilful enough as bargainers; they outreached us; they outgeneraled us. The bargain, so far as they are concerned, leaves them free to raise their tariff against us while, without abrogating the treaty, we are powerless to touch our tariff as it affects them. Did my hon. friends know that? Do they know that we cannot touch these items without cancelling the treaties we have with these countries? The Minister of Finance was waited upon the other day by a certain delegation—this will reveal his state of mind concerning these treaties—and when he heard a complaint regarding certain items in the schedules affected he remarked, "You did not support me properly with respect to the Australian treaty". It appears, then, that industry is to be punished if it fails to support the Minister of Finance. Is that the law of this country? Is that the way in which Canada is to be governed? If so, clearly our tariff is but a political tariff. Legislation has been introduced, retroactive in its character, for one purpose and one purpose only, and I say that such a thing is improper. It is improper for the Minister of Finance to tell certain people that inasmuch as they did not support his Australian treaty to his satisfaction he will do nothing for them. This, I submit, is anything but a proper frame of mind for the Minister of Finance, whoever he may be; it is not the right attitude for any Canadian minister to take towards the industrial life of the country.

Now, Mr. Speaker, we have moved an amendment the affirmative of which we say clearly expresses the attitude of the party to which we belong. Our position is stated in simple, clearcut language. In order that there may no misunderstanding, let me once more read that amendment:

> This house regrets that the measures proposed by the government do not tend to provide increased employment in Canada nor to induce the return of Canadians to their native land, nor to prevent the continued emigration of our people to the United States; and that they make no provisions for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the first of January 1929.

The policy of the Conservative party is to increase employment in Canada, to keep our people here and to induce the return of Canadians to their native land. The evidence given before this high court of parliament by the hon. members who have taken part in this debate proves conclusively that the policies in force at present are not having this effect, and neither are they preventing the continued emigration of our people to the United States.

The amendment also expresses regret that no provision has been made for the preservation of our domestic markets for Canadian farm and dairy products. I have under my hand a letter dealing with the butter and egg situation; the last commercial report deals with the competition of Russia in the egg markets of Great Britain. Look at our imports of butter and eggs and dairy products and see our position with respect to these matters. No attempt is made in the budget to improve that condition. Yesterday the Minister of Agriculture (Mr. Motherwell) tried to give some of the dairy interests of Canada a little comfort by quietly suggesting that the Australian treaty was not inviolable, but that there was provision by which it might be abrogated. Did he consult the Minister of Finance as to whether or not he would abrogate it? Not yet. That is the way in which the government is conducted, to try and induce hon. members yonder to believe the treaty will be abrogated in order that they may vote properly, while the Minister of Finance sits quietly in his seat knowing very well that he has no intention of abrogating that treaty in any way. In other words, if I might be permitted to use a colloquialism, it is his own baby and he proposes to nourish it. The amendment also regrets that no provision is made for the effective development of the natural resources of the country. You only have to consider the American commerce reports and the other publications to which I have alluded, to make the position perfectly clear.

Now, Mr. Speaker, the affirmative of that amendment expresses our settled convictions.

Mr. DUNNING: But not your policy.

Mr. BENNETT: It also expresses our policy, as outlined at Winnipeg. There is high authority for saying the policy is a chart, and there is still higher authority for saying it was never a compass, as far as the hon. gentleman is concerned. He feels very much hurt that he will no longer be able to make his diatribes against the Conservative party because of their alleged position with respect to tariff policies. Now he and the Minister of Agriculture must face the electors of Saskatchewan and explain why the butter markets of this country are being destroyed and why the farmers of Saskatchewan are going out of the dairying business. They will also have to explain why 3,000 head of dairy cattle were sold in Colchester county alone in the last six months.

These things will have to be explained, and the policy to which I have alluded is the policy of the party with which I have the honour to be associated for the present. We have no apologies to offer; we stand four-square by that policy, and repeat that Canada can only be built up by a proper appreciation of all those principles which political economists say are essential to the development of the resources of a new land. We must practise economy; we must practise thrift; we must reduce our national debt as rapidly as possible, to maintain the great heritage which Providence has given to us. In the words of the Prime Minister himself, this can only be done by taking full cognizance of the fact that there is a great republic to the south clamouring for our markets, invading them at every point and securing them wherever possible. Every bit of legislative machinery in our power and every tool we can pick up must be taken in hand and used to effect the purpose we have in mind, and when that purpose is effected they may be laid down again. If the country is being exploited by industry then this country and this parliament can deal with it.

Mr. YOUNG (Saskatoon): In what way?

Mr. BENNETT: My hon. friend is far too intelligent to require any reply. Excise duties and reduced tariffs, when industries are able to stand such measures, can make it impossible for this country to be exploited in that way. Everyone knows that; everyone who has studied this question at all is aware of that fact.

Now, sir, I have trespassed upon the time and attention of this house very much longer than I had intended, but there were many matters which came to my mind and which I thought should be dealt with. I am conscious of not having dealt with as many of them as I should have liked, but I do commend to this house and to this country the thought that in so far as we are endeavouring to criticize fearlessly, boldly and courageously the proposals of the government, we are within our rights. Every effort we can make to secure the health, happiness and prosperity of the people of this country will be made, and we will continue to urge that economy be practised in the conduct of our national affairs in order that we may no longer be threatened with the economic menace to which the president of the United States so fittingly referred.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in opening his remarks my friend the leader of the opposition (Mr. Bennett) expressed his appreciation of the high character and tone of the debate which has now lasted for almost four weeks. I am happy to join with him in his apprecia-

tion of the speeches which have been delivered. May I also venture to congratulate him on having the front rows of the opposition benches filled for the first time since this parliament has been in session. He has succeeded in bringing his wanderers back from different parts of the world. I see my hon. friend from West York (Sir Henry Drayton), who has just returned to us from the West Indies; my friend from Vancouver Centre (Mr. Stevens) who has just returned from Great Britain, and my friend the senior member for Halifax (Mr. Black), who has also come back from across the ocean. I say to these hon. members that we are pleased to see them here and glad to see them looking so hale and hearty. I might also say that I imagine not one of them has read the speech of the Minister of Finance (Mr. Robb). I doubt if they have read the amendments which have been moved by the Conservative party and the Progressive group; on the other hand I venture the assurance that they will all vote for the amendment proposed by the opposition, that they will vote against the amendment of the Progressive group and against the budget.

May I say to my hon. friend that I appreciate the manner of his presentation of the point of view of the opposition in its criticism of the budget. I shall endeavour to follow him as well as I can in the order in which he proceeded, and try to touch upon the various subjects with which he dealt. He opened his remarks by a number of references to hon. gentlemen on this side of the house who have spoken during the course of the debate. Most of those references were in the nature of poetic effusions—I do not know that I can follow my hon. friend there. One little quotation, however, did come to my mind, as I listened while he lectured us, and told of what had been done elsewhere as well as what should be done here. As I watched the expression on the faces of those who surround him, I thought of those lines:

> And still they gazed and still the wonder grew,
> That one small head should carry all he knew.

As far as I was able to follow my hon. friend, he began with references to the public debt. From that he proceeded to a discussion of railway finance, then he dealt with the taxation which is proposed for the coming year. He came next to the tariff and spoke at some length in that connection. Finally he concluded by a reference to the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan), which he said he was going to read to the house. Unfortunately, however, my hon. friend did not read the amendment, and for the sake of those members of his party who have just returned perhaps I could not do better than read it in order that they may know exactly what it is they are expected to support.

First of all, what is the present position? The Minister of Finance made a motion to the effect that the house resolve itself into committee of ways and means to consider certain resolutions which he was anxious to present. These resolutions are in accord with similar resolutions which have been moved by the Minister of Finance in previous years. They agree with those resolutions in following lines of fiscal policy which have been consistently maintained by the government from the very day that we took office, and which have brought surpluses instead of deficits, reductions instead of increases in public debt, and reductions instead of increases in taxation. My hon. friend in presenting his motion gave to the house a statement of the finances of the country during the past year. But my hon. friend the leader of the opposition seems to think that the Finance minister should not have touched upon the past year, and rather chided him with having failed to say a little more about the year to come. The Minister of Finance was erring on the safe side when, in giving a statement of the government's policies with respect to taxation and tariff and how they had worked out in the past year, he indicated that in following similar lines for the coming year, he was safe in predicting that the statement he would present at the end of the next financial year would be similar to that which he was then presenting. What was that statement? It was a statement to the effect that the balance sheet of the country showed a surplus, a very large surplus, a surplus running into very many millions of dollars; that it showed reductions in the public debt of many millions, and reductions in taxation as well. Those were the three outstanding features of the budget. The Minister of Finance pointed out wherein, by following along lines he indicated, the government had been able to achieve these results, and he predicted that in the next statement which he would present, following lines parallel to those which had been followed in the past year, there would be another surplus, further reduction of the pubic debt, and possibly further reductions of taxation. One would have thought that the presentation of a statement of that character would have met with some measure of general appreciation. Instead of that, however, it has brought forth two amendments, each of which is similar to the other in one

particular only, namely, that each is in the nature of an expression of regret that the Minister of Finance has not gone far enough. But the interesting feature of the two amendments is this—that while hon. gentlemen immediately opposite regret that the Minister of Finance has not gone far enough in one direction, the Progressive group are supporting an amendment which regrets that the government has not gone further in an opposite direction. That is the real significance of the two amendments which are before us. Let me read the amendments in the words in which they have been presented to the house.

On February 16 the Minister of Finance moved:

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

On February 20, the hon. member for St. Lawrence-St. George moved the following amendment:

That all the words after the word "that" be struck out and the following substituted therefor:

This house regrets that the measures proposed by the government do not tend to provide increased employment in Canada, nor to induce the return of Canadians to their native land, nor to prevent the continued emigration of our people to the United States; and that they make no provisions for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the 1st of January, 1929.

Then on February 22nd, the hon. member for East Lambton (Mr. Fansher), of the Progressive group, moved:

That all the words after the word "regrets" in the amendment be struck out and the following substituted therefor:

"That the government proposes further reductions in the income tax, thus making a serious departure from the principle of direct taxation; that the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public; and that the sales tax on the necessaries of life has not been eliminated."

As I said, Mr. Speaker, these amendments are similar in one particular only, namely, that each expresses a certain regret. It is true that each takes cognizance of the sales tax. Hon. gentlemen immediately opposite regret that the sales tax was not completely removed. Hon. gentlemen supporting the sub-amendment regret that the tax is not wholly removed on the necessaries of life. But when it comes to the rest of the amendments, hon. gentlemen of both parties regret that we have not followed policies based on fiscal principles diametrically opposed to one another. That is the line of criticism that the government has to meet. The public, I think, will be quick to appreciate that those who are opposing the government are greatly divided and not united. The public will be able to make a comparison between the weakness of the disunited criticism of the opposition and the merit of the united support which the budget will receive from this side of the house.

Let me come immediately to the question of the public debt. In order that the policy of the present administration may be appreciated in its true perspective, it is necessary to consider the situation as the government encountered it when we came into office. My hon. friend, in the course of his remarks, gave certain figures of taxation during the six or eight years prior to that time. He pointed out that during that period the governments then in office had taken from the taxpayers of Canada only a certain amount of taxation. He then quoted the amounts which had been taken from the taxpayers since we came into office and said: "Behold the much greater amount of taxation which the present government has taken from the people of this Dominion." Rightly understood, my hon. friend's comparison is a condemnation of hon. gentlemen opposite. What took place during the eight or ten years which preceded our coming into office? When the country was at war did hon. gentlemen opposite tax the people of Canada as was done in England, in France, anl elsewhere in order to carry on the war? They did not tax them to the extent of a single dollar for the purpose of carrying on the war, but left to their successors the payment of every dollar of the capital cost of the war. They did worse than that. They left to their successors the payment as well of every dollar of the cost of demobilization. My hon. friend talked about the mortgage on the farm. His friends left the country with a mortgage to the extent of one billion and several hundreds of millions of dollars, not one dollar of which did they seek to meet while in office. When we came into power we were at once confronted with the debts left by hon. gentlemen opposite. We found that the country had been going deeper and deeper into debt, and we took the first step necessary to save it, namely, that of seeking to "make ends meet," or in other words, to balance the budget. May I go further. Hon. gentlemen may say with respect to the war that the expenditure was abnormal, and that they did not expect to be able to meet that expenditure by taxation at the time. But what about the normal, ordinary expenditures at the time they were in office? If my memory

serves me aright, hon. gentlemen opposite, when they say they were taxing the people so lightly, added in the period of the war and demobilization on ordinary account an expenditure of something over $13,773,000. To this was added another $173,000,000 of deficits for the fiscal years 1920-21, 1921-22. That is the situation with which we were confronted. What did the Right Hon. Mr. Fielding, then Minister of Finance, point out? He informed parliament that if the policy continued of not balancing the budget, of not even seeking to have revenues equal expenditures, this country would go further and further into bankruptcy and from bankruptcy into utter ruin. It was to overcome that situation and to reach a point where our finances would be on an even basis that this government undertook to levy a little more in the way of additional taxation, sufficient to help to reach a point where expenditures and revenues would be more or less equal. We came into office on December 29, 1921. That was the fiscal year for which hon. gentlemen opposite had provided. Their own Minister of Finance prepared the budget, and I claim, and I think hon. gentlemen will admit, that the figures relating to that year belong appropriately to their administration. I will say for my hon. friend's predecessor that he had courage enough to add something in the way of taxation during the time that he was in office. He had greater courage in that regard than the Union government which preceded him, but he did not add anything like enough to meet even the expenditures which he incurred, as I will show in a few moments. But if you compare the two years of his administration with the three following years of our administration, which three years were taken to bring about an adjustment of the finances of Canada, a readjustment so that we would reach a point at which the budget would balance, and then the three years following, you will see the successful working out of a consistent line of policy on the part of the Liberal administration. Those years disclose what? They disclose, as the Minister of Finance showed in the budget statement which he made the other day, surpluses instead of deficits, reduction of debt instead of increase of debt, reduction of taxation instead of increase of taxation. Let me give the statement to the house as briefly as I can.

According to the public accounts for the fiscal year 1920-21—I am giving the figures in millions of dollars—the total revenue amounted to $436,000,000 and the expenditure to $528,000,000, or a deficit of $92,000,000. That deficit of $92,000,000 was due to what?

Mr. BENNETT: Railways.

Mr. MACKENZIE KING: It was due to the fact that my hon. friends did not levy the taxation which they are accusing us of levying. It is easy for my hon. friend to take credit to himself and to his party and say that they were saving the people taxation in those days. They were adding and did add $92,000,000 of taxation that had to be met at some time and had to be met rather quickly if this country was not to go into bankruptcy. What about the following year? In 1921-22 the revenues amounted to $382,000,000 and the expenditures to $463,000,000, or another addition to the debt of this country of $81,000,000, not on war account, but on account of the ordinary business of government. Then we came into office and we were confronted, as I have said, with the obligations which hon. gentlemen opposite left to us. Our first effort was to readjust finances so as to bring about a balancing of expenditures and revenues. In the first year it was impossible completely to avoid a further deficit; but let me give the house the figures for that year. In 1922-23 revenues amounted to $403,000,000 and expenditures to $435,000,000 with a consequent deficit, not of $92,000,000 or $81,000,000, but of $32,000,000. In the following year, 1923-24, revenues were $407,000,000 and expenditures $371,000,000, bringing for the first time a surplus, and that a surplus of $36,000,000, and from that moment on to the present we have had surpluses every year. If, instead of surpluses, we had brought in deficits, hon. gentlemen opposite might well have started their amendment with regrets; but when the showing is what it is from that time on, the government I submit deserves something in the way of real appreciation from the house and from them in particular. The figures for the later years are as follows:

Fiscal year	Revenues	Expenditures	Surplus About
1924-25 ..	$352,000,000	$351,000,000	$ 300,000
1925-26 ..	383,000,000	355,000,000	28,000,000
1926-27 ..	401,000,000	359,000,000	42,000,000
1927-28 ..	419,000,000	365,000,000	54,000,000

The Minister of Finance gave as his surplus not $54,000,000, but that amount less $16,000,000. What was that $16,000,000? Of it, $14,000,000 was in the nature of loans made by hon. gentlemen opposite on soldier land settlement, loans which no future government would be able to collect and which, in order that the slate might be cleared of a bad debt, was wiped off entirely by the Minister of Finance. Then there were further moneys amounting to $2,000,000 given as loans in the way of relief for seed grain.

The Minister of Finance might have left those on the books if he had wished to do so, and if he had done so the surplus this year, instead of being $38,000,000, would have been $54,000,000. That is the real showing which has been made on the accounts for the last fiscal year. What my hon. friend did this year with regard to those bad debts was what in a much larger way the government has been doing right along with the deficits which were left to us by hon. gentlemen opposite.

Having been confronted with the obvious inferences of this statement, various speakers on the other side have insinuated that in some way the accounts have not been kept as they formerly were. The first criticism was that we should include in the general expenditures of the government expenditures made on account of the Canadian National Railways, and hon. gentlemen have repeated that over and over again. With respect to expenditures on the Canadian National Railways, may I say that there is no reason why those expenditures should be included in the public accounts as part of the ordinary expenditures of the government, and this for the following reasons: First, they never have been; from the days of confederation down to the present time the railway accounts have been kept separate. In the second place, the Canadian National Railways is in the nature of an industrial enterprise which is being operated not at cost but for purposes of profit and gain. It is in competition with a great private enterprise, the Canadian Pacific Railway, and if a just policy is to be exercised towards all the railways in this country, we must permit the Canadian National Railways to seek to make their profits just as the Canadian Pacific Railway Company seek to make theirs. In the third place the whole control of the government railways has been taken out of the hands of the administration; the railways have been placed under the control of a president and board of directors who, by authority of parliament, are completely removed from any control on the part of the administration. I ask whether in those circumstances it would be fair and proper that the accounts of the Canadian National railways should be made part of the ordinary government expenditures.

But more than that. As has been very properly said in this debate, the Canadian National Railways are on all fours with a large industrial enterprise, such as the Hydro-Electric in the province of Ontario—an industrial enterprise which is in the nature of a great business corporation giving service to the public at large, but being conducted along lines similar to those followed by any large industrial enterprise. Every industrial corporation looking to the future will make outlays in the present with the expectation that returns will come in the course of a period of years. That has been the case with the Canadian National Railways. When one looks at the advances that have been made to the Canadian National Railways, one will discover that while money has been advanced from parliament to the Canadian National Railways, it has gone into improvements of a character which, though it may take years to bring results, we nevertheless expect in the course of time, will more and more justify the advances which have been made. May I point out this difference between the advances made by hon. gentlemen opposite to the Canadian National Railways and the advances made by the present administration? For the most part the advances which hon. gentlemen opposite made went to meet deficits in operation. The advances which have been made by the present administration have for the most part gone into improvements and extensions of a character likely vastly to increase the revenues of the railway in the course of time.

With respect to the statement that a different method in accounting has been followed by the present administration than was formerly the case, may I say that I am glad my hon. friend from West York is present, because I think he will bear me out when I mention that when he was Minister of Finance he called in a firm of auditors in the city of Toronto, the firm of Edwards, Morgan and Company, chartered accountants, to audit the books of the Finance department. The hon. member for South Wellington (Mr. Guthrie), speaking in this house the other day, said that it was a new idea to have an outside auditor come in and audit the books of the government, but my hon. friend from West York agrees that when he was in office as Finance Minister he engaged this firm of chartered accountants to audit the boks. They did so, and having audited the books, my hon. friend from West York published in the public accounts of that year the following certificate which was given:

> We have examined the balance sheet of the Dominion of Canada (shown herewith) as of March 31, 1920, also the expenditure and revenue account for the fiscal year ended on the said date, and have verified the same by reference to the Dominion ledgers. We certify that the above-mentioned statements accurately set forth the matters therein referred to, and are as shown by the said books.
>
> (Signed) Edwards, Morgan and Company.
> Chartered Accountants

In the course of the next year or two criticism came from hon. gentlemen opposite that, in keeping the railway accounts separate from the ordinary accounts, we were adopting a different method from that followed by my hon. friend. The Minister of Finance (Mr. Robb) then called in the same firm that my hon. friend from West York had retained when he was Minister of Finance, and asked them to examine the books and to give a certificate. This the government published in the public accounts, as follows:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion, issues of the Canadian National Railway Company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.
>
> (Signed) Geo. Edwards,
> Of the firm of Edwards, Morgan & Co.
> W. Garth Thomson.
> Of the firm of Peat, Marwick, Mitchell & Co

This year, my hon. friend the Minister of Finance, seeing that hon. gentlemen opposite were still criticising the administration on the score of having altered the method of keeping the accounts, asked another firm of auditors, Messrs. P. S. Ross and Sons, chartered accountants, of Montreal, to audit the books, and they presented the following certificate which appears in the public accounts of last year:

> We certify that the published balance sheets examined by us have been compiled in a manner similar to the corresponding statements of previous years, and do not include in the net debt of the Dominion, issues of the Canadian National Railway Company and the companies included in its system which carry the guarantee of the Dominion. The details of such guarantees have been shown separately each year in the public accounts.
>
> (Signed) P. S. Ross & Sons,
> Chartered Accountants.

I think we can take it as now definitely settled that so far as accounting is concerned the government is justified in saying and the country in believing that comparisons will be on lines parallel to those which were followed by hon. gentlemen opposite when they were in office, and that any figures which we give to the country through the public accounts are correct in all particulars.

Let me deal for a moment more particularly with the railways financing. What is the record as it appears? I have not time to go at great length into a volume of figures, but I have taken some trouble to gather together figures that are significant with respect to the operation of the railways, and here again I would ask hon. members to note the difference in the three periods which I have mentioned—the period during which hon. gentlemen opposite were in office, the three years when we were seeking to readjust the finances of the country, and the last three years in which there has been more in the way of substantial success achieved. Take, first of all, the cash advances to the Canadian National Railways. There are two classes of figures which record these cash advances; there are the figures in the books of the Finance department, and there are the figures in the books of the Department of Railways. The books of the Department of Railways record as such all the cash advances that are made. The Finance department gives as its figures of cash advances the total advances less any refunds made by the railways to that department. I am going to give both columns so that hon. members will see that I am not seeking to give one set of figures rather than the other:

Fiscal Year	Actual net advance as per books of Railway department
1920-21	110,329,351 52
1921-22	111,940,957 42

Then coming to the years of the present administration, the cash advances are not in terms of hundreds of millions, not $110,000,000 or $111,000,000, but in 1922-23 the net advance was $80,678,179.29. That dropped in 1923-24 to $24,550,000, and dropped again in 1924-25 to $10,000,000; $10,000,000 again in 1925-26, and $10,000,000 in 1926-27.

Now, taking the figures of the Finance department, we find as follows:

Fiscal Year	Net Cash advanced as disclosed by books of Department of Finance
1920-21	$109,662,655 36
1921-22	97,950,645 36

Those were the years when hon. gentlemen opposite were in office. Coming to the years of the present administration, the figures are as follows:

1922-23	$77,863,938 23
1923-24	23,710,616 70
1924-25	9,934,452 64
1925-26	10,000,000 00
1926-27	10,000,000 00

That is a showing vastly to the credit of the present administration.

I have here a statement of the operating deficits or surpluses on the Canadian National Railways under the two administrations. During the period hon. gentlemen opposite were in office there were deficits each year—these are calendar years—but from the moment the present administration came into office there was a surplus which has grown more or less every year. The figures are as follows:

Canadian National Railways
Operating Deficits or Surpluses
(Calendar years)

	Deficits	Surpluses
1920	$34,532,703 00	
1921	11,543,378 00	
1922		$ 2,886,711 55
1923		20,430,649 08
1924		17,244,251 48
1925		32,264,414 79
1926		46,483,192 55
1927		42,113,976 45

Now take the total deficits after fixed charges, and note how they figure out:

Canadian National Railways
Total Deficit after Fixed Charges
(Calendar Years)

1920	$80,478,828 00
1921	69,866,589 00
1922	57,960,097 78
1923	51,697,674 94
1924	54,860,419 22
1925	41,444,764 42
1926	29,701,444 91
1927	34,373,027 22

A steady improvement all along the line from the time the present administration took charge of national affairs.

Take the bond issues of the Canadian National Railways guaranteed by the government, and the same improvement appears:

	Canadian National Railways Guaranteed Bond Issues
1919-20	$ 17,109,027 00
1920-21	50,000,000 00
1921-22	61,000,000 00
1922-23	Nil
1923-24	72,500,000 00
1924-25	81,000,000 00
1925-26	Nil
1926-27	34,879,252 86
1927-28	65,000,000 00
	$381,488,279 86

Let me say a word about the guarantee of $34,879,252.86 in 1926-27. That was the statutory guarantee required by the Grand Trunk Pacific 4 per cent debenture settlement. The dispute had been outstanding since the Grand Trunk Pacific went into receivership in 1919. It ought not, therefore, to be held against the present management which arranged the settlement, or the government which recommended ratification by parliament last year. So the record with respect to railway financing would go to show that during the period that this administration has been in office there has been a steady improvement—a steady decline in deficits, a steady lessening of advances, a steady lessening also of guarantees.

Let me come to the contention of hon. gentlemen opposite, that in presenting the public accounts for purpose of comparison we should take account of all expenditures no matter whence they may arise. There are three comparable sets of figures which can be used for purposes of comparison. You can take the ordinary expenditure of the government as it appears in the public accounts; or the ordinary, plus the special and capital expenditure, but not including the Canadian National Railways and the government merchant marine; or, the first two sets I have mentioned, plus what is advanced for the Canadian National Ralways and for the merchant marine. Let me place on Hansard a statement of all three. It goes to show that no matter which of these three sets of comparable figures you take, the same improvement all along the line is apparent:

Expenditures
(In millions of dollars)

Fiscal Year	Ordinary (Chargeable to consolidated fund)	Ordinary plus capital and special (Not including C.N.R. and M.M.)	Total (Inc. C.N.R. and M.M.)	Per capita expenditures
1920-21	361	418	528	$60 11
1921-22	347	365	463	52 03
1922-23	332	350	434	$48 15
1923-24	324	344	370	40 50
1924-25	**318**	**339**	351	37 89
1925-26	320	343	355	$37 83
1926-27	319	346	359	37 67
1927-28 (est.)	333	361	365 *	37 80

* Exclusive of $16,000,000 written off soldiers' land settlement loans and seed grain loans.

This statement shows that total expenditures for 1927-28 were about one million less than in 1921-22 and about 164 million less than in 1920-21.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: When the house rose at six o'clock I was about to take up the representations of the leader of the opposition (Mr. Bennett) with respect to the public debt of the Dominion. I notice that in his presentation this afternoon my hon. friend took an attitude somewhat different from that which he assumed when speaking on the address. On that occasion he intimated that the government had increased the public debt. He alleged that the government was responsible for the increase of the debt in the fiscal year 1921-22 and in the fiscal year 1922-23. He did not repeat that comparison this afternoon, but I should like nevertheless to point out to him at this juncture how unfair it was. The fiscal year 1921-22 was the year in which his friends were in office during nine months out of the twelve. The present administration came into office in December 1921, and, as I said this afternoon, the budget of that year had been prepared by a Minister of Finance who was a member of the Conservative government of the time. Therefore the responsibility for the relation of the revenues to expenditures was entirely attributable to the budget as then brought down; and that budget occasioned an increase in the public debt of $81,000,000. It is not argument but a species of legerdemain to charge this government with that increase in the debt; it must be ascribed to hon. gentlemen opposite. And the increase in the following year, the increase of some $31,000,000 odd, was inevitable in view of the large amount of obligations which were left on the doorstep of the present administration, which had to be met before we could begin to deal in any adequate measure with the necessities of the public service. The correct comparison, as I have already stated, is between the two years for the most part of office of hon. gentlemen opposite prior to the time at which the present government took office, the years 1920-21, and 1921-22 and the three years succeeding, which was a period of financial readjustment leading to surpluses instead of deficits, as well as the three years following that, of which this is the third, and which is a period of tax and debt reduction.

I shall now place before the house in tabular form the additions to net national debt as shown by the figures from the public accounts for these years:

Additions and Reductions in Net National Debt
(In Millions of dollars)

Net consolidated debt, Mar. 31.					
1920			= 2,248		
					Addition
2 years Cons.—					to debt
1920-21,	Mar.	31,	1921	= 2,340 +	92
1921-22,	Mar.	31,	1922	= 2,422 +	81 = + 173
					Reductions
3 years Lib.—					in Debt
1922-23,	Mar.	31,	1923	= 2,453 +	32
1923-24,	Mar.	31,	1924	= 2,417 —	36
1924-25,	Mar.	31,	1925	= 2,417 —	0.3 = — 5
1925-26,	Mar.	31,	1926	= 2,390 —	28
1926-27,	Mar.	31,	1927	= 2,347 —	42
1927-28,	Mar.	31,	1928	= 2,308 —	38 = — 108

For the two years ending 1921 and 1922 the addition to the debt was $92,000,000 in the one case and $81,000,000 in the other, or a total additional debt in those two years of $173,000,000. Now in the first three years of Liberal administration, which I have called the period of financial readjustment, the increase in the debt, taking the year ending 1923, was $32,000,000; in the following year there was not an increase but a reduction in the debt to the extent of $36,000,000; while in the subsequent year there was a reduction of some $300,000 odd. In other words, it took three years for the present administration to get the affairs of the country so readjusted as to have surpluses replace the deficits of the old administration. From that time on we have had continuously surpluses as follows: In the year ending 1926, $28,000,000; 1927, $42,000,000; and this year we have a surplus of $38,000,000—a surplus which would have amounted to $54,000,000 had the Minister of Finance not written off the bad debts which grew out of loans made by our predecessors for soldier land settlement and for relief in the form of seed grain.

Not only has the present administration reduced the public debt in the manner I have indicated, but we have also considerably reduced the burden which the taxpayers of the country must carry, in meeting interest on the debt, by the system of refunding at a lower rate of interest which the present Minister of Finance has brought about. The present minister found that hon. gentlemen opposite had been making loans at high rates of interest over long periods and he immediately set to work to see whether it was not possible, by refunding, to reduce these loans and to issue new loans at lower rates of

interest. He has succeeded to the extent of reducing the current burden of the Canadian taxpayer, on account of interest on the public debt, by a total of some $13,000,000. This he has accomplished through refunding. I will not read the entire statement, but with the permission of the house I will have it embodied in Hansard:

Statement showing the Increase or Decrease in the Annual Interest Charges on the Public Debt due to the issue or retirement of Loans each year since 1920–1921

Fiscal Year	Due to Refunding at lower interest rate	Due to Retirement of outstanding loans	Total Reduction in annual interest charges
	$	$	$
1920–21	.....	4,144,225	4,144,225
1921–22	556,600 Inc.	3,335,041 Inc.	3,891,641 Inc.
Net reduction for years 1920–21 and 1921–22	.....	.....	252,584
1922–23	900,048	1,768,805	2,668,853
1923–24	1,107,611	1,797,563*	2,905,174*
1924–25	2,506,713	14,886	2,521,599
1925–26	166,812	773,913	940,725
1926–27	275,000 Inc.	1,320,000	1,045,000
1927–28	675,000	2,932,811	3,607,811
Total reduction 1922–23 to 1927–28	.....	.....	13,689,162

*In 1923–24, the dollar bond loans from the Imperial government of $2,000,000, 3½%, due 1925–28, and $65,207,351, 4½%, due 1925–45, were written off by agreement against advances made by the Dominion to the Imperial government. The annual interest of $3,004,331 on these loans is included in the above figures as a reduction in interest charges.

Now I come to the next subject dealt with by my hon. friend opposite. Throughout this debate an effort has been made on the part of the opposition to have it appear that the reductions in taxation which we have been steadily making are in the last analysis simply the equivalent of the additional taxation which, after we came into office, we found it necessary to impose. As I have already pointed out to hon. gentlemen opposite this additional taxation was necessary to meet their debts; it was necessary to meet the obligations which they had left to us. I take issue with my hon. friends opposite in the allegation that the reduction of taxation which we have effected is merely the corresponding equivalent of the increase. What were the taxes which we found imposed when we came into office? There were, of course, the duties of customs and excise, but there were also the special war taxes such as the income tax, the sales tax and the tax upon cheques, promissory notes and the like. In the year ending 1922 we added a tax on receipts, we slightly increased the tax on cheques and on promissory notes and bills of exchange, and made some changes in the sales tax. But these taxes we have long since reduced to a point lower than they were at the time we came into office.

The sales tax was a tax which as I have said we did increase slightly, but we did away with the system of pyramiding which under hon. gentlemen opposite had existed, and which made the sales tax very much higher in reality than it has ever been since 1923. We have exempted from the operation of the sales tax an increasing number of articles; we have cut the tax in half in some cases, and once we had discharged the special obligations which it was increased to meet, we have steadily reduced its rate.

With respect to the income tax, again the record of this government has been one of reduction, but not reduction of taxation with increase of debt; it has been reduction of taxation accompanied by reduction of the public debt. I wish to stress that point to hon. members of the house, because I would agree with those who say that there is no justification for reducing the income tax so long as we are adding to the general debt of the country, and so long as the public debt of the country is not being paid off at an appreciable rate. I would point out to hon. members, however, that this year for example we have paid off of the public debt, taking the bad loans to which I have referred, the sum of $54,000,000, which is very much in advance of the sum suggested by the leader of the opposition this afternoon as an annual reduction in the public debt under the scheme which he thought should be adopted as a

sinking fund. In order that hon. members may have the record in a form which will make possible easy reference and verification I will place on Hansard a few statistical tables which I have prepared in order to make quite clear the exact reductions in taxation which have been effected by the present administration.

Take first the taxes on receipts, on cheques and on postage.

Reductions in Taxation in Budget Years on Receipts, cheques, notes and postage

Taxes imposed when present Administration came into office	1922	1923	1924	1925	1926	1927	1928
	2c. on receipt for $10. or over.		Receipt tax		Receipt tax abolished		
	Tax on cheques, bills of exchange, promissory notes and similar documents.						
2c. on every cheque, bill of exchange, and promissory note.	2c. on every additional $50. Maximum tax, $2.	Maximum tax, $1		Remitted on cheques, etc up to $5.00.		Remitted on cheques up to $10. Reduced to flat rate of 2c. on all cheques above $10.	
Postage 3c. since 1915.					Postage reduced to 2c.		

As to the receipt tax, that was a tax of two cents on all receipts of $10 or over, which was imposed in 1922. That tax does not exist to-day; it was abolished in 1926; in that regard it cannot be said that we are now taking off a tax which we imposed. Then consider the tax on cheques, bills of exchange, promissory notes and other documents. When we came into office we found a tax of two cents on every cheque, bill of exchange and promissory note, and in our first year in office we provided that there should be a tax of two cents on every additional $50, with a maximum tax of $2, which was reduced to $1 in 1923. That was an increase in the amount of the tax on cheques and notes, but in 1925 we took off the tax on cheques up to $5, so at that time we were bringing our taxation on cheques and similar documents to a lower point than was the case with similar taxation under hon. gentlemen opposite when they were in office. In 1927 we went still further; we abolished the tax on cheques up to $10 and reduced to a flat rate of two cents the tax on cheques over $10. The tax on cheques is therefore at present much lower than that which existed at the time we came into power.

Again, when we came into office the price of postage stamps, which is a form of taxation, was three cents on all letters sent to any part of the Dominion or to Great Britain, and that tax had been in existence since 1915. In 1926 we reduced the postage to two cents, in other words we restored penny postage, which meant a reduction of 33⅓ per cent if one wishes to figure it out on a percentage basis. I contend that these figures, if the estimates were properly prepared, would show that we have taken off under these heads alone a great deal more than the additional taxation which we imposed in order to make the budgets balance in a satisfactory way.

Let us come now to the sales tax, and let us consider the increases and reductions in the rate of that tax. And here again let me present the figures in the form of a statistical table, so that the facts can be seen at a glance.

Sales Tax by Budget Years

Increases and Reductions in Rates.

1921	1922	1923	1924	1925	1926	1927	1928
Various rates from 1½% to 4% (on goods imported by retailers or consumers). Normal rate from manufacturer or wholesaler to consumer 3%.	Rates increased by one-half from 2¼% to 6% (on goods imported by retailers or consumers). Normal rate from manufacturer or wholesaler to consumer 4½%.	Rates raised to a straight 6%.*	Rates reduced to a straight 5%. Rate reduced to 2½% on boots and shoes and rubber footwear. 50% reduction on biscuits, canned vegetables, fruits, etc., printing paper, creosoted railroad ties.		Sales Tax reduced to 2½% on canned fish.	General rate reduced to 4%. 50% reduction on apples, dried, desiccated, or evaporated; moist mincemeat.	General rate reduced to 3%.

NOTE.—*Prior to January 1, 1924, sales tax pyramided on successive sales and in some cases reached as much as 10%.

In 1921 when hon. gentlemen opposite were in office, there were various rates ranging from 1½ per cent to 4 per cent on goods imported by retailers or consumers. The normal rate from the manufacturer or the wholesaler to the consumer was 3 per cent. In 1922 the rates were increased by one-half from 2¼ per cent to 6 per cent, on goods imported by retailers or consumers. The normal rate from the manufacturer or wholesaler to the consumer was 4½ per cent. In 1923 the rates were raised to a straight 6 per cent; that is the rate about which we have heard so much in this discussion. But simultaneously with that increase the system of pyramiding which had been in existence under hon. gentlemen opposite was done away with. Under that system on successive sales the tax in some cases reached as high as 10 per cent. From that time we continued year by year to reduce the tax.

Mr. BENNETT: Pyramiding still goes on.

Mr. MACKENZIE KING: But not in the same form or to anything like the same extent. In 1924 the rates were reduced from 3 per cent to 5 per cent, and the rates on boots and shoes and rubber footwear were reduced to 2½ per cent. There was a 50 per cent reduction in the rate on biscuits, canned vegetables, fruits, printing paper, creosoted railway ties and so on. Then in 1926 the tax on canned fish was reduced to 2½ per cent. In 1927 the general rate, which had been 6 per cent in 1923, and which was reduced to 5 per cent in 1924, became 4 per cent, with a 50 per cent reduction in addition on dried apples and other products. Then in 1928 this policy of a steady reduction of the sales tax was continued and the rate was reduced to 3 per cent; that is in the budget of the present year. So there has been a steady reduction of the rate of tax from the time it stood at 6 per cent, and to-day it stands at a very much lower figure than it did when hon. gentlemen opposite were in office. That only covers the reduction in the rate. In addition there was a very large list of exemptions. I will ask permission of the house to place this list on Hansard without reading it, simply stating that the exemptions fall broadly into three groups. First there are the exemptions on implements of production in the basic industries, then exemptions on necessities of life, and a large miscellaneous list in addition.

Sales Tax by Budget Years

Exemptions

Implements of Production

1921	1922	1923	1924	1925	1926	1927	1928
	Fish hooks, for deep-sea or lake fishing, certain lines, seines and nets; manilla fibre for use in manufacture of rope for fisheries as defined by tariff item 682; boats for use in fisheries and articles and materials used in their manufacture.	Drain titles for agricultural purposes.	Fire brick of various kinds as defined by tariff Items 281 and 281a; coil chain and links as defined by tariff items 410 and 410a; agricultural implements of practically all sorts, as defined by tariff items 445, 445a, 445b, 446, 446b, 446c, 447, 447b, 448, 449, 450 and 591; machinery for sawing lumber and logging purposes, as defined by tariff item 453b; ore crushers, rock crushers, stamp mills, rock drills and other machinery for mining operations, as defined by tariff item 453c; ingot moulds for use in the production of steel; sundry articles of metal, when for use exclusively in mining or metallurgical operations; this list is extensive and is contained in tariff items 460; and 460a; machinery and apparatus for use exclusively in washing coal or for the manufacture of coke and gas, as defined by 460b; articles of metal, when for use exclusively in the smelting of iron ore or in metallurgical operations, as contained in tariff items 460c and 460d; machinery and appliances of iron or steel for use in alluvial gold mining, as contained in tariff item 461; iron and steel pipe under items 461a and 1017; freight wagons, drays and sleighs, n.o.p., and complete parts thereof; cream separators and parts thereof, and articles and materials for use in their manufacture; cars and other similar appliances for use exclusively by a mine or quarry and articles to be used in their manufacture; wool rolls, or wool yarn, milled for a producer of wool from such wool supplied by him for his own use; cotton duck and cotton sail twine used in the manufacture of equipment for ships or vessels.	Lasts for boots and shoes, including rubber footwear and patterns and dies for boots and shoes, including rubber foot-wear. Engines and complete parts thereof, used for propulsion of fishermen's boats, as defined by tariff item 453e.	Machinery and apparatus and parts for use in the production of unrefined oil or fertilizer from shales, under tariff item 469b; Certain iron and steel tubing for use only in oil wells, and machinery and apparatus used for pumping oil from the wells.		

Necessities of Life

Farm produce sold by the individual farmer of his own production; Materials for use solely in manufacture of oleomargarine or any substitute for butter or lard.	Self-raising flour; rolled wheat; condensed milk, evaporated milk and powdered milk; salt.	Barley meal	Syrups and molasses of all kinds; milk foods; prepared cereal foods in packages not exceeding 25 lbs.; sage and tapiaco; rennet; ice cream; rice, cleaned; macaroni; vermicelli; meats, salted or smoked; bakers cakes and pies.	Vegetable plants.	Pot barley; pearl barley; split peas; glucose or grape sugar; glucose syrup and corn syrup or any syrups containing an admixture thereof.		

Sales Tax by Budget Years

Exemptions

Miscellaneous

1921	1922	1923	1924	1925	1926	1927	1928
Bran, shorts, middlings, oilcake, oilcake meal; grains mixed or crushed for cattle or poultry feed; bees; logs and round unmanufactured timber; fence posts, railroad ties, pulpwood, tan bark and other articles, the product of the forest, when produced and sold by the individual settler or farmer; materials for use only in the equipment and repair of ships; artificial eyes; war veterans' badges; memorials or monuments erected in memory of soldiers who fell in the great war; articles imported for the use of the Governor General; articles imported for the personal or official use of consuls general who are natives or citizens of the country they represent, and who are not engaged in any other business or profession; bibles, missals, prayer books, psalm and hymn books, religious tracts and Sunday School lesson pictures.	Fertilizers, and materials entering into the manufacture thereof; dried beet pulp.	Manuscript; raw furs; wool not further prepared than washed.	Books of a kind for use by deaf, dumb and blind, under tariff Item 173; books for use in universities, colleges and schools; books specially imported for the bona fide use of incorporated mechanics' institutes, public libraries, libraries of universities, colleges and schools, or for the library of any incorporated medical, law, literary, scientific, or art association or society, and being the property of the organized authorities of such library, and not in any case the property of individuals—Tariff item 175. Printed text books authorized by the Department of Education of any province in Canada and materials used exclusively in the manufacture or production thereof; bells, when imported for use of churches only (T.I. 352a). Surgical and dental instruments of metal; surgical needles; X-ray apparatus, microscopes, etc. under tariff items 466 and 466a; Crutches or specially constructed staffs for a cripple. Binder twine or twine for harvest binders. Nitro-glycerine, giant powder, nitre and other explosives, n.o.p. Blasting and mining powder. Certain philosophical and scientific apparatus, including utensils, instruments, etc., as defined by tariff item 696. Nicotine sulphate. Dry and liquid (non-alcoholic) preparations for disinfecting, dipping and spraying, n.o.p. Insulin; calf, cattle, hog or poultry feed; carbolic or heavy oil, to be used only in creosoting logs and round unmanufactured timber; Usual coverings, to be used exclusively for covering goods not subject to the consumption or sales tax; Materials to be used exclusively in the manufacture of usual coverings to be used for covering goods not subject to the consumption or sales tax; Coins, cabinets of; collections of medals and postage stamps, as covered by item 692.		Animals and articles brought into Canada under tariff items 700, 701, 702, 703 and 704.		

If hon. members will take the trouble to look carefully through that list I think those who are regretting that the sales tax has not been completely eliminated with respect to the necessities of life will find something which will enable them to revise their judgments

[Mr. Mackenzie King.]

Now may I say just a word with regard to the clause in the amendment which suggests that the sales tax should be entirely removed. There are two or three outstanding reasons why that is impossible or at all events inadvisable. This afternoon I gave one reason which of course is self evident; that reason was that there are heavy obligations which came down to us from the period of the war, which must be met. Taxes have to be raised somewhere and somehow and the sales tax having been in existence for some time it is perhaps advisable, if it is to be removed, that it should be removed by degrees rather than all at once. The reason why the sales tax should be removed by degrees will be apparent to hon. members who were in the house at the time parliament was asked to vote a large sum of money in order to make a refund to automobile dealers who had stocks of automobiles on hand when the tax on automobiles was abolished. They had paid the tax, and it was held that it was most unfair, when subsequently they were unable to pass it on to the consumers because of the reduced prices owing to the sudden change in taxation, that they should not be recompensed, and parliament decided to give them back these sums in order to reimburse them for the money which had been exacted in the form of taxation. Now in a number of instances where taxes are being reduced the practice has been followed of reducing by stages. By making the reduction at the rate of one per cent at a time the merchants and dealers are able to absorb it. If however, you take the tax off completely, you are liable to create a serious injustice to a large number of persons in the country who have on hand supplies of the articles on which the sales tax is imposed. You are unfair towards a large class of citizens, and apt to create an uncertainty or unrest in business which, in the net result, is bound to be baneful. So I say that if my hon. friends who have in their amendment suggested that the sales tax should be completely removed, will reconsider the matter from the point of view of what is sound business in the commercial community, they will see that the reason I have just advanced is not only a thoroughly good and effective one, but one which has been endorsed by the action of this very parliament in dealing with a situation created heretofore owing in a particular instance to the complete abolition of the tax. So much then, for the sales tax.

Now I come to the income tax. Here again may I stress the point that the present government, in connection with this tax as with all others, has sought to bring such relief as it could to the taxpayers of the country. One form of that relief has been in exemptions from income tax. I venture to say that those who are asking us to retain the tax would not ask us to restore it with respect to any of the exemptions which have been granted under it. But if the income tax is so exceptional in its character that it should be retained at all costs, it seems to me that it does not require one to go very much further to say that there should be no exemptions whatever, or that the exemptions should be exceedingly small. However, this government has sought steadily to exempt from the income tax those persons in the community who are least able to bear it. I venture to say that hon. members will be surprised, as they hear in the order of sequence in which the exemptions have taken place, how considerable they have become as the result of steady reductions year after year. Let me present these exemptions in tabular form:

Reductions in Individual Income Tax in Budget Years.

Exemptions

Taxation when present administration assumed office.	1922	1923	1924	1925	1926	1927	1928
Unmarried Persons $1,000; Married Persons $2,000. Allowance for each dependent child under 18 years of age $200.	Exemption for each child raised from $200 to $300.		Exemption for each child raised to $500. (so that married man with 4 children paid no income tax unless income exceeded $4,000)		Raised from $1,000 to$1,500 for unmarried persons; from $2,000 to $3,000 for married persons and bona fide householders. (Applicable to 1925 income.)		$500 for dependents mentally or physically incapable of self-support.

56103—82½

When hon. gentlemen were in office the exemptions were as follows: married persons were exempted to the extent of $2,000 of their income. In the case of unmarried persons the exemption was $1,000. The allowance for each dependent child under eighteen years of age was fixed at $200. In 1922, the first year that we were in office, we increased the exemption for each child from $200 to $300. In 1924, the exemption for each child was raised to $500, so that married men with four children paid no income tax unless their income exceeded $4,000. In 1926 we raised from $1,000 to $1,500 the exemption for single persons, and from $2,000 to $3,000 for married persons and bone fide householders. That exemption was made applicable to the income of the previous year, as all exemptions since have been. In 1927, the age for a dependent child was increased from eighteen years to twenty-one years; and this year we have provided a further exemption of $500 for each dependent child over twenty-one years of age mentally or physically incapable of self-support. What I wish to make clear to hon. members is that the policy of the government in the matter of tax reduction has been one of consistently endeavouring to relieve of the burden of taxation those persons in the community who are least able to bear it, and what we have done with respect to the income tax has been in that particular the same as in the case of the other taxes which I have mentioned.

Now as to the rate of the income tax. Let me also present the rate reductions in tabular form:

Reductions in Individual Income Tax in Budget Years

Rates

Taxation when present administration assumed office	1922	1923	1924	1925	1926	1927	1928
Normal tax 4% up to and 8% over $6,000—progressive rates up to 65%.					Normal rate reduced from 4% to 2% (married person with income of $4,000 and without dependents paid only $20 instead of $80; if income $5,000 paid $40 instead of $126.	Reduction 10% on all rates.	
An additional 5% of the tax and surtax is payable where the income is $5,000 or more.							Reduction 10% on all rates.

The normal tax was 4 per cent up to and 8 per cent over $6,000—progressive rates up to 65 per cent. An additional 5 per cent of the tax and surtax was payable where the income was $5,000 or more. That was the position as we found it. In 1926, the normal rate was reduced from 4 per cent to 2 per cent. Married persons with an income of $4,000 and without dependents, paid only $20 instead of $80. If the income was $5,000 they paid $40 instead of $126. Last year we made a reduction of 10 per cent on the rates of the previous year. This year we have again made a reduction of 10 per cent on the rates of the previous year.

Now I wish to draw the attention of hon. members to this circumstance: while we purpose making this reduction this year, the amount that it is expected will be collected this year will, notwithstanding the reduction in the rate, equal, nay, will exceed, it is estimated, the amount that had been collected in the previous year. Hon. members may ask, how can that be? How can you reduce the tax and at the same time get as much in volume out of it in the succeeding year? Well, the explanation is this: Under the policies which this administration has put into practice conditions have improved throughout this country. There is an increased prosperity. Men are making money to-day when they did not make it before, with the result that notwithstanding the lowering of the rate of taxation it will be possible to collect for the public treasury an equivalent or an even greater amount. These are the facts in regard to the rates. As to what we are collecting from income tax, let me place on Hansard—I will not take the time to read it—a statement of the amount of revenue which has been collected from year to year in income tax from individuals and from corporations, and the total of the two combined:

Statement of Revenue Collected under Income Tax

	Totals
Individuals—	
Fiscal Years	
1918-1919	7,972,890 33
1919-1920	13,195,313 59
First period—	
1920-1921	32,532,526 36
1921-1922	39,820,597 01
Second period—	
1922-1923	31,689,392 56
1923-1924	25,657,335 21
1924-1925	25,156,768 45
Third period—	
1925-1926	23,849,474 26
1926-1927	18,043,260 87
1927-1928 (12 months) (est.)	22,400,000 00
	240,317,558 64
Corporations—	
1918-1919	1,376,829 47
1919-1920	7,068,426 32
First period—	
1920-1921	13,849,297 95
1921-1922	38,863,757 79
Second period—	
1922-1923	28,022,145 81
1923-1924	28,546,692 78
1924-1925	31,091,274 37
Third period—	
1925-1926	31,722,487 31
1926-1927	29,343,048 35
1927-1928 (12 months) (est.)	33,600,000 00
	243,483,960 15
Combined—	
1918-1919	9,349,719 80
1919-1920	20,263,739 91
First period—	
1920-1921	46,381,824 31
1921-1922	78,684,354 80
Second period—	
1922-1923	59,711,538 37
1923-1924	54,204,027 99
1924-1925	56,248,042 82
Third period—	
1925-1926	55,571,961 57
1926-1927	47,386,309 22
1927-1928 (12 months) (est.)	56,000,000 00
	483,801,518 79

What do the figures show with respect to the point I have made as to the amount of revenue to be collected from this source of taxation during the present year? Last year, that is the year 1926-27, there was collected from private individuals and corporations from incomes of 1926, the sum of $47,000,000. Now it is estimated by the Department of Finance that notwithstanding the reduction of 10 per cent which we are making this year, the amount that will be collected for 1927-28 from incomes of 1927, will equal not $47,000,000 but $56,000,000. I say to my hon. friends who have taken some exception to the reduction of the 10 per cent that that is a circumstance which I hope they will keep very much in mind.

Mr. BENNETT: Mostly corporation tax.

Mr. MACKENZIE KING: My hon. friend says "mostly corporation tax." I hope it is.

Mr. BENNETT: I hope so too.

Mr. MACKENZIE KING: May I say that is true in regard to not only the corporation tax but the individual tax! These are the figures in regard to the two separately. There was collected in income tax in 1926-27 from individuals $18,000,000 of revenue and it is estimated that, notwithstanding the 10 per cent reduction that is now going into force, there will be collected for 1927-28 not $18,000,000 but $22,000,000 from individuals. In regard to corporations, while there was collected in 1926-27 the sum of $29,000,000, it is anticipated that, notwithstanding the very slight change—and I think it is a change more for the purpose of book-keeping than aught else—there will be collected this year not $29,000,000 but approximately $33,000,000 from the corporation tax. I submit to my hon friends—and I know many of them are thinking seriously as to whether they will not support the budget after we have dealt with the amendment which they have proposed—that these are facts which should be taken into account in deciding whether or not the government has acted wisely in this particular this year.

The reductions in corporation income tax have been as follows:

Reduction in "Corporation" Income Tax in Budget Years.

Rates

Taxation Imposed when present administration assumed office	1922	1923	1924	1925	1926	1927	1928
Corporation Tax 10% on income in excess of $2,000 where the Corporation's income is less than $5,000. Corporation Tax 10½% on income in excess of $2,000, where the Corporation's income is $5,000 or more.					9% on income in excess of $2,000.	8·1% on income in excess of $2,000.	8% on income in excess of $2,000.

May I give to the house quite frankly the reason that actuated the government in reducing the income tax to the extent that this has been done in the present year? As hon. members know, we had in the fall of the year a conference between the provinces and the Dominion where questions of concern to the provinces were discussed very freely with the several members of the government. One question discussed was that of taxation and more particularly the delimitation of the fields of taxation. Representatives of the provinces pointed out that, while the Dominion was entitled under the constitution to raise taxes by indirect methods, such as, the customs and excise, and also by direct methods, the provinces on the other hand were restricted to direct taxation, and being restricted to this field they were finding it more and more difficult to raise the revenues required for the increasing services which they were being called upon to perform. The point was stressed by the provinces that in recent years many obligations have devolved upon them which require a degree of expenditure which they did not believe was wholly contemplated at confederation. There were, for instance, large expenses in connection with social legislation of one kind or another, expenses in connection with road making, expenses in regard to several other matters such as technical education, all of which are under provincial jurisdiction

They further directed our attention to the circumstance that in seeking for new sources of revenue they had imposed certain taxes which had been questioned in the courts; that they had been precluded from continuing one tax after another because of some decision which had been given which made it impossible for them to enter a particular field. So the plea was made to the Dominion that we should if possible leave to the provinces certain fields of taxation, and the field of taxation that was especially mentioned in this connection was the income tax. May I direct the attention of the house to this fact? Many hon. members pay income taxes not only to the Dominion treasury but also to the provincial treasury. Some provinces of this Dominion have income taxes as a source of their revenue. British Columbia, Manitoba, Prince Edward Island impose an income tax as provinces, but in addition to that, throughout the Dominion there are municipalities which also are imposing an income tax for purposes of revenue. Municipalities in Ontario, New Brunswick, Nova Scotia, Saskatchewan and possibly one other province are doing this. In some seven provinces out of nine, income taxes are being imposed either by municipalities in those provinces or by the provinces themselves, in addition to the tax imposed by the Dominion. I confess that members of the government felt that there was much to be said for the point of view presented by the provinces that they should be permitted more latitude in regard to income taxation. Let me distinguish at once between income tax derived from the income of individuals and income tax derived from incomes of corporations. I think that incomes of corporations must always be collected by the federal government, for the reason that otherwise one or two provinces, to be concrete Ontario and Quebec, would profit at the expense of other provinces from which much of the income of these corporations is derived. It is for the most part true that in a few centres large business corporations have their headquarters. The great railway companies, insurance companies, trust companies, banks and the like have their headquarters in some of these larger cities of the Dominion and principally in the cities of Montreal and Toronto but the revenues of the corporations are drawn from all parts of the Dominion.

Mr. WOODSWORTH: Is that not equally true of the large private fortunes?

Mr. MACKENZIE KING: I am not so sure that it is equally true. I do not think it is equally true. I admit my hon. friend is right in assuming that many wealthy men have their places of residence in the two provinces to which I have referred, but as regards wealthy individuals they are to be found pretty much in all parts of the Dominion. There is no province that has not at least a few fairly wealthy men who derive their incomes from corporations, and which very corporations have their headquarters in the provinces which I have mentioned. The point I wish to make clear is this, that as regards income tax derived from corporations, the federal government was not prepared to consider for a minute parting with that tax to the provinces. We maintain that this is a tax which ought to be and which will be retained by the federal treasury so long, at least, as the present government has office. As I have said the government was to some extent impressed by the plea made to it by the premiers of some of the provinces in regard to the tax on the income of individuals. I remember the Premier of Manitoba suggested that not only should we give to Manitoba the tax which comes from the income of individuals but that we should collect it as well and hand over to the province the

collected amount. The hon. member for Marquette (Mr. Glenn), who spoke the other evening, made much the same suggestion, that the income tax should be collected by the federal treasury and distributed in part to the provinces. That is a matter, in one sense, of book-keeping; but the point I wish to stress at the moment is this, that if we were to do that very thing, we would not be doing anything different in principle from what we are doing under the present reduction, in reducing the tax on incomes of individuals with a view to allowing the provinces that much more of freedom in the matter of their collection of taxation from individual incomes.

Mr. WOODSWORTH: Is there not a fundamental difference of principle involved in that scheme?

Mr. MACKENZIE KING: I do not see any difference of principle. In what regard?

Mr. WOODSWORTH: I do not want to interrupt, but my thought was this, that in decreasing the income tax, the principle is to place a heavier burden upon those who pay through indirect taxation. I should say it would be merely a matter of book-keeping if the principle were maintained and the sums collected turned over to the provinces.

Mr. MACKENZIE KING: What I want to stress to my hon. friend is this, that the provinces, as the premier of Manitoba and the premier of British Columbia in particular pointed out, are restricted to direct taxation. This Dominion may impose direct taxation, and it may impose also indirect taxation, but the provinces are restricted to direct taxation, and when you restrict them to direct taxation, you must remember that the number of forms in which there can be direct taxation is distinctly limited. From the point of view of the provinces it would appear to be a question as to whether they shall be permitted to have certain fields in which they can raise the revenue necessary, or whether they shall do as was done at the Dominion-provincial conference—complain that their field is so restricted that they cannot get the revenue necessary, and then appeal to the Dominion government to give them in subsidies what they cannot get by means of taxation.

Mr. ADSHEAD: It was suggested at the conference by some of the provinces that the Dominion government should collect the income tax and distribute it among the provinces. Will the government consider distributing among the provinces the ten per cent reduction which has been made in the income tax this year?

Mr. MACKENZIE KING: I wish my hon. friend could have been at the Dominion-provincial conference to hear the number of requests to give them different things that were made of us by the provinces. They wanted the Dominion to give them increased subsidies, increased grants, for one purpose and another, and many other things. I think we had better hold on to what we have in any form of taxation until we reach our final reckoning with the provinces.

That is all I wish to say in regard to the taxation of incomes, beyond making this clear: that not only was the government moved in this matter by the representations made by the provinces, but we were interested in ascertaining how this House of Commons would view leaving that field of taxation to the provinces. I may say that if we ever entertained an idea of giving up the individual income tax to the provinces or for any other purpose, certainly the discussion that has taken place in the house during this debate will preclude anything of the kind for the future. Hon. members need not be concerned about any policy which may be said to aim at doing away with the revenue derived from income tax. I want to make this clear to my hon. friends, so that there will be no misunderstanding when they come to consider again their attitude towards the government on the budget. I know that some hon. gentlemen have had the impression that the intention of the government was gradually to do away altogether with the income tax upon the incomes of individuals, but as I have said, the government's action from now on will be guided in that matter by the opinions which have been expressed in parliament during the course of this debate.

I come now to the question of indirect taxation. My hon. friend the leader of the opposition this afternoon said that he was not sure just how far we had carried out our policy of lowering customs duties. Well, I venture to say that there are a good many members of the house who along with my hon. friend may be in doubt as to how much reduction there has been in the way of customs duties during the time the present administration has been in office. In order that any doubts in the mind of my hon. friend and of other hon. members of the house may be removed, I have had prepared in tabular form a statement of the reductions that have been made in customs duties since the present administration took office. I would like to read them to the house, but they are of considerable length, and I venture to say that they will be grasped more

accurately if they are read in Hansard. I would therefore ask the permission of the house to place these papers on Hansard.

Mr. GOTT: No.

Mr. MACKENZIE KING: Does my hon. friend not wish to have them appear on Hansard?

Mr. BENNETT: Objection has been made to so many hon. members putting extracts on Hansard. It seems to me my hon. friend the Prime Minister is carrying this practice to a very great length because the documents he produces are very, very long. I scrupulously refrained this afternoon from doing that very thing in view of the observations of the Prime Minister the other day. I myself have not offered any observation.

Mr. GOTT: It will require a special edition.

Mr. MACKENZIE KING: I am entirely in the hands of the house in this matter. What I wish to make clear is this: His honour the Speaker has indicated at different times that it is expected a certain degree of latitude will be given the leader of the government and the leader of the opposition in the matter of placing on Hansard certain documents. That has always been done, and why objection should be raised just at the moment the government wishes to place on Hansard a statement with regard to the reductions it has made in customs duties is something I find it difficult to understand. If the hon. gentleman objects, I am prepared to read them, but I do not wish to read them at this stage. I will read them when I have concluded the main part of my speech. I would still ask my hon. friend if he objects to having the statement placed on Hansard.

Mr. BENNETT: Your honourable friend has not yet objected; that is number one. Number two is that the observations made by the Prime Minister the other evening were so relevant to the action he is proposing to take, that I assume he will not himself entirely depart from them; but if he so desires, I am not offering any objection, and I have not done so.

Mr. LAPOINTE: The assent is not very graceful.

Mr. BENNETT: I do not think I require to take lessons in gracefulness from the hon. Minister of Justice. What the Prime Minister said the other evening was this:

> Mr. Speaker, inasmuch as mention of myself has been made by the hon. member for Winnipeg North Centre (Mr. Woodsworth), I should like to say that he is quite right. I did take exception to his colleague putting on Hansard last Thursday a lot of material that he had in the form of a statistical table. At the time I think the hon. member mentioned that last session I had taken exception to an hon. gentleman opposite adopting the same course. In both cases I did so simply to uphold your honour in maintaining the rules of the house, and I still think that principle ought to be observed. Either we should alter the rule or have it observed. With respect to the time-honoured custom which you, Mr. Speaker, have mentioned, that of giving to the immediate critic of the Minister of Finance replying to the budget wider latitude than is granted to hon. members generally, I have no exception to take to it. Apart from that, I think it is the duty of every member to uphold the rules, and I believe we shall get further ahead if we make no exceptions.

His case is not a case within the exceptions.

Mr. MACKENZIE KING: I take it that my hon. friend would really like to be reassured in the matter of what the government has done, and I will take the liberty of presenting this to Hansard and asking the house to allow it to be printed.

Mr. GOTT: The increases too.

Mr. MACKENZIE KING: Yes, I am quite prepared to give increases where there have been any worthy of mention. I think hon. members when they look over what actually has taken place in the way of tax reductions will be surprised at the extent to which the government has carried out every pledge and promise which it has made in that regard.

One reason why I am anxious to place on record what has been done in this regard is that the government with respect to the tariff has been following a consistent policy of downward revision, and, in considering the budget presented this year, it is only right that it should be considered in relation to what has been done in previous years in the matter of tax reductions. I will give in a few moments what we did in respect to cottons and woollens a few years ago. This ought to be taken into account in connection with what is being done this year.* Before I do that however, I should like to come at once to the remarks of my hon. friend the leader of the opposition in regard to the tariff. May I draw attention to a circumstance which is enlightening when one reflects upon it?

The amendment proposed by hon. gentlemen opposite is on all fours with all amendments which have come from hon. gentlemen opposite in regard to matters of fiscal policy. Notwithstanding what they have said in their speeches on public platforms and what we know to be implied in their utterances in

* The tables referred to appear on page 1301 and following pages.

parliament and in the amendments as drawn, they have always carefully avoided ever dividing this house on the subject of protection. At every general election the country is told by my hon. friends of the opposition that what is needed for Canadian industry is more protection. This appeal is made because it is effective as directed to individual localities, one at a time. It is possible, for example, for Conservative candidates to appeal for protection in British Columbia with respect to certain classes of industry, such as fruit-growing, lumbering and the like, then in another province, Ontario, to appeal for protection for the large factories that are scattered up and down this province; and in the maritime provinces to make their appeal for protection to suit certain localities there; but when it comes to taking a consensus of view of the Dominion as a whole, as it expresses itself in this House of Commons, hon. gentlemen run away every time and evade the direct issue—they fail to bring in an amendment advocating protection.

Take the general election of 1921. From one end of the Dominion to the other our Conservative friends informed the electors that what was needed to save the country was more protection, that this alone would prevent men from emigrating to the United States, that this alone would prevent unemployment, that this alone would revive industry. But when the hon. gentlemen came back to this house in 1922 and had an opportunity of moving their first amendment, was it an amendment for increased protection? No, their amendment completely avoided any such profession of faith on their part. It was much like the amendment before the house to-day—an amendment of regrets; it regretted that up to that time the resolutions of the Liberal convention of 1919 had not been carried out in full. In the session of 1923 they failed to bring in any amendment whatsoever. In the session of 1924 they waited until my hon. friend from Winnipeg North Centre (Mr. Woodsworth) brought in an amendment on the cost of living; then they became very courageous and, knowing that the rules at that time only permitted one amendment, they moved an amendment in favour of a protective policy consistently maintained, and of course it was ruled out of order. Next we come to the session of 1925, just before the general election, and my hon. friend from West York (Sir Henry Drayton) presented an amendment regretting that there had not been more done in the way of tax reduction. Then in 1925 we had another general election and throughout the country the doctrine of protection was again preached by hon. gentlemen opposite, but when they came back to this house in 1926 did they move any amendment along the line of protection? They did bring in an amendment, but what was it? We had undertaken to reduce the duty on automobiles. Their amendment was not in regard to their policy of protection at all, but was directed purely and simply to the procedure which we had followed. They said we had laid down a policy when we appointed the tariff board of investigation before tariff change, and they complained that before introducing in this house any revision of the tariff on automobiles we should have secured the opinion of the tariff board. To-day when we come to the house with a tariff revision based upon investigations made by the tariff board, our friends of the opposition complain of our ever having approached the board. In 1926 was another election and more talk of the need for protection. After the election of 1926, having talked so much of protection throughout the campaign, did they bring in an amendment advocating their fiscal policy? Not at all; they let the session go by without moving an amendment. This year they move an amendment in the old form, an amendment which is full of regrets but does not contain a single statement of the fiscal policy on which they are supposed to be united, and not a word of their real convictions. No, it is simply the sort of thing one sees at hallowe'en, when little boys appear on the streets in false faces. Our Conservative friends come here with an amendment which is nothing other than a false face, something very fair to look upon—just as the words of my hon. friend the leader of the opposition this afternoon were fair to listen to—but back of it all if you take away the false face, as hon. members well know, you get the ugly mien of protection for special interests, which have always been the particular care of hon. gentlemen opposite.

Let me now say a word, Mr. Speaker, in reply to my hon. friend's remarks this afternoon respecting the tariff board. I gather that his chief objection to the tariff board is that the chairman, Mr. Moore, was a candidate at the last general election and therefore should not have been appointed to such a position. Well, I may say that there is in his remarks a good deal not only of reflection upon Mr. Moore, but of reflection upon every hon. member of this house when it is suggested that because a gentleman has been a candidate for parliament he is thereby disqualified from

holding a responsible position in the gift of the government. Mr. Moore was appointed to the position of chairman of the Advisory Board on Tariff and Taxation, which he holds with great ability and impartiality, because of his well-known and exceptional qualifications as an economist. I well remember when a student at the university of Toronto that Mr. Moore was then at the head of his classes, carrying away the scholarships and fellowships that were awarded in the department of political science. Subsequently he was appointed a fellow of political economy in the university, and from that time has given special study to economic questions. Then, as my hon. friend knows, he was for some time one of the editors, if not the editor-in-chief, of the Monetary Times, a paper which is regarded as one of the important financial papers of the Dominion. His business experience—my hon. friend referred to it this afternoon—was of a character to give him an exceptional knowledge of big business, a knowledge not without its advantages in the position he now holds.

Mr. BENNETT: A lobbyist—and a disgraceful one too.

Mr. MACKENZIE KING: I would say to my hon. friend that I think—

Mr. McGIBBON: What is his court record?

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: One should be very careful in criticizing in parliament a public servant who is not in a position to answer for himself. I would suggest that if hon. gentlemen opposite have any argument to present in regard to Mr. Moore's capacity for the position he holds, and particularly in regard to any alleged disqualifications, they might be well advised to appear on some public platform and give to Mr. Moore an opportunity to speak for himself.

Mr. BENNETT: They will.

Mr. MACKENZIE KING: I submit that when a public servant is not in a position to reply to any loose charge that may be directed against him, that kind of charge should not carry any weight in this house. In criticizing Mr. Moore on the score of his appointment I think my hon. friend failed to recollect what took place in the administration with which he or his friends were connected. A few years ago we had an arbitration of some considerable importance dealing with a very large railway transaction. My hon. friend refers to Mr. Moore's association with the Canadian Northern Railway Company. My recollection is that when the Grand Trunk railway was taken over by the administration supported by hon. gentlemen opposite, and an arbitration was arranged to decide what value should be given to the stock of that company, one of the gentlemen chosen was not a candidate for parliament; he was a member of parliament and the Minister of Finance of that date. The Hon. Sir Thomas White was not only chosen as a member of that board of arbitration, but —and I still think the whole procedure was very much open to question—he was paid a sum by this parliament for so acting, although Minister of Finance at the time.

Sir GEORGE PERLEY: He was not.

Mr. MACKENZIE KING: I beg your pardon—not Minister of Finance, but a member of parliament.

Sir GEORGE PERLEY: He was not.

Some hon. MEMBERS: He was not.

Mr. MACKENZIE KING: Do my hon. friends say that he was not a member of parliament?

An hon. MEMBER: He is not here to defend himself.

Mr. MACKENZIE KING: Well, the record is on Hansard.

Mr. CHAPLIN: He was not a member of parliament.

Mr. McGIBBON: The Prime Minister knows he was not a member of parliament.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: Perhaps my hon. friend who says I know that he was not a member of parliament will listen to what I shall read from Hansard of March 29, 1921. Evidently this is a shot that is driving home.

Mr. McGIBBON: Not at all.

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE KING: It has struck even more deeply than I expected.

Mr. McGIBBON: Not at all.

Mr. MACKENZIE KING: As leader of the opposition I was at the time addressing the Prime Minister, and these are the words I used, as reported in Hansard of March 29, of that year. I said:

I addressed the right hon. gentleman in what I thought was a courteous and proper way—

Evidently there was the same sort of uproar on that occasion as there is to-night.

—when I asked if in the opinion of the government the hon. member for Leeds had not forfeited his right to a seat in this house by virtue of having accepted a position as one of the arbitrators on the board which is to value the stock of the Grand Trunk Railway Company.

Mr. McGIBBON: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. McGIBBON: May I ask a question.

Some hon. MEMBERS: Order.

Mr. BENNETT: Mr. Speaker—

Mr. SPEAKER: I understand the leader of the opposition wishes to ask a question.

Mr. BENNETT: If the Prime Minister will examine the record he will find that Sir Thomas White did not act as an arbitrator until after the dissolution of parliament. I think he will find it is so, because I recollect the discussion of the case before the privy council and I recall the circumstances surrounding it. The arbitration was to begin, but it did not get well under way until after that.

Mr. MACKENZIE KING: Mr. Speaker—

Some hon. MEMBERS: Take it back.

Mr. MACKENZIE KING: Sir Thomas White, member for Leeds, was in that position when I raised this question in the house with the Prime Minister of the day. That is the point I am making.

Mr. McGIBBON: He never acted—

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: But let me come a little nearer to my hon. friend.

Mr. SPEAKER: I would ask hon. members not to interrupt.

Mr. McGIBBON: The Prime Minister should—

Mr. MACKENZIE KING: Does my hon. friend wish to ask a question?

Mr. McGIBBON: Yes.

Some hon. MEMBERS: Sit down.

Mr. McGIBBON: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. McGIBBON: Will the Prime Minister deny the fact that Sir Thomas White had resigned before he acted in the capacity of arbitrator?

Mr. MACKENZIE KING: He had not resigned his position as member of parliament, no.

Mr. McGIBBON: Yes.

Mr. MACKENZIE KING: He was not Minister of Finance; I have already corrected that statement.

Mr. McGIBBON: As member of parliament.

Mr. MACKENZIE KING: He was a member of parliament at the time I refer to.

Mr. McGIBBON: And resigned before he acted.

Mr. MACKENZIE KING: But I will not refer to an ex-Minister of Finance who is not in the house; I will take an ex-Minister of Finance who is present, the hon. member for West York (Sir Henry Drayton). That hon. gentleman is in the house.

Mr. McGIBBON: Answer the question.

Mr. MACKENZIE KING: The leader of the opposition quarrels with Mr. Moore's capacity for sifting evidence and investigating matters relating to the tariff with a view to making a report to guide the administration as to what is in the public interest, and he complains on the score that Mr. Moore had been a candidate for parliament.

Mr. CHAPLIN: And was a prospective candidate.

Mr. BENNETT: A prospective candidate.

Mr. MACKENZIE KING: And a prospective candidate, yes. We will consider him in both roles, candidate and prospective candidate. But let us take the case of my hon. friend from West York. At the time to which I have reference he was neither a candidate nor a prospective candidate but actually a member of parliament. Moreover, he was Minister of Finance. And he went from one end of the country to the other, taking evidence, doing the very thing Mr. Moore is doing to-day. No one took exception to that; no one attacked it on the ground that the method was wrong, for as a matter of fact that was the method which had been generally practised in connection with revisions of the tariff until the present advisory board on tariff and taxation was appointed. Until then ministers of the crown travelled from one end of the country to the other

summoning interested persons from whatever quarter they might wish to come to appear before them to give evidence. That evidence was sifted and the ministers brought down such recommendations as they deemed advisable in the way of tariff revision. It was found, however, that this method was not as satisfactory as having a detailed investigation made by experts week by week, month by month and year by year—an investigation such as the present tariff board is able to make. Let me point out to hon. gentlemen, however, that the tariff advisory board does not in the exercise of its functions in any way take away from the power of the government and of parliament in dealing with the tariff itself. But let me go a step still further in the direction of the party opposite, and take the case of my hon. friend from Fort William (Mr. Manion). That hon. gentleman is a member of parliament; he is not only a prospective candidate at another election but he is a prospective minister, if ever a Conservative administration should be returned to power again. And at this very moment, while sitting in this house as a member of parliament, he is a member of a liquor commission appointed by a government which is friendly to my hon. friends opposite.

Mr. MANION: May I ask the Prime Minister a question?

Mr. MACKENZIE KING: I will anticipate my hon. friend and answer the question for him. Does the leader of the opposition wish to insinuate, in reflecting upon Mr. Moore, that his colleague, who is a member of the liquor commission of Ontario, will be influenced unfairly and unduly by reason of the fact that he is also a member of parliament and a past or prospective candidate?

Mr. BENNETT: Do you want the answer?

Mr. MACKENZIE KING: I for one would not say that the hon. member would be so influenced. Indeed, I believe my hon. friend from Fort William will be perfectly fair, straightforward and honest in his share of the administration of the affairs of that commission.

An hon. MEMBER: That is the difference.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: But what I say of my hon. friend from Fort William I say with equal emphasis of my friend who is the chairman of the tariff board at the present time.

Mr. MANION: Mr. Speaker—

[Mr. Mackenzie King.]

Mr. BENNETT: I trust the right hon. Prime Minister realizes that one is a provincial and the other a federal matter.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I trust, further, that he realizes that the duties of the hon. member for Fort William, in his capacity as a member of parliament, have no relation to the matter before the house, and that it has always been the practice for ministers of the crown to make inquiries inasmuch as they are in the house to deal with such questions. What I said with respect to Mr. Moore stands.

Mr. MANION: May I ask the Prime Minister what relation there is between the liquor commission of Ontario and a commissioner who is framing the tariff of this country? May I also ask him whether there is not some excuse for one acting in a temporary position such as I am filling?

Mr. MACKENZIE KING: I hope I have made it perfectly clear to my hon. friend that I am not finding fault with his acceptance of the position he holds, that I regard his motives as honourable in every particular. That is my belief. But that is not the point I am making. My hon. friend the leader of the opposition seems to feel that in some way those who have to do with public affairs, either as candidates or prospective candidates or, going a step further, as members of parliament, should thereby be disqualified from acting on commissions. My point, rather, is this: a man must be judged by the quality of the work he performs, and Mr. Moore can well stand this test.

Before I go any further, I must correct my hon. friend's interpretation of the functions of the commission. The commission is in no way engaged in framing the tariff; this government takes the full responsibility for what is done in that respect. The government has asked the tariff advisory board to investigate, thoroughly and fully, certain industries in this country. We do not intend to stop at one industry; we will continue the process until we have covered them all, and in this work of investigation we have asked the board to go very fully and very carefully into all factors on which the government should be advised in attempting to frame a policy or legislation for submission to this house. The budget which is brought down this year with respect to the tariff on cottons and woollens and in other particulars has been based on facts which have been presented to the government for consideration, but the budget itself has been

framed by the government. The government take the responsibility for the amendments to the tariff, and in no way are we sheltering ourselves behind the tariff board. May I say further that here is where I think we differ from hon. gentlemen opposite on the question of a tariff commission. As I have read their past pronouncements, they favour a commission which would have power to say with regard to the tariff what should or should not be done in certain instances. We contend that that is the power of taxation, which power for all time has rested in the House of Commons and will continue so to rest as long as we are in office.

Now I come to the question of the actual tariff changes which are being proposed by this budget. In large part they are related to the great textile industries, the cotton and the woollen industries in particular, and as I said a moment ago I should like hon. members in considering the reductions which have been made in connection with this tariff to recall that in 1922 we began to reduce the duties, in these industries; we then began with woollens and cottons and made a very considerable reduction. The additional changes which are being made in the tariff to-day by way of reduction have to be considered along with those of an earlier date, when taking the record of this administration into account. Various reductions have been made in the tariff on cotton textiles since the present government assumed office, more especially on cotton piece goods, cotton blankets, cotton tape and cotton wearing apparel. The general reductions made in 1922 were 2½ per cent ad valorem in practically all cases, and an additional discount of 10 per cent of the duty, conceded in 1923, where the rates were over 15 per cent, made a total reduction on the more highly taxed commodities running between 4 per cent and 5 per cent ad valorem. Thus the duties on cotton blouses, shirtwaists, cotton shawls, cotton shirts, and cotton clothing are now a net 20¼ per cent as compared with 25 per cent at the time of the change of government. I say now, meaning prior to the introduction of the present budget which brings the rate down still further. Similarly, the duty on cotton undershirts and drawers, which was 22½ per cent, is now a net 18 per cent, and the reductions noted were made in the first instance in 1922. Now let me speak also in reference to woollens. In the case of woollen goods, the chief reductions of duty made under the preferential tariff in 1922 were in wool piece goods, including felt cloth, flannels, lustres, overcoatings, tweeds and worsted and serges, and in wearing apparel, including knitted goods, shawls, shirts, underskirts and drawers, women's and children's outer clothing, ready made woollen clothing and so on. In practically all cases these reductions were 2½ per cent ad valorem, the 22½ per cent duties being reduced to 20 per cent, the 25 per cent duties to 22½ per cent the 27½ per cent duties to 25 per cent and the 30 per cent duties to 27½ per cent. These duties were further reduced in 1923 by the discount of 10 per cent on the duty, so that the total net reduction of duty on British woollens in the two years averaged about 5 per cent ad valorem.

Those were the reductions prior to bringing in the present budget. In the course of his remarks this afternoon my hon. friend said that the proposals of the Minister of Finance involved certain increases in the duties, to which he said he would refer later. I did hear him make a reference to one grade of yarn in which there was some slight increase, but that was the only case he mentioned, and I think hon. members will search in vain to find much evidence of an increase in any further particular with respect to woollens or cottons. But what are the facts with regard to woollens and cottons? If there is any doubt as to whether the present budget is lowering the duties on these articles, let me cite what the budget does. First, in regard to cottons, the maximum duty under the general tariff is reduced from 37½ per cent to 30 per cent, with a single exception. Cotton yarns, 40's and finer, are made dutiable but the rates are reduced on the coarser counts of yarn. Gray unbleached cotton fabrics are reduced by 2½ per cent in the intermediate and general tariffs. Printed and dyed cottons are reduced 2½ per cent in the British preference, 5 per cent in the intermediate and 5 per cent in the general tariff. Yarn-dyed fabrics are reduced 2½ per cent in the British preference, 5 per cent in the intermediate and 2½ per cent in the general tariff. On a large range of household cottons, such as tablecloths, counterpanes, sheets, quilts, towels, plain curtains and so on there are reductions of from 5 per cent to 10 per cent in the British preference rate, from 2½ per cent to 5 per cent in the intermediate rate and from 2½ per cent to 5 per cent in the general tariff. Blankets of cotton are reduced 7½ per cent in the British preference rate and the intermediate and general tariffs; cotton embroideries, laces and so on are reduced about 5 per cent on all tariffs. Cotton clothing and manufactures of cotton show reductions ranging from 2½ per cent to 5 per cent on all tariffs, with very few exceptions due to reclassification.

Then we come to woollens. Yarns for weaving are reduced from various duty ranges, chiefly 12½ per cent, 17½ per cent and 20 per cent, to free under the British preference rate, 10 per cent under the intermediate rate and 12½ per cent general. Dress goods in the gray for dyeing or finishing in Canada are reduced 5 per cent under the British preference rate. Lustres and linings are reduced from 20 per cent, 30 per cent and 35 per cent to 10 per cent, 20 per cent and 25 per cent. Woollen fabrics not over five ounces in weight per square yard are reduced 2½ per cent in the British preference rate. Cheaper ranges of woollen stocks and stockings are reduced 5 per cent in all tariffs. Knitted goods of all kinds valued at not more than 90 cents per pound are reduced 5 per cent in the British preference rate. There are reductions in the British preference rate of 2½ per cent on the finer grades of linen as well as on plain and fancy linen handkerchiefs. Manufactures of flax not otherwise provided for, formerly rated at 25 per cent under the British preference tariff, are reduced to 22½ per cent.

Those are the reductions which have been made, and I can supplement those with figures which would show how considerably the previous reductions affected the total rates of duty which have been collected, but I will not take up the time of the house to do so. A good many hon. members have found some difficulty in understanding the schedules, which are very comprehensive. For this reason I have sought to make clear to them exactly the nature of the reductions which are proposed.

Now I would like to make a reference to one other subject which has been the cause of considerable discussion. I refer to the references to the requirement in the British preference of a certain necessary content of British material or labour. The Minister of Finance in presenting his statement drew the attention of the house to the fact, or if he did not do so it was implied in what he said, that under the customs tariff the government has the power to require a certain amount of British content either of labour or material before an article is entitled to the British preference; in other words, the British preference was intended to encourage the importation of British goods. I will read the clause in the customs tariff, which is subsection 6 of section 3:

> Every manufactured article to be admitted under the British preferential tariff must be bona fide the manufacture of a British country entitled to the benefits of the British preferential tariff, and a substantial portion of the value of the manufactured article must have been produced by labour in one or more of such countries.
>
> 2. The governor in council may make such regulations as are deemed necessary for carrying out the provisions of the several tariffs mentioned in this section.

That section of the tariff act makes it clear that as far as the British preference is concerned there were two objectives in view when it was introduced. One objective was the encouragement of trade within the British empire. The other was to benefit the consumers of this country—an all important purpose of the preference as introduced by a Liberal administration. May I say to hon. members that these two purposes remain the policy of the present administration with respect to the carrying out of what the Minister of Finance announced the other day in regard to the preference. What the Minister of Finance had in mind was serving notice to the trade throughout the world that the governor in council has power to require a certain content of British origin in labour and material in order to entitle the goods to the benefit of the British preference, and that we intended in some cases to require a 50 per cent content. Why was that? The reason is that it has been discovered that countries in Europe which have depreciated currencies and low paid labour have been sending their goods into Canada via Great Britain. These goods were not British goods in the sense it was intended they should be to entitle them to the British preference but goods which had found their way to the Dominion, after using Britain as a sort of assembling or processing place and in that way seeking to gain the right to enter Canada at the lower rate of duty. It was this class of goods we had in mind in notifying the world that we might require a 50 per cent of content in either British labour or British material. May I say this to the house: If we discover, in connection with the enforcement of a regulation of that kind, that the consumers of this country are in any particular losing the benefits which the British preference was intended to give, we shall not hesitate speedily to make such changes as the circumstances may demand. I wish to make this absolutely clear because I think a misunderstanding on this point has influenced the judgment of some hon. members in the matter of the budget. Let me refer specifically to a case that has been cited. Reference has been made to cotton goods of a coarser character, and it has been alleged in this house that, assuming there was a bad year, a regulation of this kind would make

it more difficult for people here who were most in need of cheap cotton goods to get the coarser varieties at the low rate. I wish to say that if that situation arises it is not the intention of the government to make the existing 25 per cent British content one per cent higher than it is at the present time. I want to make that clear because in the discussion a great deal seems to have turned on the wrong emphasis placed on the intention of the government with respect to the British preference. We want to encourage trade within the British Empire, but we are going to see to it that in the effort to further that objective we shall keep in mind the still larger objective of the interests of the consuming public of this country.

May I say just one further word in regard to the method by which the government has proceeded in the matter of tariff revision. I doubt if the government's method could be better described than as set forth in the resolution which was passed at the inter-parliamentary conference held in Paris on August 25, last year. My hon. friend the Minister of Justice (Mr. Lapointe) referred to a resolution adopted by the League of Nations. That resolution laid stress on the importance of nations reducing rather than raising their customs tariff. We are proud of the fact that Canada stands out as the one country in the world that has pursued the course which was there advocated by all of them. In connection with the inter-parliamentary conference—which I understand is an inter-parliamentary conference of all the nations in the world—the following resolution was passed:

> The twenty-fourth inter-parliamentary conference regrets to note a general tendency among the states to raise their customs tariffs. It recommends that the national groups shall endeavour to arrest and to reverse that tendency.

Another of the Paris recommendations completes this one by expressing the wish

> "that methods of abolishing, or at least progressively and gradually reducing customs duties, be made an object of study in all countries . . . ."

The report goes on to say that such annual reduction could be sufficiently slight not to cause a crisis and to permit the different national industries to adopt themselves to the new conditions.

I wish to say, Mr. Speaker, that it has been along these lines that the present administration has proceeded in reducing the customs tariff.

My hon. friend made a reference to the farm implement industry, and he quoted figures in support of his contention from an American source. I notice that hon. gentlemen opposite always go to an American source when they want to give quotations to this house. In regard to farm implements may I give him a quotation from a source that I think will not be questioned on the score of accuracy, an article written by Mr. Thomas Bradshaw, the general manager of the Massey-Harris Company, which appears in the Financial Times of Montreal of March 9 of this year. I will not read the whole article but there are a few facts in it which I think will answer pretty effectively what my hon. friend alleged this afternoon about the injury that has been done to the implement industry. Mr. Bradshaw says:

> The year 1927 witnessed a conspicious advance on the part of the implement industry in Canada. Sales showed a substantial increase in most fields.

Then a little further on:

> Production in all Canadian implement factories last year was noticeably greater than before and in many of them it was necessary to engage in night shifts to a considerable extent.

Then further on:

> Although the implement industry was able to make a substantial advance in Canada in 1926 its progress in 1927, was even greater. All companies reported increased business both in east and west.

And further:

> In view of the generally good conditions as outlined and the substantial progress made in recent years, the implement manufacturer feels justified in taking an optimistic view.

But there is this statement which appears in the article to which I should like to direct the attention of my hon. friends opposite. It is particularly interesting coming from the source from which it does:

> There are still some formidable obstacles in the form of customs tariffs in the marketing of goods abroad which in certain countries are almost prohibitive. Not only do these regulations place the exporter under a handicap but in addition they place the consumer in the protected country at a decided disadvantage.

I have here the figures of manufacturers in the implement industry. I will only give the first and the last of the years contained in the statement. In January, 1924, there were employed 5,387 persons on the wage rolls of 37 manufacturers. Last January there were 7,855 employees; there is the same evidence of growth all through the years cited.

My hon. friend made one very remarkable statement this afternoon in outlining his policy, and I wish to quote his exact words. He said:

We should no longer be dependent on foreigners for our economic life.

In other words my hon. friend, if I interpreted him aright, would have it that we should have no foreign trade.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: Then how are you going to avoid being dependent on foreigners? The whole of my hon. friend's argument this afternoon was along that line.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: I would ask hon. members who listened to my hon. friend's speech this afternoon if his point in regard to reciprocity was not that we ought not to depend upon another nation because that nation might cut us off at any moment without notice.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Was that not the argument he made to-day in discussing the reciprocity agreement? Then what is to become of our foreign trade if we are not to depend in any way on foreigners? You cannot have foreign trade on the one hand and not be dependent on foreigners on the other. You cannot have trade at all unless you are prepared to trade with other nations. And so my hon. friend's contribution to the debate on the matter of trade and his economic policy reduces itself to this—that Canada should become a self-sufficing unit without any relation to any other foreign country in the world.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I notice that when hon. gentlemen opposite are hit they begin to roar. Every time an argument strikes home they begin to make a noise imagining that no one will be able to hear it.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I am quite prepared to leave the matter at that point and I hope echoes of the shouts of hon. gentlemen opposite will be recorded in Hansard along with the rest.

May I speedily conclude by referring very briefly to the particular clauses of the amendment of the opposition? The amendment first of all alleges that:

The measures proposed by the government do not tend to provide increased employment in Canada.

Let me say just a word about increased employment. What are the facts. And here I wish to draw to the attention of the house the fact that the policies enunciated by the government in the present budget are along the lines of those enunciated in previous budgets. In other words, we have been following a consistent line of policy which, year after year for the last few years, has resulted, as I said this afternoon, in surpluses, in reduction of the public debt, in reduction of taxes, and with them has come general increase in prosperity throughout the Dominion. This budget being to all intents and purposes similar to previous budgets, we have a right to believe that similar results will follow, and that among other things increased employment will follow in the wake of the budget that has been brought down this year.

What is the position with regard to employment in Canada? I will give just a few figures that will serve to illustrate what has taken place, and I am using the index numbers as compiled by the Government Bureau of Statistics. These are the figures in regard to manufactures:

Year	Index number of employment
1921	81.1
1922	81.6
1923	89.3
1924	85.3
1925	86.0
1926	92.1
1927	95.6

This shows a steady increase from 81 when hon. gentlemen were in office to 95 at the present time. In regard to all industries the figures are as follows:

Year	Index number of employment
1921	87.8
1922	87.9
1923	94.6
1924	92.3
1925	92.5
1926	98.4
1927	103.4

Or, taking the total number of the actual average in numbers employed in manufacture as shown by the census—and these are of firms reporting—the figures are as follows:

Year	Number employed
1922	474,000
1923	575,000
1924	508,000
1925	544,000
1926	581,000
1927 (Est.)	611,000

Or a steady increase in employment throughout the years.

In regard to immigration, my hon. friends opposite in their amendment allege:

That the measures proposed by the government do not tend to induce the return of Canadians to their native land.

That statement is not true, for the fact is that the records of the Department of Immigration show conclusively that Canadians are returning from the United States to this country. For many years no record of this kind was kept in Canada, and that is where hon. gentlemen opposite got their chance. Just because the Department of Immigration in the United States was keeping a record of virtually every man who was entering the country for any purpose and putting him down as an immigrant when he so declared himself and our department was keeping no corresponding record, the figures became entirely misleading and hon. gentlemen opposite began to quote them to the disadvantage of this country. In 1924 this government began to keep a record of Canadians who were returning to Canada after having been in the United States for a period of six months or under three years. This record relates to men or women who have gone to the United States as declared immigrants and who have come back to Canada stating that they had gone over as declared immigrants and had come back intending to reside again permanently in Canada. This is the record:

Year	Returning Canadians from United States
1924-25	43,775
1925-26	47,221
1926-27	56,957

That is the record of how the policies of the government have been operating in bringing back Canadians who had formerly taken up residence on the other side. The Canadians who returned from the United States are classified as follows:

Canadian born	49,255
British subjects who had acquired Canadian domicile	5,326
Naturalized Canadian citizens	2,376
Total	56,957

Now I come to statements that have been made by hon. gentlemen opposite, and I think the one made by the hon. member for Fort William was perhaps the most concrete, and most of the discussion centred around what he said. His statement related to the third part of the amendment of hon. gentlemen opposite, which is to this effect:

> That the measures proposed by the government do not tend to prevent the continued emigration of our people to the United States.

The hon. member for Fort William made this assertion:

> Last year, according to the American figures, we lost to the United States over 84,000 Canadians.

That, I think, is a correct statement of what my hon. friend said.

Mr. MANION: Correct.

Mr. MACKENZIE KING: What I wish to draw his attention to—and I think he already knows it—is that he again persists in consulting American sources and not taking his data from Canadian sources.

Mr. MANION: May I give my hon. friend my source? It was the Minister of Immigration of the United States, absolutely the most official United States source.

Mr. MACKENZIE KING: I wish my hon. friend would take as his source the Minister of Immigration of Canada.

Mr. MANION: He will not give us the figures.

Mr. MACKENZIE KING: My objection with reference to hon. gentlemen opposite is that, whenever occasion offers, they invariably take what will best suit them in the matter of quoting figures in favour of the United States and against Canada.

Mr. MANION: My right hon. friend should not criticize us for that.

Mr. MACKENZIE KING: Let me read the figures to the house to show them exactly how the figures are made up. First of all my hon. friend says that we lost to the United States over 84,000 Canadians. In that he is not wholly correct because even the figures he quoted—and I think he will admit I am correct in this—relate not only to Canadians but to emigrants from Canada and Newfoundland.

Mr. CLARK: Two thousand from Newfoundland.

Mr. MACKENZIE KING: First of all the report in this respect for June, 1927, of the United States Commissioner of Immigration gives immigration from Canada and Newfoundland as 84,580.

Mr. CLARK: How many from Newfoundland?

Mr. MACKENZIE KING: They are not given.

Mr. CLARK: Yes, they are given.

Some hon. MEMBERS: Order.

Mr. CLARK: Two thousand.

Mr. MACKENZIE KING: Let us come along a little further and take Canadian residents who were crossing the line. I will give the figures correctly.

Mr. CLARK: The right hon. member will get those figures from the bureau of statistics.

Mr. MACKENZIE KING: If my hon. friend will wait, I will give him something better than his hon. friend gave. Canadian residents crossing numbered 81,506, classified as follows:

Canadian born..	68,366
Those not born in Canada..	13,140

These figures moreover include classes of people that we know go back and forth at different seasons to work in the mills of New England and lumber woods of Michigan and Maine. They are all put down as immigrants into the United States although they return to Canada. My hon. friend gives the number of Canadians who are going from Canada to the United States and he says that we lose these to Canada, but he makes no reference to those Canadians who are coming back, to whom I made reference a moment ago. What are the facts for the same period?

Mr. CLARK: Did the right hon. gentleman ever meet one?

Mr. MACKENZIE KING: Evidently the immigration officials have.

Mr. SPEAKER: I hope hon. gentlemen will not continue these interruptions.

Mr. MACKENZIE KING: There again may I note the significance of my hon. friend's remarks? Hon. gentlemen opposite have been complaining that we are finding fault with them for perpetually praising conditions in the United States and running down their own country, and here is my hon. friend by his interruptions verifying the very statement against which he is protesting. He asks, did we ever see a returning Canadian?

Mr. CLARK: I asked if you had ever met one.

Mr. MACKENZIE KING: I will give my hon. friend the figures. According to the statistical records, the movement back of Canadians from the United States in the period to which I have referred was 56,957, but in addition to Canadians returning, there are many American citizens who came over here and took up their residence in Canada. Hon. gentlemen opposite made no mention of that in their figures. The immigration from the United States to Canada in the period I am referring to was 21,025. In other words, my hon. friend says that we lost over 84,000 Canadians, while, as a matter of fact, in that same period from the United States there came to Canada as returning Canadians, and United States citizens coming to reside in Canada, the number of 77,982.

Mr. MANION: If my hon. friend will pardon me, I did state those figures, but I showed also that according to the figures of the Immigration department most of these people were central Europeans coming over from the United States.

Mr. MACKENZIE KING: The figures I am giving are the actual returns compiled by the Immigration department.

Mr. LAPOINTE: Too bad Canada is prospering!

Mr. MACKENZIE KING: If hon. gentlemen opposite wish to be strictly accurate in their figures, they will say that the maximum net loss suffered by Canada last year was at most something like 3,524 Canadians, a pretty small figure, and that figure would be wiped out completely if a proper record had been kept of those going across the border just for seasonal employment. May I add this, that if only Canadian-born are considered, Canada has a record of 9,600 over the United States.

The inference which hon. gentlemen opposite seek to draw from their remarks is that the administration is unable to check the exodus; in other words, that there is something in regard to our policies which occasions it. As I have already said, hon. gentlemen opposite have taken all their figures from the United States immigration records, but there is another record kept in the United States which is equally important, and that is the United States census. If you take the United States census you will find that the number of Canadians resident in the United States is very much less than one would be inclined to gather from the figures which are kept by their immigration agents from day to day. According to the United States census, there were the following numbers of Canadian and Newfoundland-born resident in the United States on the dates here indicated:

1850..	147,711
1860..	249,970
1870..	493,464
1880..	717,157
1890..	980,938
1900..	1,179,922
1910..	1,209,717
1920..	1,138,174

In other words, according to the census statistics of the United States, there were over 70,000 fewer Canadians in the United States in 1920 than there were in 1910, although the United States immigration figures for that same period show a very large immigration of Canadians to the United States, namely, 742,000. That throws a great flood of light on the matter of this immigration back and forth across the American frontier. During the period in which hon. gentlemen opposite for the most part were in office,

and quoting from the sources which they have quoted against us, there were no less than 742,000 Canadians who left Canada for the United States, according to the immigration figures in that ten-year period, yet the census which keeps a record of those who actually settled and remained in the country shows that there were 70,000 fewer Canadians in the United States in 1920 than there were in 1910. If that was the case then, I submit that the same is the case to-day. As a matter of fact, as everyone knows, immigration has been going on back and forth across the frontier ever since the beginnings of the two countries. Lord Durham in his report in 1839 refers to the emigration from Canada to the United States at that time and deplores it, and so you find it all along. But the statistics at present go to show conclusively that the numbers leaving this country are fewer and fewer, and on the other hand that the total number of immigrants entering Canada from other countries has been increasing year by year during the last few years.

I should like to have said a few words in regard to the question of trade, but I shall pass over that with a single reference to our trade with Australia and New Zealand. My hon. friend the leader of the opposition, in speaking this afternoon about our trade with Australia and New Zealand, said that every treaty we had made had been against the interests of Canada. What are the facts?

The facts regarding the trade between Australia and Canada—and I would like my hon. friend to remember this in his advocacy of empire trade—are that on an average over a period of years for every dollar's worth of goods we have bought and buy from Australia and New Zealand they have bought and buy three dollars' worth from us. In addition, the goods that we have been sending to Australia and New Zealand have been for the most part the very class of goods which hon. gentlemen opposite, in accordance with their theories, say that we should export, namely, manufactured goods. Our exports for the most part have been automobiles, implements, rubber, paper, lumber, canned fish, and other classes of products which are manufactured. I think something like ninety per cent of the commodities we have sold to Australia and New Zealand have been raw materials manufactured into the finished articles in this country. The port of Vancouver has grown to be one of the great ports of the world, and if that port is going to continue to grow, it will be through the growth of our Pacific trade, yet hon. gentlemen opposite, when we have a trade with another part of the empire in the proportion of three to one in favour of this country, say that we ought to cease that trade, notwithstanding that it is the very class of trade they are advocating, namely the export of manufactured products. To show how our Australian trade is growing, may I read from a copy received to-night of the St. John, New Brunswick, Telegraph-Journal of March 12 (yesterday), which says:

> Australian orders to the amount of 25,000 cases have been received for New Brunswick sardines, it was announced here Saturday by A. Neil McLean, of the firm of Connors Brothers.

This firm, I understand, are the largest sardine manufacturers in the world.

May I now say a word in regard to the development of our natural resources, because in regard to that hon. gentlemen opposite have an amendment. They say that—

> —the measures proposed by the government make no provision for the effective development of the natural resources of the country.

There again if we are to be guided by what has taken place in the last few years, the figures are absolutely to the contrary. Let us look at the field crops of Canada, and see how the natural resources of the soil have been developed between the years 1921 to 1927. Here are the total values of our field crops:

1921	$ 931,863,670
1922	962,293,200
1923	899,226,200
1924	995,235,900
1925	1,098,303,938
1926	1,104,983,100
1927	1,134,192,600

That looks like a development of the natural resources of this country in that particular branch of Canadian industry.

Take the pulp and paper industry. What is the quantity and value of our production? The figures are as follows:

	Tons	Value
1921	1,018,947	$106,553,935
1922	1,366,815	106,260,078
1923	1,589,303	127,984,370
1924	1,718,741	133,395,673
1925	1,884,705	140,680,177
1926	2,266,143	158,277,078

The figures show a steady increase.

The mineral production of Canada from 1921 to 1927 was as follows:

1921	$171,923,342
1922	184,297,242
1923	214,079,331
1924	209,583,406
1925	226,583,333
1926	240,437,123
1927	244,520,098

Then in regard to our fisheries: From 1921 to 1926 these are the figures in millions of dollars:

Fisheries Production of Canada 1921-26

1921	$ 34,931,935
1922	41,800,210
1923	42,565,545
1924	44,534,235
1925	47,942,131
1926	56,360,633

These figures indicate an increase between 1921 and 1926 of over $21,000,000 or 61 per cent.

For the same period the manufacturing production of Canada reached the following totals, again in millions of dollars:

Manufacturing Production of Canada 1921-26

1921	$ 2,576,037,029
1922	2,482,209,130
1923	2,781,165,514
1924	2,695,053,582
1925	2,948,545,315
1926	3,250,000,000*

*Partly estimated and subject to revision.

These figures show an increase in five years of $674,000,000, or 26 per cent.

So I say hon. gentlemen opposite are again wrong in their contention that the policies of this government are not meeting the situation.

My hon. friend has been making a great many speeches in various parts of the Dominion, in all of which he has stressed the point that our development in trade means "parting with our estate"—our natural resources. He says we are selling our estate. Well, let us get first of all a true perspective of what constitutes the estate of Canada. Take agriculture. What is the position of this portion of Canada's estate? It is estimated that the total arable land of Canada amounts to three hundred million acres. Now, not more than a fifth of that total is under cultivation at the present time. Can it be said that when we grow wheat and sell it from the land under cultivation we are parting with our agricultural estate? We send the raw products abroad in order to get money back wherewith to create a demand for our manufactures and other commodities. That is the position in regard to agriculture.

Now let me take timber. The estimated total forest area of Canada is in the neighbourhood of 1,200,000 square miles. Forty per cent of this is covered with merchantable timber. There is not another timber area of equal extent in the world outside Siberia. As a matter of fact, we have not begun to appreciate even the extent of these resources. But is not the preservation of this part of our estate very largely a question of conservation, and are not a large proportion of our timber resources under the control of the provincial governments? It is to those governments that my hon. friend should address his remarks rather than to the federal government. We are co-operating with the provinces in conserving the forests. Much more harm is done to our forests through loss by insects and fire than by lumbering operations. Some of the provinces have a statutory requirement that before the timber is exported it must to a certain degree be manufactured. Ontario, Quebec, New Brunswick and one or two of the other provinces have enacted such regulations. It can be shown that a very large quantity of our forest wealth is leaving Canada to-day only in the form of the manufactured product.

Another part of our estate is our minerals. Is there any hon. member who will attempt even to estimate the extent of the mineral wealth of Canada? How can it be said that we are parting with that estate when we sell some raw material from a portion of the earth that has been little more than scratched? Every year we are discovering new areas of mineral wealth, and what there may be ultimately available in the way of production no one can yet foresee.

Another portion of our estate is represented by our fisheries—ocean, river and lake. So far as our ocean fisheries are concerned we know nothing of depletion; as to the fisheries of our lakes and rivers, the governments of the provinces and the Dominion authorities are co-operating by means of hatcheries and in other ways to conserve and increase this important natural resource. So there again any reference to losing our estate seems to me to be wide of the mark.

Then take our water-powers; a few years ago we did not even regard them as an asset; to-day they are one of our greatest assets. This government has laid down the policy that the export of hydro-electric power shall be prohibited so that these great reserves of energy may be utilized in building up the Dominion. We have available forty-one million horse-power, of which at present only four and three-quarter million has been developed.

But in speaking of our natural resources, emphasis must be laid upon the word "resource" as well as upon the word "natural". A resource is something to be used in case of need, when it is required. That is what these resources were given to us for by nature—not to be left dormant, but to be used. The extent to which they can be used and what they will produce depends upon the application of science and human energy. Science is continually finding new means of developing our natural resources. Take, as an example, low grade ores that a

few years ago were regarded as worthless; to-day, through scientific processes, those ores are becoming increasingly valuable. So in regard to wheat and grain, frost-resisting qualities have been discovered in the course of evolving new varieties, and the effect will be to roll back the map of this Dominion further and further north. And yet hon. gentlemen opposite say that we are not to export any of these raw materials, that they must be made into manufactured goods to supply the home market. May I draw their attention to this fact?—We could not more effectively destroy the home market than by following their suggestion. If we put aside the proportion of wheat that is exported, we find that we are importing more in the way of raw materials than we are exporting. Do hon. gentlemen mean to say that we can lay down to the world the doctrine that we will not export any of our raw materials, and at the same time expect other nations to supply us with their raw materials for our cotton mills, our woollen mills and our rubber factories? If we want to trade with the world we have to be prepared to sell them what they are prepared to buy from us. If you take the total of our exports—I will not trouble the house to go through the list, but any hon. member can look up the year book—you will find that for the most part the various commodities are as far advanced in the manufactured state as they can be. Not all of them, it is true. For instance, wheat might be manufactured into flour. What would be the effect if we were to follow the doctrine of hon. gentlemen opposite? If we refused to sell our wheat unless manufactured into flour, the nations that to-day are buying our wheat would turn to some other countries for their supply and we would lose our market altogether. The reason that wheat is exported rather than flour is that it can be handled in bulk cargo, whereas flour is handled in package cargo. Besides, the countries that import wheat do not want it in the form of flour. More than that, the great flour-milling industries in the United States grind our wheat in bond, exporting the flour and retaining the by-products. Under the circumstances, it is doubtful whether any effective action could be taken which would secure the grinding of our wheat for our own flour mills. It is far more likely any such action would jeopardize our exports of wheat which must be sold in competition with the wheat of other countries on the markets of the importing nations. Therefore, Mr. Speaker, the more one considers the position taken by hon. gentlemen opposite the more untenable it appears to be.

I will conclude with a brief reference to one or two matters of a different nature which have been referred to in this debate. The first was a reference by my hon. friend from Frontenac-Addington (Mr. Edwards), to what transpired in a previous session of parliament. He mentioned that, shortly before it left office in 1926, on three occasions the Liberal administration was defeated. May I read his statement:

> It is likewise true that on June 25, 1926, the King government was defeated three times in one day.

My only reason for raising this question at the moment is that in my opinion it is just as well to be accurate in any matter touching the records of parliament. Let me say that the government which I had the honour to lead prior to my resignation in June, 1926, was never once defeated. Had the government been defeated the fact would appear in the records of parliament. I have in my hand the votes and proceedings of the 25th day of June, containing the proceedings of parliament on that date. What were the various resolutions submitted to the judgment of the house on that occasion? There was one resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth), defeated by a vote of 115 to 117. That motion was defeated. Will anyone say that the resolution moved by the hon. member for Winnipeg North Centre was a government motion, and that because that resolution failed to receive the support of the house the government was thereby defeated? Then there was an appeal to you, Mr. Speaker, to which exception was taken by the leader of the opposition. Appeal was taken by the then leader of the opposition from your ruling to the house, the house being asked whether the ruling of the Chair should be sustained. The house on a vote of 117 to 115 failed to sustain that ruling, but that, Mr. Speaker, I regard as a reflection upon the opposition and its leader rather than upon either the government or the Chair. And what was the next motion? The next motion was one moved by the hon. member for Provencher (Mr. Beaubien) and seconded by the late Mr. King of North Huron, a member of the Progressive party, "that the debate be now adjourned". By a majority of one that motion was defeated; the vote was 114 to 115. Will anyone contend that that was a government motion and that in consequence of its failure to carry the government was defeated? There was one further motion, it was moved by the hon. member for Quebec South (Mr. Power) and seconded by the hon. member for Quebec-Montmorency (Mr. Lavigueur). It was the only motion which

came from this side of the house, it was "that the debate be now adjourned". The record in the votes and proceedings of that day shows this motion as having been agreed to; and this was the last motion put in that parliament, for it was a day or two following that I tendered my resignation to His Excellency the Governor General. The house adjourned on Friday and being denied a dissolution, I tendered my resignation before the house reassembled on Monday. It is, I say, just as well that the public be correctly informed in respect of the records on this question.

Mr. EDWARDS (Frontenac): May I ask a question?

Mr. MACKENZIE KING: Yes.

Mr. EDWARDS (Frontenac): Has the government, of which my right hon. friend has the honour to be the head, ever been sustained by the popular vote of the country since 1921?

Mr. MACKENZIE KING: In answer to my hon. friend I will say that the government of which I have been the head since 1921 assumed office by virtue of the will of the people of this country, and has retained office in virtue of the support it has received from this House of Commons. The government, let me add, is in office to-day by reason of the votes of the people of Canada and in virtue of the confidence reposed in it by the House of Commons. But let me remind my hon. friend that there was another so-called government formed in the short interval between my resignation and the time the government resumed power. Of that short-lived phantom administration my hon. friend was not a member, and I imagine he is proud of the fact; no doubt he is happy to have been left out of it. However, there is one fact to be observed in relation to that government, and that is, that it never had the confidence either of the House of Commons or of the country.

Mr. EDWARDS (Frontenac): May I say—

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): It had the confidence of the people to the extent of over 100,000 votes more than my hon. friend's government received.

Mr. MACKENZIE KING: Well, all I can say to my hon. friend is, there is a perfectly obvious answer to his remarks and it is that we are over here and he is over there.

Now, speaking of the confidence of the electorate in governments, my hon. friend from Southeast Grey (Miss Macphail), addressing the house the other evening on the budget, touched upon one or two matters which I consider subjects of reasonable and proper debate; I refer particularly to what she had to say in regard to the constitution of parliament and to certain matters of procedure in the House of Commons. One question she brought up was the right of dissolution, and this comes up in connection with what I have just been saying. My hon. friend expressed the view that the power of dissolution should not rest with the Prime Minister but that—if I understand her correctly—there should be a fixed parliamentary term. It seems to me that many of these matters of form appear differently when we come to the reality. When one comes to examine the so-called right of the prime minister to request dissolution it is obvious that no one individual has the power at his will and caprice, to dissolve parliament at any particular moment. The fact is that the Prime Minister gives expression to the view of his cabinet, and the cabinet gives expression to the view of what it considers to be the will of the majority in parliament at the time that decision is reached which leads the Prime Minister to ask for a dissolution. So that the expression of opinion of the Prime Minister, in asking for dissolution, is the expression not of an individual but of parliament as constituted at the time. I would direct the attention of the house to this important fact. Comparisons are frequently made between our system of government and the system in the United States where there is a fixed legislative term. When these comparisons are made this essential fact seems to be ignored: Where there is a fixed term of office, a period of four years as in the United States, the executive is completely independent of the legislature. The executive in the United States, the president and his cabinet, take office under oath to devote their whole time to the administration of government. They have nothing to do with legislation; they are not responsible to the legislature. They are bound only by their oath of office and are assured of office for the period of time designated under the constitution. The British system is entirely different. Under the British system ministers of the crown have not only responsible executive duties to perform; they must come into parliament, as the ministers of the government of this Dominion do, and assume the responsibility for such legislation as is enacted. They must take the responsibility for the administration of the affairs of the country as well as for the proceedings of parliament. Under the latter sys-

tem of government you have a condition which makes it imperative, in circumstances in which the executive finds, it impossible, being manacled or thwarted, to continue the conduct of public business, that the administration, through the Prime Minister, should have the right to appeal to the judgment of the people. I know that my hon. friend from Southeast Grey feels equally strongly with myself on the rights of the people. After all where is the wrong in giving to the Prime Minister the right to ask for a dissolution of parliament? Is dissolution not an appeal from a comparatively few members of the House of Commons to the great body of public opinion? After all, is it not based on trust in the people? When the Prime Minister asks for a dissolution of parliament, what is it for which he appeals? He simply asks for the right to allow the people themselves to judge in relation to the conduct of those whom they have made their trustees. I hold, therefore, that no finer doctrine of the rights of the people could be propounded than that which ensures, in times of crisis, or when any measure comes up of paramount importance to the public welfare on which the people have not been consulted, that the people shall be given the right to pronounce upon the question. In other words, the Prime Minister asks for the right to go to the people, from whom all power is derived, in order to ascertain whether or not he and his colleagues are right in the particular course which they are pursuing or intend to pursue. That point I wish to make clear because I think there are many instances in which, under the British constitution, the reality is so profoundly different from the appearance of things and that we cannot examine too deeply into what is fundamental in questions of this nature. Our system of government, which has grown up—not over a period of decades, not over a period of twenty or fifty or a hundred years, but through centuries of time—has, I believe, reached the point where it cannot be surpassed by any other form of government to be found anywhere else in the world.

Miss MACPHAIL: Does the Prime Minister mean to imply that the British form of government, as we know it and as we have seen it exemplified in Canada, has reached perfection and that it cannot be improved?

Mr. MACKENZIE KING: No; I believe that so long as we are human there will always be room for improvement. I do say, however, that the British system has developed to a greater point of improvement and more nearly approximates perfection than any other political system in the world. Let me assure the house that in this regard I am speaking as a minister of the crown who, being responsible for legislation which parliament is asked to consider, feels very keenly the force of what he is saying on this question.

Similarly I believe that under the British system, as demonstrated over a very long period, the most effective way of making principles and policies prevail in legislation, is by great parties composed of individuals who have in common certain principles which they desire to advocate and support. The other evening my hon. friend spoke about the feeling which is held by herself and a number of those surrounding her, that they are in parliament for the purpose of representing a class. I think I am right in placing that construction on her words; if I am wrong I hope she will correct me. May I ask her first of all one question: If we each of us took that view what would become of government in an orderly fashion?

Miss MACPHAIL: We would have honest government; everyone would know whom we represented here.

Mr. MACKENZIE KING: That, I submit, is a matter of opinion. However, I may say to my hon. friend that before you can even take that position in parliament you must get into parliament, and the results over a number of years have demonstrated that the only really effective way for any body of opinion to find expression in legislation through debate on the floor of parliament is to have a party large enough and strong enough to elect enough members to give expression to that opinion in parliament itself.

In speaking the other evening my hon. friend used these words:

> . . . . agriculture said: This kind of thing is no good; we are going to organize ourselves as an industry. They said to themselves: Our politics is our business, and we have been foolish in letting other people look after our business; we will never do well that way; We will send people to Ottawa, we will choose them, finance and elect them; we will control them.

Notice those words:

> . . . . we will send people to Ottawa; we will choose them, finance and elect them; we will control them.

My hon. friend remembers what took place in North Huron, where there was a member of her group who took exactly this view and who was running as a candidate in a recent by-election. I have in my hand the manifesto which he issued during that campaign, which is in words very much like the words my

hon. friend uttered. It is signed by Sheldon Bricker the Progressive candidate, and he uses these words in his election manifesto:

Surely agriculture, our basic industry, needs representation in the Dominion house, unfettered by party ties; free to vote on the merits of each question as it arises.

That statement was issued by the Progressive candidate in that election. Now let me return to what my hon. friend said:

...we will send people to Ottawa; we will choose them, finance and elect them;

Is Mr. Bricker here as a member of the Progressive group, sitting where the late Mr. King sat in this house? What was the result of having chosen a representative of a class group as a candidate? The result is that you have sitting in the Tory group opposite a gentleman who is going to cast a vote against the Progressives, against the Liberals and not at all in accord with the principles that my hon. friend has laid down as those which she supports. The point I wish to bring out is that parties are not as some suppose wrong in themselves. They are a means to an end.

Mr. EVANS: May I ask the hon. gentleman a question? Does not the Prime Minister think every party represents a distinct class?

Mr. MACKENZIE KING: No, I do not agree at all with that view; that is exactly where I differ from my hon. friend. I say that as far as the Liberal party is concerned its members represent the people as a whole, and no particular class. In the ranks of our party we have men who come from farming communities and others who come from the business world; we also have those whose lives have been given up to learned professions, but they are all united not by a class tie or bond which separates them from those belonging to the other classes in this house but by a tie which binds them in the advocacy of certain principles and policies which they hope to make prevail in legislation. It is quite true that no one can have his own way; no one can go the full length he might wish to go, but the advantage of a party is that it brings together men and women with like sympathies, like aims and like purposes in the advocacy of measures that they believe to be in the public interest. That is why I am touching on the question at the moment. I feel a great sympathy with many of the objects which my hon. friends of the Progressive group pursue; I would like to see some of the measures in which they are interested enacted as legislation, but I say honestly and frankly from my experience in matters of government that the fact that they hold themselves aloof and do not avowedly co-operate with other groups in this house makes it so much more difficult to get action on some of these matters than would otherwise be the case.

Miss MACPHAIL: Does the Prime Minister mean to say that this group have not co-operated with his government every time the government brought down legislation in which we were interested?

Mr. MACKENZIE KING: I do not want my hon. friend to misunderstand me; if she will look at my words she will see that I spoke comparatively. It makes it more difficult to do many things that otherwise night be done. Let me be concrete: There are a number of members in the Progressive group opposite who come from the province of Alberta. Time and again I have heard the Minister of the Interior urge that certain matters be pressed forward concerning that province, and I have seen him do his utmost to bring about progress in particular measures, but before he can get this House of Commons to support his views he has to have the support of others who have been made to think and feel as he does. Now let me ask this: Does my hon. friend think my task as leader of the government or the task of the Minister of the Interior with respect to Alberta is made any easier by the fact that most of the members from Alberta are sitting in the opposite corner and not one of them where he can most effectively use his persuasive powers with other members on this side of the house?

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: So I struck home again.

Miss MACPHAIL: Does the Prime Minister really want me to answer that question? I think it is very much easier for him and for the Minister of the Interior to bring down legislation in the interests of Alberta, because the Alberta men are outside the government and are therefore in a position to use their individuality and their brains to induce the government to bring in the legislation.

Mr. MACKENZIE KING: No, in that my hon. friend is mistaken. May I direct this argument to her in connection with what I am now saying: She personally has found that in order to get those sitting around her to see her viewpoint it is advisable to have discussed together many matters of policy within a little group which is termed a caucus. What is necessary with the few opposite is equally necessary if agreement is to be reached by the larger numbers here assembled. What

I wish to say is that all government is in the last analysis, a matter of opinion. That opinion is most generally the result of persuasion, not of coercion. In the long run more of service can be done to any particular cause or any particular locality by the sharing with others of responsibility in the fullest possible way in the support of a particular cause or what may be desired for a particular locality. That is my reason and my sole reason for preferring the party system to what my hon. friend refers to as representation by class.

Mr. KENNEDY: Do the Liberal-Progressives attend the Liberal caucuses?

Mr. MACKENZIE KING: I will say a word to my hon. friend with regard to the Liberal-Progressives. They are pretty closely in touch with opinion on this side of the house, and I think we on our part endeavour to give full regard to what the Liberal-Progressives have to say. To my hon. friend who interrupted me, may I point out just where the line of reasoning which he takes is apt to lead, and how serious may be the false position into which it may bring him. He made a statement in this house the other evening to the effect that the most effective way a class group could act might be to see what bargain it could make with a party whose known principles were wholly opposed to its own. What were his words? He said:

. . . . the only thing for us to do is to go and make the very best possible deal with the protectionists and see what they can do for us.

Now those are the words of my hon. friend. How are they viewed in the country? Here is the Montreal Gazette which represents the Conservative party and I think represents in the best way what is in the best interest of that party. What does it say, contrasting the point of view of the Conservative party with the point of view of my hon. friend? It says:

Whether the member for Peace River used the word "deal" or the word "bargain"—reports of his remarks differ in this respect—is not very material, the sense being the same. It is unfortunate that he did not express more clearly his idea of what the protectionist "can do for us".

Then it goes on to say:

But the Conservative party is still founded upon the principle of protection, and there can be no "deal" and no "bargain" which involves a surrender of that principle. The Conservative policy is not in the market.

That is the position which the Montreal Gazette takes.

Mr. KENNEDY: Is this budget which has been presented to the house a protectionist budget or not?

Mr. MACKENZIE KING: I should like my hon. friend to wait a minute. Probably he does not wish to hear what some of the other papers are saying. Here is the Financial Times of Montreal. How does it regard my hon. friend's remarks? I shall not read the whole article, but it says in interpreting the point of view which he is now presenting:

Indeed Mr. Kennedy's offer—the way in which he puts that support up for sale—is hedged about by a most unacceptable condition.

Evidently it regards my hon. friend's attitude as one not of maintaining but of selling principles.

Now, Mr. Speaker, I wish to close. My only reason for quoting the remarks of my hon. friend was that he rose and thereby directed my attention to a matter which I had already covered in my notes but which I had for the moment thought of passing over. I am very glad that the hon. gentleman interrupted me for this reason: His attitude has helped to make clear that the moment you attempt to govern on the basis of class representation that moment you begin to cause just the kind of suspicion with regard to motives that is set out in articles I have quoted, namely that, the whole business is a matter of bargaining. I know my hon. friend from Southeast Grey believes in representative government, but I ask her is it possible to have representative government where members sit in parliament as the representatives of a class, and do not sit as representing all classes.

Miss MACPHAIL: No one can represent all classes.

Mr. MACKENZIE KING: Those who advocate class government also believe, I think, in democratic government. But government by a majority is the only way in which it is possible to express the voice of democracy. Class representation may be described as an attempt at government not by a majority but by a minority. Hon. members of the Progressive group say we desire power. So do they; the difference between them and ourselves is one of method. The method under the parliamentary representation system is the method of gaining and maintaining power through persuasion and co-operation. As interpreted by my hon. friend from Peace River, the method to be employed is not so much one of co-operation as it is one of coercion.

Mr. SPENCER: The Prime Minister laid stress on the importance of numbers. May

I point out that when Nova Scotia had a full quota in the Liberal ranks that province had less relief by a long way than it has had since most of its members have sat on the other side of the house.

Mr. MACKENZIE KING: I shall deal with that point at another time. I notice, Mr. Speaker, that I have already taken up more time than I intended. I have no desire to enter into any argument. I was simply trying to make clear to some of my hon. friends opposite with whose point of view on many things I have the utmost sympathy, how a government is situated in the matter of making policies prevail, and I do say that hon. members from Manitoba who sit here as Progressive Liberals, associating day by day with the members of the Liberal party, speaking with the different members of the party, and giving the government in an intimate way the benefit of their opinions and advice and their support, are doing much more to ensure the enactment of legislation in this parliament in accordance with the principles they have most at heart than would have been possible had they been sitting on the opposite side and away from the government altogether.

May I say this in conclusion? The leader of the Progressive group in speaking the other day on the death of Lord Oxford and Asquith said he believed that Mr. Asquith would be remembered in history more for what he had done in the way of legislation for the benefit of the masses in the shape of old age pensions and the like, than for anything else he had accomplished. I ask my hon. friends where would Mr. Asquith's legislation on old age pensions have been if he had gone into the House of Commons of Great Britain as a lawyer, determined to sit there as a representative of the legal profession? I ask my hon. friends to take all the leaders in the public life of Great Britain, I ask them to take all that has been achieved in the matter of social reform legislation, and I ask them where that legislation would have come from if men of many callings and professions had not stood up and fought the battles of the people in the matter of the franchise, in the matter of the tariff, in the matter of the factory laws, the mining laws, and other legislation deeply affecting the interests of the masses. Had many of the great men whose names are household words been in parliament only as the representatives of a particular class, where should we have got the legislation which they were responsible for enacting—men like Gladstone, like Bright, like Cobden, like Huskisson, like Shaftesbury, and others of great eminence none of whom ever sat in parliament as the representatives of a particular class? They represented the people as a whole and the liberal doctrines which they professed were implemented into legislation for the benefit of the country as a whole. We as Liberals consider with them that the duty of members of parliament is not to represent a class only or the people in only one section of the country but men and women of all classes in all parts of the country, and that to this end we should work in co-operation and close association with our fellow members of kindred sympathies and views for the greatest good to the greatest number throughout our broad Dominion.

(The tables referred to on p. 1282 are as follows):—

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing and on other articles under the Seven Budgets of the Liberal Administration

—	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
Farming:										
Mowing machines, harvesters binders, reapers—										
Preferential	12½%	Free	5%	.....	7½%	.....	.....	.....	.....	12½%
Intermediate	12½%	6%	2½%	.....	4%	.....	.....	.....	.....	6½%
General	12½%	6%	2½%	.....	4%	.....	.....	.....	.....	6½%
Cultivators, harrows, horse-rakes, seed-drills, manure spreaders, and weeders—										
Preferential	10%	Free	.....	.....	10%	.....	.....	.....	.....	10%
Intermediate	15%	7½%	2½%	.....	5%	.....	.....	.....	.....	7½%
General	15%	7½%	2½%	.....	5%	.....	.....	.....	.....	7½%
Ploughs, threshing machines and complete parts thereof—										
Preferential	12½%	5%	2½%	.....	5%	.....	.....	.....	.....	7½%
Intermediate	17½%	10%	2½%	.....	5%	.....	.....	.....	.....	7½%
General	17½%	10%	2½%	.....	5%	.....	.....	.....	.....	7½%
Farm or field rollers, post hole diggers, hay loaders, stumping machines, grain crushers, potato diggers, hay tedders and other agricultural implements—										
Preferential	12½%	5%	2½%	.....	5%	.....	.....	.....	.....	7½%
Intermediate	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
General	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
Axes, scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, rakes and pronged forks—										
Preferential	15%	10%	.....	.....	5%	.....	.....	.....	.....	5%
Intermediate	20%	15%	.....	.....	5%	.....	.....	.....	.....	5%
General	22½%	20%	.....	.....	2½%	.....	.....	.....	.....	2½%
Shovels and spades—										
Preferential	20%	10%	.....	.....	10%	.....	.....	.....	.....	10%
Intermediate	30%	15%	.....	.....	15%	.....	.....	.....	.....	15%
General	32½%	20%	.....	.....	12½%	.....	.....	.....	.....	12½%

[Mr. Mackenzie King.]

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing and on other articles under the Seven Budgets of the Liberal Administration

	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
Farming—Con.										
Farm wagons—										
Preferential	15%	5%	5%	.....	5%	.....	.....	.....	.....	10%
Intermediate	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
General	20%	10%	2½%	.....	7½%	.....	.....	.....	.....	10%
Fertilizers—										
Preferential	5%	Free	.....	.....	5%	.....	.....	.....	.....	5%
Intermediate	7½%	Free	.....	.....	7½%	.....	.....	.....	.....	7½%
General	10%	Free	.....	.....	10%	.....	.....	.....	.....	10%
Machinery of a kind not made in Canada for manufacture of fish meal stock and poultry food and fertilizers from fish and fish waste—										
Preferential	15%	Free	.....	15%	.....	.....	.....	.....	.....	15%
Intermediate	25%	Free	.....	25%	.....	.....	.....	.....	.....	25%
General	27½%	Free	.....	27½%	.....	.....	.....	.....	.....	27½%
Farm sleds—										
Preferential	17½%	5%	.....	.....	.....	12½%	.....	.....	.....	12½%
Intermediate	25%	10%	.....	.....	.....	15%	.....	.....	.....	15%
General	25%	10%	.....	.....	.....	15%	.....	.....	.....	15%
Cresylic acid for manufacture of disinfectants for disinfecting, dipping and spraying—										
Preferential	15%	Free	.....	.....	.....	.....	15%	.....	.....	15%
Intermediate	20%	Free	.....	.....	.....	.....	20%	.....	.....	20%
General	22½%	Free	.....	.....	.....	.....	22½%	.....	.....	22½%
Articles which enter into the cost of the manufacture of fertilizers—										
Preferential	Various	Free	.....	.....	15%–22½%	.....	.....	.....	.....	15%–22½%
Intermediate	Various	Free	.....	.....	17½%–30%	.....	.....	.....	.....	17½%–30%
General	Various	Free	.....	.....	17½%–35%	.....	.....	.....	.....	17½%–35%
Non-alcoholic liquid preparations for disinfecting, dipping or spraying—										
Preferential	20%	Free	10%	.....	.....	.....	.....	.....	10%	20%
Intermediate	25%	Free	10%	.....	.....	.....	.....	.....	15%	25%
General	25%	Free	5%	.....	.....	.....	.....	.....	20%	25%

Dry compounds for disinfecting, dipping or spraying—										
Preferential	20%	Free		2%					18%	20%
Intermediate	25%	Free							25%	25%
General	25%	Free							25%	25%
Chinchilla Rabbits, pure bred—										
Preferential	15%	Free				15%				15%
Intermediate	22½%	Free				22½%				22½%
General	25%	Free				25%				25%
Angora Rabbits, pure bred—										
Preferential	15%	Free						15%		15%
Intermediate	22½%	Free						22½%		22½%
General	25%	Free						25%		25%
Pasteurizers for dairying purposes—										
Preferential	15%	5%					10%			10%
Intermediate	25%	10%					15%			15%
General	27½%	10%					17½%			17½%
Equipment for generating electric power for farm purposes only, viz: engine, generator, storage battery and switchboard—										
Preferential	15%	5%					10%			10%
Intermediate	25%	10%					15%			15%
General	27½%	10%					17½%			17½%
Dry chemicals for disinfecting, dipping or spraying—										
Preferential	15%	Free							15%	15%
Intermediate	17½%	Free							17½%	17½%
General	17½%	Free							17½%	17½%
Small onion plants grown from seeds, for transplanting—										
Preferential	Free	Free								
Intermediate	30%	Free							30%	30%
General	30%	Free							30%	30%
Rolled iron, rolled steel, and pig iron, when imported for use in the manufacture of agricultural implements—					Drawback					
Some items	99%	Free			1%					1%
Other items	30%	Free			70%					70%
Articles which enter into the cost of the manufacture of agricultural implements—										
Preferential	7½%–30%	5%			2½%–25%					2½%–25%
Intermediate	12½%–35%	6%			6½%–29%					6½%–29%
General	12½%–37½%	6%			6½%–31¼%					6½%–31¼%
(*See* note "B").										

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing and on other articles under the Seven Budgets of the Liberal Administration

	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
Fruit Growing—										
Spraying machines, fruit or vegetable grading machines, pruning hooks, pruning shears—										
Preferential	12½%	5%	2½%	.....	5%	.....	.....	.....	.....	7½%
Intermediate	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
General	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
(*See* note "C").										
Poultry Raising:										
Incubators for hatching eggs; brooders for rearing young fowl—	(Wood (Iron)									
Preferential	17½%–20%	5%	7½%–10%	.....	5%	.....	.....	.....	.....	12½%–15%
Intermediate	22½%–27½%	10%	7½%–12½%	.....	5%	.....	.....	.....	.....	12½%–17½%
General	25%–30%	10%	10%–15%	.....	5%	.....	.....	.....	.....	15%–20%
Dairying:										
Milk cans (of tin plate)—										
Preferential	15%	12½%	2½%	.....	.....	.....	.....	.....	.....	2½%
Intermediate	22½%	17½%	5%	.....	.....	.....	.....	.....	.....	5%
General	25%	20%	5%	.....	.....	.....	.....	.....	.....	5%
Dairy tin hollowware and kitchen tin hollowware—										
Preferential	15%	12½%	2½%	.....	.....	.....	.....	.....	.....	2½%
Intermediate	22½%	17½%	5%	.....	.....	.....	.....	.....	.....	5%
General	25%	20%	5%	.....	.....	.....	.....	.....	.....	5%
Milking machines—										
Preferential	12½%	5%	2½%	.....	5%	.....	.....	.....	.....	7½%
Intermediate	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
General	20%	10%	5%	.....	5%	.....	.....	.....	.....	10%
Centrifugal machines for testing butter fat, milk or cream—										
Preferential	17½%	5%	7½%	.....	5%	.....	.....	.....	.....	12½%
Intermediate	22½%	10%	7½%	.....	5%	.....	.....	.....	.....	12½%
General	25%	10%	10%	.....	5%	.....	.....	.....	.....	15%

Mining and quarrying industry:										
Well-drilling machinery and apparatus capable of drilling wells two thousand feet and over in depth, of four inches and over in diameter—										
Preferential	15%	5%				10%				10%
Intermediate	25%	5%				20%				20%
General	27½%	5%				22½%				22½%
Xanthates for concentrating ores—										
Preferential	15%	Free							15%	15%
Intermediate	17½%	Free							17½%	17½%
General	17½%	Free							17½%	17½%
Cresylic Acid and compounds of, for concentrating ores—										
Preferential	15%	Free							15%	15%
Intermediate	20%	Free							20%	20%
General	22½%	Free							22½%	22½%
Machinery and apparatus for producing unrefined oil or fertilizer from shales—										
Preferential	15%	Free					15%			15%
Intermediate	25%	Free					25%			25%
General	27½%	Free					27½%			27½%
Belt and cap lamps to be used in mines—										
Preferential	20%	Free		2%			18%			20%
Intermediate	27½%	Free					27½%			27½%
General	30%	Free					30%			30%
Machinery for sintering or nodulizing iron ore or dust containing iron; machinery and apparatus for blast furnace for smelting ore—										
Preferential	15%	Free			15%					15%
Intermediate	25%	5%			20%					20%
General	27½%	5%			22½%					22½%
Machinery and apparatus not made in Canada for handling materials to be charged into a blast furnace—										
Preferential	15%	Free		2¼%	15%					15%
Intermediate	25%	Free			25%					25%
General	27½%	Free			27½%					27½%
Locomotives and motor cars for underground haulage for mining—										
Preferential	22½%	10%							10¼%	12½%
Intermediate	30%	15%							15%	15%
General	35%	20%							15%	15%

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing, and on other articles under the Seven Budgets of the Liberal Administration

	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
Mining and quarrying industry—Con.										
Machinery for concentration of ores, metals or minerals, viz: flotation machines, pumps, vibrating and impact screens, jigs, magnetic separators and filters—										
Preferential	15%	10%	.....	.....	.....	.....	.....	.....	5%	5%
Intermediate	25%	15%	.....	.....	.....	.....	.....	.....	10%	10%
General	27½%	20%	.....	.....	.....	.....	.....	.....	7½%	7½%
Mine hoists of class not made in Canada—										
Preferential	15%	10%	.....	.....	.....	.....	.....	.....	5%	5%
Intermediate	25%	15%	.....	.....	.....	.....	.....	.....	10%	10%
General	27½%	20%	.....	.....	.....	.....	.....	.....	7½%	7½%
Ore crushers, rock crushers, coal augers, stamp mills, rock drills, percussion coal cutters, etc.—										
Preferential	15%	10%	.....	.....	5%	.....	.....	.....	.....	5%
Intermediate	25%	15%	.....	.....	10%	.....	.....	.....	.....	10%
General	27½%	20%	.....	.....	7½%	.....	.....	.....	.....	7½%
Coal washing machinery, coke-making machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas—										
Preferential	15%	7½%	.....	.....	7½%	.....	.....	.....	.....	7½%
Intermediate	25%	10%	.....	.....	15%	.....	.....	.....	.....	15%
General	27½%	12½%	.....	.....	15%	.....	.....	.....	.....	15%
Lumbering Industry:										
Saw mill machinery—										
Preferential	15%	10%	.....	.....	5%	.....	.....	.....	.....	5%
Intermediate	25%	15%	2½%	.....	7½%	.....	.....	.....	.....	10%
General	27½%	20%	2½%	.....	5%	.....	.....	.....	.....	7½%
Logging machinery which includes logging cars, blocks and tackle, yarders and practically all machinery used exclusively for logging operations—										
Preferential	15%	10%	.....	.....	5%	.....	.....	.....	.....	5%....
Intermediate	25%	15%	.....	.....	10%	.....	.....	.....	.....	10%
General	27½%	20%	.....	.....	7½%	.....	.....	.....	.....	7½%

Logging wagons—										
Preferential	17½%	5%	.....	1¾%	10¾%	.....	.....	.....	.....	12½%
Intermediate	25%	10%	.....	.....	15%	.....	.....	.....	.....	15%
General	25%	10%	.....	.....	15%	.....	.....	.....	.....	15%
Logging sleds—										
Preferential	17½%	5%	.....	.....	.....	12½%	.....	.....	.....	12½%
Intermediate	25%	10%	.....	.....	.....	15%	.....	.....	.....	15%
General	25%	10%	.....	.....	.....	15%	.....	.....	.....	15%
Fishing Industry:										
Manilla rope not exceeding 1½ inches in circumference when used exclusively for the fisheries—										
Preferential	20%	Free	20%	.....	.....	.....	.....	.....	.....	20%
Intermediate	22½%	Free	22½%	.....	.....	.....	.....	.....	.....	22½%
General	25%	Free	25%	.....	.....	.....	.....	.....	.....	25%
"*See* notes *(d)* and *(e)*"										
Marline—										
Preferential	20%	Free	.....	2%	18%	.....	.....	.....	.....	20%
Intermediate	22½%	Free	.....	.....	22½%	.....	.....	.....	.....	22½%
General	25%	Free	.....	.....	25%	.....	.....	.....	.....	25%
Engines for propulsion of individual fishermen's boats—										
Preferential	15%	10%	.....	.....	.....	5%	.....	.....	.....	5%
Intermediate	25%	12½%	.....	.....	.....	12½%	.....	.....	.....	12½%
General	27½%	15%	.....	.....	.....	12½%	.....	.....	.....	12½%
Aluminum net floats of class not made in Canada for deep sea or lake fisheries—										
Preferential	15%	Free	.....	.....	.....	.....	.....	.....	15%	15%
Intermediate	22½%	Free	.....	.....	.....	.....	.....	.....	22½%	22½%
General	25%	Free	.....	.....	.....	.....	.....	.....	25%	25%
General industry:										
Machinery and parts and dies valued at more than $500 of a kind not made in Canada—										
Duties on principal items—		Drawback								
Preferential	15%	60%	.....	9%	.....	.....	.....	.....	.....	9%
Intermediate	25%		.....	12½%	.....	.....	.....	.....	.....	12½%
General	27½%		.....	16¼%	.....	.....	.....	.....	.....	16¼%
See notes (f) and (g)										
Pulpboard in rolls for the manufacture of wallboard—										
Preferential	15%	Free	.....	15%	.....	.....	.....	.....	.....	15%
Intermediate	22½%	5%	.....	17½%	.....	.....	.....	.....	.....	17½%
General	25%	5%	.....	20%	.....	.....	.....	.....	.....	20%

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing, and on other articles under the Seven Budgets of the Liberal Administration

—	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
General industry—Con.										
Acetate of lime or calcium acetate for Canadian manufactures—										
Preferential	15%	Free	.....	15%	.....	.....	.....	.....	.....	15%
Intermediate	17½%	Free	.....	17½%	.....	.....	.....	.....	.....	17½%
General	17½%	Free	.....	17½%	.....	.....	.....	.....	.....	17½%
Wood shafts and wood golf heads for manufacture of golf clubs—										
Preferential	17½%	5%	.....	1¼%	.....	.....	.....	10¾%	.....	12½%
Intermediate	22½%	7½%	.....	.....	.....	.....	.....	15%	.....	15%
General	25%	10%	.....	.....	.....	.....	.....	15%	.....	15%
Crude peanut oil for refining for edible purposes—										
Preferential	15%	Free	15%	.....	.....	.....	.....	.....	.....	15%
Intermediate	17½%	Free	17½%	.....	.....	.....	.....	.....	.....	17½%
General	17½%	Free	17½%	.....	.....	.....	.....	.....	.....	17½%
Iron or steel scrap, wrought, to be remanufactured in furnaces—	Per Ton									Per Ton
Preferential	50c.	Free	.....	25c.	25c.	.....	.....	.....	.....	50c.
Intermediate	90c.	Free	.....	45c.	45c.	.....	.....	.....	.....	90c.
General	$1.00	Free	.....	50c.	50c.	.....	.....	.....	.....	$1.00
Iron or steel rails, which have been in actual use, to be remanufactured in furnaces or in rolling mills into other products—	Per Ton									Per Ton
Preferential	$4.50	Free	.....	.....	$4.50	.....	.....	.....	.....	$4.50
Intermediate	6.00	Free	.....	.....	6.00	.....	.....	.....	.....	6.00
General	7.00	Free	.....	.....	7.00	.....	.....	.....	.....	7.00
Copper bars (cast) for manufacture of rods, for electrical conductors—	Per Lb.									Per Lb.
Preferential	1c.	Free	.....	.....	1c.	.....	.....	.....	.....	1c.
Intermediate	1½c.	Free	.....	.....	1½c.	.....	.....	.....	.....	1½c.
General	1½c.	Free	.....	.....	1½c.	.....	.....	.....	.....	1½c.
Copper rods (rolled) for manufacture of electrical conductors—										
Preferential	5%	Free	.....	.....	5%	.....	.....	.....	.....	5%
Intermediate	10%	Free	.....	.....	10%	.....	.....	.....	.....	10%
General	10%	Free	.....	.....	10%	.....	.....	.....	.....	10%

Rolled iron or steel sheets and strips, hardened, etc., not further manufactured than cut to shape, without indented edges, for manufacture of band saws—										
Preferential	20%	7½%	.....	2%	10½%	.....	.....	.....	.....	12½%
Intermediate	27½%	12½%	.....	.....	15%	.....	.....	.....	.....	15%
General	30%	12½%	.....	.....	17½%	.....	.....	.....	.....	17½%
Twine or yarn of grass for manufacture of furniture—										
Preferential	20%	Free	.....	2%	18%	.....	.....	.....	.....	20%
Intermediate	22½%	Free	.....	.....	22½%	.....	.....	.....	.....	22½%
General	25%	Free	.....	.....	25%	.....	.....	.....	.....	25%
Stearic acid for manufacture of candles—										
Preferential	12½%	Free	.....	.....	12½%	.....	.....	.....	.....	12½%
Intermediate	17½%	Free	.....	.....	17½%	.....	.....	.....	.....	17½%
General	20%	Free	.....	.....	20%	.....	.....	.....	.....	20%
Bituminous coal, round and run of mine and coal, n.o.p.—	Per Ton									Per Ton
Preferential	35c	35c	.....	.....	.....	.....	.....	.....	.....	.....
Intermediate	45c	45c	.....	.....	.....	.....	.....	.....	.....	.....
General	53c	50c	.....	.....	.....	3c	.....	.....	.....	3c
Tree seeds for reforestration purposes—										
Preferential	5%	Free	.....	.....	.....	.....	5%	.....	.....	5%
Intermediate	10%	Free	.....	.....	.....	.....	10%	.....	.....	10%
General	10%	Free	.....	.....	.....	.....	10%	.....	.....	10%
Angostura bitters, produce British West Indies—	Per Gal.	Per Gal.					Per Gal.			Per Gal.
Preferential	$10.00	$ 5.00	.....	.....	.....	.....	$ 5.00	.....	.....	$ 5.00
Intermediate	10.00	10.00	.....	.....	.....	.....	.....	.....	.....	.....
General	10.00	10.00	.....	.....	.....	.....	.....	.....	.....	.....
Zirconium silicate—										
Preferential	15%	Free	.....	.....	.....	.....	15%	.....	.....	15%
Intermediate	17½%	Free	.....	.....	.....	.....	17½%	.....	.....	17½%
General	17½%	Free	.....	.....	.....	.....	17½%	.....	.....	17½%
Rolled iron or steel sheets, coated with tin—										
Preferential	7½%	Free	.....	.....	.....	.....	7½%	.....	.....	7½%
Intermediate	12½%	5%	.....	.....	.....	.....	7½%	.....	.....	7½%
General	12½%	5%	.....	.....	.....	.....	7½%	.....	.....	7½%
Automobiles, passenger, valued at retail at not more than $1,200, also chassis for same—										
Preferential	22½%	12½%	.....	2½%	.....	.....	7½%	.....	.....	10%
Intermediate	30%	17½%	.....	.....	.....	.....	12½%	.....	.....	12½%
General	35%	20%	.....	.....	.....	.....	15%	.....	.....	15%

Table Showing the Reduction in Ra tesof Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing, and on other articles under the Seven Budgets of the Liberal Administrat'on

—	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
General iadustry—Con.										
Automobiles, passenger, valued at retail at over $1,200, and motor vehicles, n.o.p., also chassis for same—										
Preferential	22½%	15%		2¼%			5¼%			7½%
Intermediate	30%	25%					5%			5%
General	35%	27½%					7½%			7½%
Motor trucks for carrying goods only, also classis for same—										
Preferential	22½%	12½%		2¼%			7¾%			10%
Intermediate	30%	17½%					12½%			12½%
General	35%	20%					15%			15%
Motorcycles—										
Preferential	22½%	12½%		2¼%			7¾%			10%
Intermediate	30%	17½%					12½%			12½%
General	35%	20%					15%			15%
Tops, wheels and bodies for passenger automobiles, motor trucks and motor vehicles, n.o.p.—										
Preferential	22½%	20%		2¼%			1%			2¼%
Intermediate	30%	27½%					2½%			2½%
General	35%	30%					5%			5%
Horns, distributors, ammeters, instrument board lamps, oil gauges, gasoline gauges, thermostats, oil filters, carburetors, purifiers for oil, purifiers for air, clocks, monograms of metal and enamel, annular ball bearings and parts thereof, lock washers, speedometers and parts thereof, vacuum tanks, gaskets of copper and of asbestos, rims for steering wheels, welded axle housings, electric terminals other than battery terminals, and fuses, all of a class or kind not made in Canada, when imported by manufacturers of goods enum-										

erated in tariff items 438a, 438b and 438c for use only as original equipment in the manufacture of motor vehicles enumerated in tariff items 438a and 438b—										
Preferential	Various	Free					Various			Various
Intermediate	Various	Free					Various			Various
General	Various	Free					Various			Various
Gasoline and steam engines, transmission assemblies and parts thereof, magnetos, starting motors, electric generators, propeller shafts, steel chassis frames, brakes, clutches, brake and clutch controls, steel road wheels, steel rims for pneumatic tires larger than 30 inches by 5 inches, steering gears and front and rear axles, all of a class or kind not made in Canada, when imported by manufacturers of motor trucks (not for railways or tramways) for carrying goods only, for use only in the manufacture of such motor trucks—							about			about
Preferential	Various	15%					3%			3%
Intermdiate	Various	17½%					5%			5%
General	Various	20%					9%			9%
Rough iron or steel castings for manufacture of shot guns—										
Preferential	15%	5%					10%			10%
Intermediate	25%	7½%					17½%			17½%
General	27½%	10%					17½%			17½%
Gun stocks and fore-ends of walnut in the rough for manufacture of shot guns—										
Preferential	17½%	10%		1¼%			5¼%			7½%
Intermediate	22½%	12½%					10%			10%
General	25%	15%					10%			10%
Engines for equipment of aircraft—										
Preferential	15%	Free					15%			15%
Intermediate	25%	7½%					17½%			17½%
General	27½%	10%					17½%			17½%
Ethylene glycol for manufacture of explosives—										
Preferential	15%	Free					15%			15%
Intermediate	17½%	Free					17½%			17½%
General	17½%	Free					17½%			17½%

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing, and on other articles under the Seven Budgets of the Liberal Administration

	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
General industry—Con.										
Sponges of marine production—										
Preferential	12½%	Free					12½%			12½%
Intermediate	17½%	17½%								
General	17½%	17½%								
Pulpboard for wrapping rolls of paper—										
Preferential	15%	5%							10%	10%
Intermediate	22½%	7½%							15%	15%
General	25%	10%							15%	15%
Calcium chloride for road treating—	Per Cwt.								Per Cwt.	Per Cwt.
Preferential	10c.	Free							10c.	10c.
Intermediate	15c.	Free							15c.	15c.
General	15c.	Free							15c.	15c.
Crude petroleum not in natural state, etc., for refining—										
Preferential	Various	Free							Various	Various
Intermediate	Various	Free							Various	Various
General	Various	Free							Various	Various
Nickel chromium in bars or rods for manufacture of electric resistance wire or strip—										
Preferential	15%	Free							15%	15%
Intermediate	17½%	Free							17½%	17½%
General	17½%	Free							17½%	17½%
Printing presses, lithographic presses, and typemaking accessories therefor, also machines specially designed for ruling, folding, binding, embossing, creasing, or cutting paper or cardboard when for use exclusively by printers, bookbinders and by manufacturers of articles made from paper or cardboard—including parts thereof composed wholly or in part of iron, steel brass or wood—										
Preferential	5%	Free							5%	5%
Intermediate	10%	5%							5%	5%
General	10%	10%								

Sheet feeding machines for use with above machinery—										
Preferential	15%	Free	.....	10%	.....	.....	.....	.....	5%	15%
Intermediate	25%	5%	.....	15%	.....	.....	.....	.....	5%	20%
General	27½%	10%	.....	17½%	.....	.....	.....	.....	.....	17½%
Machinery and complete parts for printing by photographic methods on plates for use on lithographic and offset presses—										
Preferential	15%	Free	.....	10%	.....	.....	.....	.....	5%	15%
Intermediate	25%	5%	.....	15%	.....	.....	.....	.....	5%	20%
General	27½%	10%	.....	17½%	.....	.....	.....	.....	.....	17½%
Stereotypers and type-casters blankets, and press blankets used in covering cylinders on rotary printing presses—										
Preferential	Various	Free	.....	.....	.....	.....	.....	.....	Various	Various
Intermediate	Various	5%	.....	.....	.....	.....	.....	.....	Various	Various
General	Various	10%	.....	.....	.....	.....	.....	.....	Various	Various
Machinery of a class or kind not made in Canada, and parts thereof, specially adapted for carding, spinning, weaving, braiding, or knitting fibrous materials, when imported by manufacturers for such purposes—										
Preferential	10%	Free	.....	.....	.....	.....	.....	.....	10%	10%
Intermediate	10%	5%	.....	.....	.....	.....	.....	.....	5%	5%
General	10%	10%	.....	.....	.....	.....	.....	.....	.....	.....
Cork slabs, boards, planks and tiles from cork waste or granulated or ground cork—										
Preferential	20%	15%	.....	.....	.....	.....	.....	.....	5%	5%
Intermediate	30%	17½%	.....	.....	.....	.....	.....	.....	12½%	12½%
General	30%	25%	.....	.....	.....	.....	.....	.....	5%	5%
Some articles of General Consumption—										
Boots and shoes, pegged or wire fastened, with unstitched soles close edged—				(10% discount on Brit. Preferential Tariff						
Preferential	17½%	15%	2½%		.....	.....	.....	.....	.....	2½%
Intermediate	22½%	22½%	.....	.....	.....	.....	.....	.....	.....	.....
General	25%	25%	.....	.....	.....	.....	.....	.....	.....	.....
Boots, shoes, slippers and insoles of any material, n.o.p.—										
Preferential	20%	15¾%	2½%	1¾%	.....	.....	.....	.....	.....	4¼%
Intermediate	27½%	27½%	.....	.....	.....	.....	.....	.....	.....	.....
General	30%	30%	.....	.....	.....	.....	.....	.....	.....	.....

[Mr. Mackenzie King.]

Table Showing the Reduction in Rates of Customs Duties on Instruments of Production in the Basic Industries of Agriculture, Mining, Lumbering and Fishing, and on other articles under the Seven Budgets of the Liberal Administration

—	Rates of Duty		Reductions							
	1921	1928	1922	1923	1924	1925	1926	1927	1928	Total
Some articles of General Consumption—Con.										
Sugar, above No. 16 Dutch standard in colour and all refined sugars—	Per cwt. according to test	Per cwt. according to test	Per cwt. according to test	Per cwt.						Per cwt.
Preferential	1.50–$1.79	83c.–$1.09	17c.–20c.	50c.						67c.–70c.
Intermediate	$2.00	$1.50								
and General	to $2.39	to $1,89		50c.						50c.
Sugar for refining and sugar, n.o.p., and sugar not over No. 16 Dutch Standard in colour—	Per cwt. according to test	Per cwt. according to test					Per cwt. according to test			Per cwt. according to test
Preferential	70c.–87·25c.	20·627c. to 35·606c.		35c.–40·75c.			14·373c. to 10·894c.			49·373c. to 51·644c.
Intermediate and General	Per cwt. according to test $1·1608 to 1·8325	Per cwt. according to test 70·851c. to $1·47606		Per cwt. according to test 35c. to 40·75c.			Per cwt. according to test 10·229c. to increase of 5·106c.			Per cwt. according to test 45·229c. to 35·644c.
*Tea from Great Britain or direct from country of production—	Per lb.	Per lb.		Per lb.						Per lb.
Preferential	7c.	7c.		2·6%						2·6%
Intermediate	10c.	10c.								
General	10c.	10c.								
Coffee, green, from Great Britain or direct from country of production—							Per lb.			Per lb.
Preferential	2¼c.	Free					2¼c.			2¼c.
Intermediate	3c.	3c.								
General	3c.	3c.								
Butter produced from cocoa bean—										
Preferential	1½c.	Free					1½c.			1½c.
Intermediate	2c.	2c.								
General	2c.	2c.								
Ginger and spices, unground—										
Preferential	10%	Free					10%			10%
Intermediate	12½%	12½%								
General	12½%	12½%								

Nutmegs and mace, whole or unground—										
Preferential	12½%	Free					12½%			12½%
Intermediate	17½%	17½%								
General	20%	20%								
Arrowroot—	Per Lb.	Per Lb.					Per Lb.			Per Lb.
Preferential	½c.	Free					½c.			½c.
Intermediate	1½c.	1½c.								
General	1½c.	1½c.								
Table salt, containing admixture—										
Preferential	20%	5%		2%			13%			15%
Intermediate	25%	10%					15%			15%
General	25%	15%					10%			10%
Pineapples in airtight packages—	Per Lb.	Per Lb.					Per Lb.			Per Lb.
Preferential	1¾c.	¼c.					1¼c.			1¼c.
Intermediate	2½c.	2½c.								
General	2¾c.	2¾c.								
Palm and palm kernel oil, unbleached—										
Preferential	15%	Free							15%	15%
Intermediate	17½%	Free							17½%	17½%
General	17½%	Free							17½%	17½%

Notes re Agriculture:—

(a) While it is not possible to make any accurate estimate, it is considered the reduction would be at least fifteen to thirty-five per cent.

(b) The change made under these items, apart from the actual increase of drawback, means a great advantage to manufacturers in that it does away with the keeping of accounts and advancing moneys. Another benefit to manufacturers is that materials on hand April 11, 1924, which enter into the cost of implements mentioned will be subject to a drawback of 99 per cent.

(c) These items were subject to various rates of duty, but on the principal items the duties were as indicated.
The agricultural industry was also benefited in 1922 by the exemption from sales tax of fibre used in the manufacture of binder twine.

Notes on Fishing Industry:—

(d) Prior to 1922 manilla rope was restricted to rope used in holding traps in lobster fisheries; in 1922 the budget extended the free list to include rope used in all fisheries.

(e) Prior to 1924 the duty exemption applied only to "barked" marline; the exemption now applies to all marline, which means some additional saving to fishermen and does away with considerable annoyance.

It is to be noted, also, that the fishing industry was benefited in 1922 through the removal of the sales tax on manilla fibre for use in the manufacture of rope for the fisheries; by the removal of the sales tax on boats purchased by individual fishermen for their own use in the fisheries; and on articles and materials used in the manufacture of similar boats in the fisheries; and on articles and materials used in the manufacture of similar boats.

Notes on General Industry:—

(f) Reduction calculated on basis of 60 per cent drawback.

(g) The Government has also by recent amendments made reductions in many articles that enter into the construction, equipment or repair of blast furnaces.

*While the duty on tea is a rate per pound, the ad valorem rate on the basis of value imported and duty paid for the fiscal year ended March 31, 1923, would equal 26·4 p.c.

Textile Changes under Budget of 1928

Cottons

The maximum duty under the General Tariff is reduced from 37½ per cent to 30 per cent, with a single exception.

Cotton yarns, 40's and finer, are made dutiable but the rates are reduced on the coarser counts of yarn.

Gray (unbleached) cotton fabrics are reduced by 2½ per cent in the intermediate and general tariffs.

Printed and dyed cottons are reduced 2½ per cent in the British preference, 5 per cent in the intermediate and 5 per cent in the general tariff.

Yarn-dyed fabrics are reduced 2½ per cent British preference, 5 per cent in the intermediate and 2½ per cent general.

On a large range of household cottons, such as tablecloths, counterpanes, sheets, quilts, towels, plain curtains, etc., there are reductions of from 5 to 10 per cent in the British preference rate, from 2½ to 5 per cent in the intermediate, and from 2½ to 5 per cent in the general.

Blankets of cotton are reduced 7½ per cent in the British preference rate, the intermediate and the general.

Cotton embroideries, laces, etc., are reduced, roughly, 5 per cent on all tariffs.

Cotton clothing and manufactures of cotton show reductions ranging from 2½ to 5 per cent on all tariffs, (with very few exceptions, due to reclassification).

Woollens

Yarns for weaving are reduced from various duty ranges (chiefly 12½, 17½ and 20) to Free under the British preference rate, 10 under the intermediate and 12½ under the general rate.

Dress goods in the gray for dyeing or finishing in Canada are reduced 5 per cent under the British preference rate.

Lustres and linings are reduced from 20, 30 and 35 per cent to 10, 20 and 25 per cent.

Woollen fabrics not over 5 ounces in weight per square yard are reduced 2½ per cent in the British preference rate.

Cheaper ranges of woollen socks and stockings are reduced 5 per cent in all tariffs.

Knitted goods of all kinds valued at not more than 90 cents per pound are reduced 5 per cent in the British preference rate.

Flax, Jute, Hemp, Etc.

There are reductions in the British preference rate, (2½ per cent) on the finer grades of linen, as well as on plain and fancy linen handkerchiefs.

Manufactures of flax, not otherwise provided for, formerly rated at 25 per cent under the British preference tariff are reduced to 22½ per cent.

Oiled clothing of cotton or linen is reduced 5 per cent on British preference and intermediate tariffs.

Silk and Art Silk

There are practically no changes in rates affecting silk and artificial silk but the items are reworded and reclassified to conform with those comprising the wool and cotton schedules.

Drawback Provisions

The Foregoing Tables do not Include Reductions under Treaties and Trade Agreements nor do they include the following Drawback Provisions:

Item No.	Goods	When subject to drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1026	Materials, including all parts not finished.....	When used in the manufacture of goods enumerated in tariff items 446, 446b, 447b, 448 and 448a.....	40 p.c.
1027	Materials, including all parts not finished.....	When used in the manufacture of goods enumerated in tariff items 447, 448b and 591.....	30 p.c.
1028	Materials, including all parts.....	When used in the manufacture of goods enumerated in tariff item 447a.....	99 p.c.
1029	Hatters' plush or silk or cotton, and hatters' bindings.....	When imported by hat and cap manufacturers and used in the manufacture of hats and caps in their own factories.....	99 p.c.
1030	Materials.....	When used in the manufacture of surgical trusses, suspensory bandages and elastic hosiery.....	50 p.c.
1029	Materials.....	When imported by manufacturers of hat sweats and hatters' tips and sides and used in the manufacture of such articles in their own factories.....	99 p.c.
1030	Materials.....	When used in the manufacture of articles enumerated in tariff item 236.....	50 p.c.
1031	Artificial silk tops and waste or artificial fibre silk, artificial silk yarns or filaments, enumerated in Tariff items 583a and 583aa.	When imported by manufacturers to be further manufactured in their own factories before the first day of July, 1924.....	60 p.c.

The Foregoing Tables do not Include Reductions under Treaties and Trade Agreements nor do they include the following Drawback Provisions:

Item No.	Goods	When subject to drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1032	Oil	When used in the manufacture of manila rope, not exceeding one and one-half inches in circumference, when used exclusively in the fisheries	99 p.c.
1033	Glass tubing	When used for the manufacture of glassware and other scientific apparatus for laboratory work in public hospitals	99 p.c.
1034	Barilla or soda ash	When used in the manufacture of sal soda	99 p.c.
1035	Machinery, and parts thereof, and dies valued at more than five hundred dollars each, of a class or kind not made in Canada.	When used in manufacturing or producing goods of a class or kind not manufactured or produced in Canada prior to the twelfth day of May, 1923	60 p.c.
1036	Materials, including all parts not finished	When used in the manufacture of goods enumerated in tariff item 448c	40 p.c.
1037	Copper in blocks, ingots, pigs or bars	When used in the manufacture of rods for use only in the manufacture of trolley, telegraph and telephone wires, electric wires and electric cables	99 p.c.
1026	Materials, including all parts, imported prior to eleventh day of April, 1924	When entering into the cost of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, before the first day of July, 1927	99 p.c.
1027	Materials	When used by manufacturers of malleable iron castings or steel shafting for use exclusively in the manufacture of such articles for use in the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591	80 p.c.
1031	Artificial silk tops and waste or artificial fibre silk, artificial silk yarns or filaments enumerated in tariff items 583a and 583aa.	When further manufactured before the first day of January, 1925	80 p.c.
1036	Bar iron or steel, rolled, whether in coils or bars, one and one-eight of an inch in diameter and over.	When used in the manufacture of goods enumerated in tariff item 410	99 p.c.
1038	Materials, including all parts	When used in the manufacture of goods enumerated in tariff item 544a	99 p..
1039	Materials, including all parts not finished	When used in the manufacture of goods enumerated in tariff items 447 and 448b	30 p.c.
1040	Bags, boxes and barrels	When imported by producers of salt, for use in covering salt produced in Canada	60 p.c.
1041	Materials	When used in the manufacture of bags, boxes and barrels, when such bags, boxes and barrels are used in covering salt produced in Canada	60 p.c.
1042	Materials, including all parts	When entering into the cost of cyanide of potassium and cyanide of sodium	99 p.c.
1043	Materials, including all parts	Which entered into the cost of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, on hand or in process of manufacture, in possession of the manufacturer and unsold, on the tenth day of April, 1924. Provided that drawback payable under this item is in lieu of drawback payable under any other tariff item	99 p.c.

The Foregoing Tables do not Include Reductions under Treaties and Trade Agreements nor do they include the following Drawback Provisions:

Item No.	Goods	When subject to drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1044	Fire brick	When imported by manufacturers of iron or steel for use exclusively in the construction or repair of a blast furnace, open hearth furnace or rolling mill furnace	99 p.c.
1045	Materials	When used in the manufacture of tubes enumerated in tariff item 397	99 p.c.
1046	Materials	When used in the manufacture of articles entitled to entry under tariff item 663b when such articles are sold to manufacturers to be used as specified in said item	99 p.c.
1047	Materials	When used in the manufacture of articles enumerated in tariff item 469a	99 p.c.
1048	Materials, including all parts	When used in the manufacture of goods enumerated in tariff item 453e	50 p.c.
1049	Bituminous Coal	When imported after the twenty-fourth day of March, 1925, by proprietors of by-product recovery coke ovens and converted into coke at their by-product recovery coke ovens. Provided that no drawback shall be paid under this item on coal converted into coke at a gas retort plant or as at plant using any other process than the by-product coke process, also provided that drawback payable under this item is in lieu of drawback payable under any other item	99 p.c.
1050	Sugar	When used in the manufacture of loganberry wine. Provided that drawback shall not be payable in respect of any raw sugar, except raw sugar produced in a British country	99 p.c.
1051	Artificial silk tops and waste or artificial fibre silk tops and waste enumerated in tariff item 583A	When further manufactured after the 31st day of December, 1925, and prior to the 1st day of January, 1928	80 p. c.
1052	Artificial silk yarns or filaments enumerated in tariff item 583aa, imported prior to the first day of January, 1926	When further manufactured prior to the first day of January, 1927	80 p.c.
1053	Cellulose acetate in powdered form imported after the thirtieth day of April, 1927, and prior to the first day of November, 1927	When imported by manufacturers and further manufactured in their own factories before the first day of December, 1927	99 p.c.
1054	Yarns produced from cellulose acetate, dry spun, not more advanced than singles, when imported after the thirty-first day of October, 1926, and prior to the first day of August, 1927	When imported by manufacturers and further manufactured in their own factories before the first day of September, 1927	80 p.c.

The Foregoing Tables do not Include Reductions under Treaties and Trade Agreements nor do they include the following Drawback Provisions:

Item No.	Goods	When subject to drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1055	Materials, including all parts.....	When used in the manufacture of goods enumerated in tariff items 438a and 438b: Provided that before April 1, 1927, no drawback shall be paid under this item unless at least forty per cent of the cost of producing the finished articles has been incurred in Canada; Provided that on and after April 1, 1927, no drawback shall be paid under this item unless at least fifty per cent of the cost of producing the finished article has been incurred in Canada; And provided further that no drawback under this item shall be payable more than once on any article.....	25 p.c.
1011	Botany yarn, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgian systems, in white only, not doubled or twisted.	When used prior to the first day of October, 1928, in the manufacture of socks and stockings and Jersey cloth.....	99 p.c.
1012	Woven fabrics in the web.....	When used in the manufacture of linings for hats and caps.....	99 p.c.
1024	Yarns composed in chief value of wool, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgian systems, in white only, not doubled or twisted.	When used prior to the first day of October, 1928, in the manufacture of socks and stockings.....	99 p.c.
1029	Materials.....	When imported by manufacturers of hat sweats, cap peaks and hatters tips and sides when used in the manufacture of such articles in their own factories.....	99 p.c.
1060	Newsprint paper, machine finished book grades of paper, not coated, coated or super-calendered book grades of paper, when imported under tariff items 197, 197a, or 198a.	When used exclusively in the production in Canada of magazines or periodicals, including farm journals, printed, published and issued at regular intervals, and enjoying second class postal privileges, containing critical, informative and descriptive articles on various subjects, current topics, political and other news or reviews, criticism or other informative matter, or fiction, being bound, wire stitched or otherwise fastened together.....	80 p.c.
1061	Woven fabric manufactured for covering the outside of books of a class or kind not made in Canada.	When imported by bookbinders for use exclusively in binding books in their own factories.....	99 p.c.
1062	Materials, including all parts.....	When used in the manufacture of bit braces, marking gauges of metal or wood, levels of metal or wood, planes or hand tool scrapers of metal or wood, spoke shaves, try squares and bevels with metal or wood handles: Provided that no drawback shall be paid under this item unless at least fifty per cent of the cost of producing the finished article has been incurred in Canada; And provided further that no drawback under this item shall be payable more than once on any article.	60 p.c.

The Foregoing Tables do not Include Reductions under Treaties and Trade Agreements nor do they include the following Drawback Provisions:

Item No.	Goods	When subject to drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1063	Materials, including all parts.....	When used in the manufacture of engines for use only in the equipment of aircraft: Provided that on and after July 1, 1930, no drawback shall be paid under this item unless at least forty per cent of the cost of producing the finished engine has been incurred in Canada.	50 p.c.
1064	Seamless iron or steel tubing over four inches in diameter.....	When used in the transmission of natural gas under high pressure from the gas wells to point of distribution.....	50 p.c.
1065	Bituminous coal.....	When used in melting or evaporating salt produced in Canada: Provided that no drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items 40, 41, 42, and 42a.....	99 p.c.

Mr. SPEAKER: Is the house ready for the question? Before I put the question, I wish to address myself to hon. members on both sides of the house. Standing order 7, under our new rule, reads as follows:

> At 11 of the clock, p.m., unless the closure rule be then in operation, the proceedings on any business under consideration shall be interrupted and Mr. Speaker shall adjourn the house without question put, provided that all business not disposed of at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

I wish to point out that it is not yet 11 o'clock, but that hour will soon be reached, and there are three votes to be taken this evening. It is not only probable but quite certain that by 11 o'clock the three divisions will not have been taken. I should like to know, therefore, the sense of the house as to whether we shall proceed with the three votes notwithstanding the hour. Am I to understand that such is the unanimous wish of the house?

Mr. BOURASSA: I beg your pardon, Mr. Speaker; I cannot agree, if any question be not put at 11 o'clock, to giving my consent to the breaking of the rule. I consider that these rules are binding, and that we must suffer the consequences of our absurdity.

Mr. SPEAKER: It is a collective "absurdity" voted by the house last year.

[Mr. Mackenzie King.]

The house divided on the amendment to the amendment (Mr. Fansher, Lambton) which was negatived on the following division:

YEAS

Messrs.

Adshead, Bird, Bourassa, Campbell, Carmichael, Coote, Evans, Fansher (Last Mountain), Fansher (Lambton East), Garland (Bow River), Heaps, Jelliff, Kellner, Kennedy, Lucas, Luchkovich, Macphail (Miss), Speakman, Spencer, Woodsworth.—20.

NAYS

Messrs.

Allan, Anderson (Toronto-High Park), Anderson (Halton), Arthurs, Auger, Baldwin, Bancroft, Barber, Beaubien, Bell (St. John-Albert), Bennett, Benoit, Bettez, Black (Yukon), Black (Halifax), Blanchard, Bock, Boivin, Bothwell, Bouchard, Boucher, Boulanger, Bourgeois, Bowen, Bowman, Boys, Bradette, Brady, Brown, Cahan, Cannon, Cardin, Casgrain, Casselman, Cayley, Chaplin, Charters, Chevrier, Church, Cotnam, Cowan,

Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dickie,
Dionne,
Donnelly,
Drayton (Sir Henry),
Duff,
Dunning,
Dussault,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Elliott,
Embury,
Ernst,
Esling,
Euler,
Fafard,
Fiset (Sir Eugene),
Fontaine,
Forke,
Foster,
Fraser,
Garland (Carleton),
Geary,
Gershaw,
Girouard,
Glen,
Goodison,
Gott,
Goulet,
Grimmer,
Guérin,
Hall,
Harris,
Hay,
Heenan,
Hepburn,
Hodgins,
Howard,
Hubbs,
Ilsley,
Jenkins,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kay,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Ladner,
Laflamme,
Lanctôt,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Lovie,
Macdonald (Glengarry),
Macdonald (Kings),
Macdougall,
MacLaren,
MacLean (Prince),
McLean (Melfort),
MacNutt,
McGibbon,
McGregor,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
McQuarrie,
Malcolm,
Maloney,
Manion,
Matthews,
Maybee,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Odette,
Parent,
Peck,
Perras,
Pettit,
Power,
Prévost,
Price,
Quinn,
Ralston,
Rennie,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robinson,
Robitaille,
Ross (Kingston City),
Ross (Moose Jaw),
Rowe,
Rutherford,
Ryckman,
Ryerson,
St-Père,
Sanderson,
Séguin,
Senn,
Short,
Sinclair (Queens),
Sinclair (Wellington North),
Smith (Cumberland),
Smith (Stormont),
Smoke,
Spence,
Spotton,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Sylvestre,
Taylor,
Telford,
Thompson,
Thorson,
Tobin,
Tolmie,
Totzke,
Tummon,
Verville,
White (London),
White (Mount Royal),
Wilson (Wentworth),
Wilson (Vaudreuil-Soulanges),
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—191.

PAIRS

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

Messrs.

Venoit,
Edwards (Ottawa),
Blatchford,
Bissett,
Mercier (St. Henri),
Pouliot,
Gervais,
Vallance,
Dubuc,
Raymond,
Howden,
Jacobs,
Letellier,
McDiarmid,
Cahill,
Hanson,
Preston,
McRae,
MacDonald (Cape Breton South),
Bell (Hamilton),
Lennox,
Hocken,
Clark,
Guthrie,
Bell (St. Antoine),
Macdonald (Richmond-West Cape Breton),
Cantley,
Gardiner,
Irvine,
Simpson.

The house divided on the amendment (Mr. Cahan) which was negatived on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cahan,
Casselman,
Chaplin,
Charters,
Church,
Cotnam,
Cowan,
Dickie,
Drayton (Sir Henry),
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Fraser,
Garland (Carleton),
Geary,
Gott,
Grimmer,
Harris,
Hodgins,
Hubbs,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Ladner,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNutt,
McGibbon,
McGregor,
McQuarrie,
Maloney,
Manion,
Matthews,
Maybee,
Peck,
Pettit,
Price,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Spence,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tolmie,
Tummon,
White (London),
White (Mount Royal),
Wilson (Wentworth),
Young (Toronto Northeast).—76

NAYS

Messrs:

Adshead,
Allan,
Auger,
Baldwin,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bird,
Blanchard,
Bock,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Campbell,
Cannon,
Cardin.
Carmichael,
Casgrain,
Cayley,
Chevrier,
Coote,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Duff,
Dunning,
Dussault,
Elliott,
Euler,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Fiset (Sir Eugene),
Fontaine,
Forke,
Foster,
Garland (Bow River),
Gershaw,
Girouard,
Glen,
Goodison,
Goulet,
Guérin,
Hall,
Hay,
Heaps,
Heenan,
Hepburn,
Howard,
Ilsley,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
Kellner,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Lanctôt,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Lovie,
Lucas,
Luchkovich,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Odette,
Parent,
Perras,
Power,
Prévost,
Ralston,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Speakman,
Spencer,
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Verville,
Ward,
Wilson (Vaudreuil-Soulanges),
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—136.

[Mr. Speaker.]

PAIRS

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

Messrs.

Veniot,	Hanson,
Edwards (Ottawa),	Preston,
Blatchford,	McRae,
Bissett,	MacDonald (Cape Breton South),
Mercier (St. Henri),	Bell (Hamilton),
Pouliot,	Lennox,
Gervais,	Hocken,
Vallance,	Clark,
Dubuc,	Guthrie,
Raymond,	Bell (St. Antoine),
Howden,	Macdonald (Richmond-West Cape Breton),
Jacobs,	Cantley,
Letellier,	Gardiner,
McDiarmid,	Irvine,
Cahill,	Simpson.
Marcil,	Perley (Sir George).

Mr. SPEAKER: The question is now on the main motion.

Mr. BOURASSA: Mr. Speaker, I call your attention to the fact that it is now past eleven o'clock.

Mr. SPEAKER: If the house is to proceed, consent must be unanimous. Bourinot says:

Each house is bound by every consideration of self-interest and justice to observe strictly its rules and standing orders, and to rebuke every attempt to evade or infringe them. Consequently the Senate and House of Commons never permit their rules and standing orders to be suspended, unless by unanimous consent.

Does the hon. gentleman persist in his opposition?

Mr. BOURASSA: That is the rule.

Mr. SPEAKER: Then consent not being unanimous, it is my duty to declare, it being eleven o'clock, this house stands adjourned.

Some hon. MEMBERS: No, no.

Mr. McLEAN (Melfort): Mr. Speaker, on a point of order I would like to point out to you that last year a similar situation arose when an hon. gentleman called attention to the fact that it was six o'clock, and the Speaker said. "I am in the hands of the house," and put the question whether he should leave the chair or not.

Mr. SPEAKER: There is a positive rule in this case. It is a new rule, standing order 7, which says:

At eleven of the clock, p.m., unless the closure rule standing order No. 39 be then in operation, the proceedings on any business under consideration shall be interrupted and Mr. Speaker shall adjourn the house without question put.

I have asked if it be the unanimous wish of the house that we proceed, and I am told that there is not unanimous consent.

Mr. CASGRAIN: There is; let us proceed.

Mr. SPEAKER: The hon. member for Labelle (Mr. Bourassa) as a rule speaks quite clearly, and I understand that as it is eleven o'clock he does not want the proceedings to continue. Therefore this house stands adjourned until to-morrow at three o'clock in the afternoon.

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

Wednesday, March 14, 1928

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NOVA SCOTIA REPRESENTATION

Mr. SMITH (Cumberland):

What steps, if any, have been taken by the government to give Nova Scotia its full representation in the House of Commons, as provided for under the terms of the British North America Act?

Mr. MACKENZIE KING:

The present representation of Nova Scotia and the other provinces of Canada in the House of Commons was fixed by this parliament, as provided for under the terms of the British North America Act, by statute 14-15, George V. chapter 63.

PORT OF CHICOUTIMI

Mr. GARLAND (Bow River):

1. What was the total revenue of customs at entry port of Chicoutimi in the years 1926 and 1927, respectively?
2. What was the revenue collected in each sub-port in each of the above years, the subports being Port Alfred, Jonquiere, Hebertville, etc.?
3. What was the total revenue of customs entry at the port of Chicoutimi itself?
4. How many inbound and outbound ocean going steamers have reported to the customs port of Chicoutimi during 1926 and 1927, and what was the tonnage of each?
5. How many of above reported from the subport of Alfred (on Ha-Ha-Bay) and what was the respective tonnage?

Mr. EULER: 1, 2, and 3.

Statement of Revenue Collected by the Department of Customs and Excise. At Chicoutimi, Hebertville, Jonquiere, and Port Alfred—during the Fiscal Years 1925-26 and 1926-27.

Fiscal Year 1925-26	Customs Duties	Excise Taxes	Excise Duties	Sundry Collections	Total
* Chicoutimi	$ 70,090 05	$ 39,285 57	$ 423 76	.....	$ 109,799 38
* Hebertville	98,332 29	37,483 41	.....	.....	135,815 70
* Jonquiere	98,387 39	37,913 14	1,026 58	$ 209 49	137,536 60
* Port Alfred	86,233 60	19,704 03	.....	.....	105,937 63
Grand Total	$ 353,043 33	$ 134,386 15	$ 1,450 34	$ 209 49	$ 489,089 31
Fiscal Year 1926-27					
** Chicoutimi	$ 57,519 16	$ 50,711 48	$ 380 56	.....	$ 108,611 20
Hebertville	51,927 40	24,034 53	.....	.....	75,961 93
Jonquiere	265,169 95	62,400 53	1,261 81	$ 120 00	328,952 29
Port Alfred	370,330 29	96,493 25	.....	.....	466,823 54
Grand Total	$ 744,946 80	$ 233,639 79	$ 1,642 37	$ 120 00	$ 980,348 96

* Outports under chief port of Quebec during 1925-26.

**Chief port from April 1st, 1926, with Hebertville, Jonquiere, and Port Alfred as outports.

4 and 5.

Port	1926				1927			
	Inbound		Outbound		Inbound		Outbound	
	Quantity	Reg'd. Tonnage	Quantity	Reg'd. Tonnage	Quantity	Reg'd. Tonnage	Quantity	Reg'd. Tonnage
Chicoutimi, Que.	4	5,924	4	5,924	2	2,664	....	
Port Alfred, Que.	31	67,398	32	58,454	19	45,762	31	55,005
Total	35	73,322	36	64,378	21	48,426	31	55,005

MR. J. REID HYDE

Sir GEORGE PERLEY:

1. For how many days in the fiscal year 1926-27 was J. Reid Hyde employed in connection with, (a) the High Commissioner's office in London; (b) the Department of the Secretary of State; and, (c) any other government department?
2. What was his remuneration per day?
3. What services did he perform?

Mr. RINFRET:

Department of External Affairs:

(a) High Commissioner's office, London:

1. Days employed in fiscal year 1926-27, 121¾ days.

2. Remuneration, £7 per day.

3. Services performed: professional services in adjustment of accounts of Treasury, Admiralty, Board of Trade, and Air Ministry; conferences regarding Canadian share in reparations Dawes annuities, adjustment of Greek and Roumanian loans, League of Nations Greek loan; attendance Imperial Shipping Committee and other financial services.

(b) No information.

(c) Department of External Affairs:

1. Days employed in fiscal year 1926-27, 52¼ days.

2. Remuneration, £9 per day.

3. Services performed, Canadian resident secretary during Imperial Conference, 1926.

Department Secretary of State:

1. (b) J. Reid Hyde was employed by the Department of the Secretary of State for 42¾ days.

2.

1st April, 1926, to 30th June, 1926, 11¾ days at £7 per diem..	£ 82. 5.0
1st July, 1926, to 31st December, 1926, 17½days at £7 per diem..	122.10.0
1st Jan. 1927, to 31st March, 1927, 13½ days at £7 per diem..	94.10.0
42¾ days..	£299. 5.0

3. Supervising the investigation of the records in the office of the Public Trustee and Austrian and Hungarian administrators in London, in connection with the handing over of Canadian securities for and on account of enemy nationals.

SALE OF SCHOOL LANDS—ALBERTA

Mr. KELLNER:

1. How many acres of school lands were sold at the recent sales of school lands in the province of Alberta?
2. How many acres of school lands were knocked down to Jos. A. McCallum, or to McCallum agencies?
3. How many acres were knocked down to one A. Shandro?
4. Was the regulation initial payment made on each parcel of land sold or knocked down?
5. If not, how many parcels were knocked down on which no initial payment was received?

Mr. STEWART (Edmonton):

1. 210,182,294 acres.
2. (a) Joseph S. McCallum—3,799.93 acres.
   (b) Joseph S. McCallum as agent for following purchasers:

	Acres
Nick Topolnicki	320.00
Archibald M. Matheson.. ..	320.00
Mike Hlushka..	160.00
Peter R. Bahry..	319.00
John Warshawski and Wm. Scraba	783.70
Alex Shandro..	639.00
Albert Garbe..	161.00
Sam Bahley..	960.00
John Warshawski and J. S. McCallum..	731.70
John A. Shires and Sam Bahley..	319.00
John A. Shires..	480.00

3. 19,677.33 acres.
4. Yes.
5. Answered by No. 4.

CHICOUTIMI HARBOUR COMMISSION

Mr. GARLAND (Bow River):

1. What is the total amount of money already loaned to the Chicoutimi Harbour Commission?
2. What was the total amount of money spent during the year of 1927 for dredging at Chicoutimi?

Mr. RINFRET:

1. None.
2. Answered by No. 1.

MERRITT, B.C. PUBLIC BUILDING

Mr. FRASER:

1. Did the government in 1911 purchase a double corner in the town of Merritt, British Columbia, for the purpose of erecting thereon a public building?
2. Did the government in 1911, or subsequently, appropriate a sum of $24,000 for the construction of said building?
3. If so, was the building erected?
4. If not, how many times was this sum revoted?
5. Has the government recently received representations from the board of trade of Merritt to renew this appropriation and proceed with the erection of this building?
6. If so, what decision has been arrived at?

Mr. ELLIOTT:

1. No, but a site on the northeast corner of Granite avenue and Voight street was purchased in 1913.

2. No, but appropriations were granted as follows:

1911-12	$ 5,000
1912-13	10,000
1913-14	20,000
1914-15	25,000
1915-16	25,000
1916-17	25,000

3. No.

4. Answered by No. 2.

5. Yes.

6. The matter is under consideration.

RAILWAY WHARVES—PICTOU, N.S.

Mr. CANTLEY:

1. What repairs have been made on each of the railway wharves at Pictou, Nova Scotia, since January, 1922?

2. What was the amount spent on each of such wharves on account of, (a) labour; (b) material, during the years 1922-23-24-25-26-27?

3. Were the repairs made by employees of the government or by contractor ?

4. If by a department of the government, what department and who was the foreman in charge?

5. Have these two wharves been taken over by the Public Works department?

6. If so, at what date was the transfer made?

7. Will repairs be made on each of said wharves during the present calendar year and, if so, will the repairs be made by a department of the government or by public tender and contract?

Mr. DUNNING:

1. Approximately 100 per cent of the deck, caps and stringers, and 25 per cent of the piling, renewed on the freight shed and east wharves.

2.

	Labour	Materials
1922. Records destroyed by fire at New Glasgow	Nil	Nil
1923. Freight shed wharf.	$ 500 85	$ 554 16
East wharf	Nil	Nil
1924. Freight shed wharf.	2,925 69	4,339 59
East wharf	1,051 53	673 30
1925. Freight shed wharf.	54 49	21 58
East wharf	Nil	Nil
1926. Freight shed wharf.	267 17	191 04
East wharf	423 34	846 73
1927. Freight shed wharf.	3,970 44	3,556 34
East wharf	2,115 83	2,824 05

3. By employees Canadian National Railways.

4. Engineering department, Canadian National Railways, Robert Bowen, foreman.

5. No.

6. Answered by No. 5.

7. Present plans are that repairs will be made to both wharves during present calendar year by Canadian National Railway forces.

AUSTRALIAN AND NEW ZEALAND TRADE AGREEMENTS

Mr. ANDERSON (Halton):

1. On what dates did the trade agreements between Canada and Australia, and between Canada and New Zealand, become effective?

2. What were the imports into Canada from (a) Australia, (b) New Zealand, during the years 1925 and 1927, respectively, of the following commodities, cheese, butter, milk, cream, milk powder, bacon, ham, and mutton?

3. What were the exports from Canada to, (a) Australia, (b) New Zealand, in the years 1925 and 1927, respectively, of the following commodities, cheese, butter, milk, cream, milk powder, bacon, ham, and mutton?

Mr. RINFRET:

1. Trade agreement between Canada and Australia became effective 1st October, 1925. This agreement was extended to New Zealand on 1st October, 1925.

2. Imports into Canada from Australia and New Zealand of the undermentioned articles during the fiscal years ended March 31, 1925 and 1927.

Articles	From Australia 1925	From Australia 1927	New Zealand 1925	New Zealand 1927
Cheese—Pounds	.....	18	.....	15
$	.....	10	.....	6
Butter—Pounds	.....	801,324	162,848	4,904,536
$	.....	289,098	59,579	1,728,020
Milk (fresh)—Gallons	.....	.....	.....	.....
$	.....	.....	.....	.....
Cream (fresh)—Gallons	.....	.....	.....	.....
$	.....	.....	.....	.....
Milk powder—Pounds	.....	.....	.....	9¢
$	.....	.....	.....	12
Bacon—Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Ham—Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Mutton—Pounds	117,969	895,268	40,174	12,785
$	13,527	113,217	5,801	2,098

3. Exports (Canadian produce) from Canada to Australia and New Zealand of the undermentioned articles during the fiscal years ended March 31, 1925 and 1927.

Articles	To Australia 1925	To Australia 1927	To New Zealand 1925	To New Zealand 1927
Cheese.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Butter.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Milk.. .. ..Gallons	.....	.....	.....	.....
$	.....	.....	.....	.....
Cream.. .. ..Gallons	.....	.....	.....	.....
$	.....	.....	.....	.....
Milk powder.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Bacon.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Ham.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....
Mutton.. .. ..Pounds	.....	.....	.....	.....
$	.....	.....	.....	.....

MEDICAL INSPECTION OF IMMIGRANTS

Mr. ROSS (Kingston):

1. On what date did the new system of medical inspection of immigrants come into force?

2. What was the object of the increase of medical inspectors in Great Britain and on the Continent?

3. What qualifications were demanded in selection of these medical inspectors?

4. Where were these officers trained for this special work and by whom?

5. Who were appointed to this work and what was the address of each in Canada?

6. At what points overseas have these inspectors been placed, giving name of inspector at each point, and date when duty began?

Mr. KING (Kootenay):

1. Medical inspection of immigrants compulsory from 15th February, 1928, but inspections carried out at the request of prospective immigrants from 15th October, 1927.

2. To carry out medical inspection of every prospective emigrant before embarkation.

3. Qualifications required: Graduation from a medical school of recognized standing; a license to practice medicine; two years' experience in the practice of medicine or in making medical examinations and analyses; inherent executive ability; tact; good judgment; excellent physical condition; moral character.

4. Training in special duties carried out at London, England, under Doctors Jeffs and Parney.

5.

Name of Medical Officer—Canadian Residence

Archibald, C. H., Toronto, Ont.; Arpin, C N., Regina, Sask.; Audet, G., Quebec, P.Q.; Bain, T. D., Toronto, Ont.; Currie, G. C., Regina, Sask.; Cock, J. L., Halifax, N.S.; Delamere, H. D., Toronto, Ont.; DuPlessis, F. X. L., Richmond, P.Q.; Douglas, J. S., North Bay, Ont.; Egan, W., Ottawa, Ont.; Ferguson, G. B., Hamilton, Ont.; Grant, J. E., Lockeport, N.S.; Hames, C. F. W., Toronto, Ont.; MacDermott, W. B., London, Ont.; Nodwell, G. R., Grand Valley, Ont.; Rolland, R., Montreal, P.Q.; Savoie, A. M., Regina, Sask.; Turnbull, A., Flesherton, Ont.

6.

Name of Medical Officer—Station Overseas—Date of Commencement of Duty

Archibald, C. H., London Area, October 17, 1927; Arpin, C. N., Danzig, November 9, 1927; Audet, G., Antwerp, November 14, 1927; Bain, T. D., Glasgow, November 24, 1927; Currie, G. C., Liverpool, November 24, 1927; Cock, J. L., Birmingham, November 23, 1927; Delamere, H. D., York, November 7, 1927; DuPlessis, F. X. L., Paris, October 15, 1927; Douglas, J. S., Liverpool, December 12, 1927; Egan, W. London, December 12, 1927; Ferguson, G. B., Rotterdam, December 12, 1927; Grant, J. E., Liverpool, November 21, 1927; Hames, C. F. W., Belfast, November, 16, 1927; MacDermott, W. B., Bristol, November, 15, 1927; Nodwell, G. R., Glasgow, December, 12, 1927; Rolland, R., Riga, November 28, 1927; Savoie, A. M., Hamburg, November 18, 1927; Turnbull, A., Inverness, November 24, 1927.

MOISTURE CONTENT OF WHEAT

Mr. CAMPBELL:

1. What is the maximum moisture content which one northern, two northern, three north-

ern, four, five and six wheat, is being shipped out of the port of Vancouver as straight grade cargoes, by government inspection department, for the crop year 1927-28?

2. Is the moisture content designated on the certificate issued by the inspection department?

3. Has the standard of the moisture content been changed or does it remain as in effect as in past years?

Mr. MALCOLM:

1. 14.4 per cent.

2. No.

3. Yes: Up to the present maximum which has been in effect during the last two crop years.

IMPORTATION OF BUTTER

Mr. FAFARD:

What was the total quantity of butter, (a) imported into Canada from Australia from April 1st to January 31st, 1928; (b) imported monthly into each province from April 1st to January 31st, 1928?

Mr. EULER:

(a) and (b).

Imports of Butter from Australia Entered for Consumption in Each Province of Canada, Monthly, from April 1, 1927, to January 31, 1928

Month	Quebec	Ontario	British Columbia	Total
	lb.	lb.	lb.	lb.
April, 1927 ..	56,672	—	—	56,672
May	616	—	—	616
June	—	—	—	—
July	—	—	—	—
August	—	—	—	—
September ..	—	—	—	—
October .. .	—	—	—	—
November ..	—	—	—	—
December ..	—	—	28,000	28,000
January, 1928	42,000	42,000	164,584	248,584
Totals ..	99,288	42,000	192,584	333,872

DUMPING CLAUSE

Mr. KAISER:

1. How often in 1927 were the provisions of the dumping clause in the Customs Act applied?

2. What particular industries were affected?

Mr. EULER:

1. Dumping clause applicable to importations entered at customs without reference to department at Ottawa. No special compilation made of entries on which dumping duty was collected.

2. Dumping duty applies to all imported goods of a class or kind made or produced in Canada if the selling price to purchaser in Canada is less than fair market value.

POSTAL HELPERS—MONTREAL

Mr. LAFLAMME:

1. How many persons were appointed as postal helpers in Montreal during the months of July, August and September, 1926?

2. Were applications for such positions invited by the Civil Service Commission?

3. How many applications were received?

4. Were appointments made on the recommendation of the Civil Service Commission?

5. How many applications were received from men who had seen active service overseas, and how many of such men were appointed?

Mr. VENIOT:

1. 43.

2. An eligible list for postal helpers was in existence at that time and there was no necessity for calling for applications.

3. Answered by No. 2.

4. 25 were selected from the Civil Service Commission's eligible list. 18 were obtained by local selection.

5. 3 of the men employed had seen active service overseas.

QUESTION PASSED AS ORDER FOR RETURN

EMPLOYEES OF DEPARTMENT OF AGRICULTURE

Mr. ANDERSON (Halton):

1. How many employees of the Department of Agriculture were on salary, pay or allowance in each province during 1927?

2. What amount per province was paid to those mentioned in question one, as salaries and also as travelling expenses?

3. What number of officials of the Department of Agriculture were employed in each province during the year 1927 in each of the following classes, (a) sheep promoters; (b) wool graders; (c) egg promoters; (d) egg graders; (e) hay promoters; (f) hay graders?

4. What amount was paid in each province to each class mentioned above under the name of salaries and of travelling expenses?

CAPITAL INCREASES AND PROFITS

Mr. D. M. KENNEDY (Peace River) moved:

For a return showing—1. All increases made to capital from profits in the form of stock dividends or in any other form whatsoever.

2. The profits reported by all industrial organizations as to: (a) gross profits (per cent) on nominal capital, (b) gross profits (per cent) on actual cash invested in each case exclusive of bonus stock dividends, (c) net profits (per cent) as to nominal capital, (d) net profits (per cent) on actual cash invested in each case exclusive of bonus stock dividends.

Hon. J. A. ROBB (Minister of Finance): However much it may be desirable to secure this information in whole or in part, I think I can convince my hon. friend that he is asking for something which it is practically

impossible to obtain. I direct his attention to the first part of his motion, which asks for a return showing:

All increases made to capital from profits in the form of stock dividends or in any other form whatsoever.

Take a small business started many years ago; perhaps the owner of the business was unable to borrow money and all his savings from year to year went back into that particular business, which may have grown to a considerable size. Or take a farmer who started out on a homestead or who bought a farm at a low price; perhaps he got a little stock, and the herds and flocks increased from year to year and he put the money back into the farm. After a period of years that farm and stock may have become quite valuable.

Then take the next clause, with regard to industrial organizations; I imagine my hon. friend refers to incorporated companies. Some of these companies are incorporated under provincial charters, and it would be impossible for this government to secure the information with regard to the actual cash invested in such organizations. It may be said that the government could obtain part of this information from the Income Tax branch, but so far parliament has declared that income tax returns are confidential, and we are not allowed to give out that information.

In view of this explanation perhaps my hon. friend may see fit to withdraw his motion. I am not sure just what he wants to get at, but I suggest that he might very properly drop the resolution, and he and I could have a word together to see what he really does require. If the information is within the department we will be very willing to help my hon. friend, but as the resolution stands it is impossible to carry out.

Mr. KENNEDY: Dropped.

Motion dropped.

EVIDENCE IN JAPAN IN CANADIAN LITIGATION

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Before the orders of the day are called I wish to ask—

Mr. SPEAKER: The hon. member is too late. The order of the day has been called.

Mr. McQUARRIE: I was on my feet, Mr. Speaker.

Mr. BENNETT: Yes, the hon. member was on his feet.

Mr. SPEAKER: Very well.

[Mr. Robb.]

Mr. McQUARRIE: May I ask if the attention of the Prime Minister has been directed to the press despatches from British Columbia, which indicate that the Japanese government have lately refused to allow a commission appointed by the Supreme Court of British Columbia to take evidence in Japan in a case which was pending in British Columbia involving something over $1,000,000. Much to the embarrassment of the parties, the Japanese government refused to allow evidence to be taken by the commission before the British Consul General at Tokyo. I have press despatches here which I shall be glad to hand to the Prime Minister.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not been advised of the despatches to which my hon. friend refers, but judging from his remarks I would say they afford another reason why we should speedily have a minister at Tokyo.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Tuesday, March 13, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. SPEAKER: The house has disposed of two amendments—first, the subamendment—and second, the amendment. The question now is on the main motion.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, the house having disposed of the subamendment presented by the hon. member for East Lambton (Mr. Fansher), on which I spoke, and of the amendment proposed by the hon. member for St. Lawrence-St. George (Mr. Cahan), I propose now to address the house for a few moments on the main motion presented by the hon. Minister of Finance. In doing this I really perform what is perhaps a duty.

Mr. BENNETT: I rise to a question of privilege. The hon. gentleman (Mr. Bourassa) has already spoken in this debate. The rule seems to be that when a motion is made, such as was made by the hon. Minister of Finance, and amendments are proposed, any member of this house who speaks to the main motion and the amendments after those amendments have been moved may not speak again. Otherwise the debate would never terminate. The members who may speak are those who had not spoken at the time the amendment

was moved to the main motion. Otherwise, of course, the rule of the house against speaking twice to a question would be nugatory.

Mr. SPEAKER: Does any other member desire to speak on the question of order? I have been thirty-two years in the House of Commons and this is not the first time this point has been raised. Every amendment is a question by itself, and when an amendment is disposed of any hon. member who has not spoken before the amendment was moved is entitled to speak. The only member of the house in the present instance who is debarred from speaking is the hon. member for St. Lawrence-St. George, who spoke on the main motion. Now the hon. member for Labelle (Mr. Bourassa) spoke, it is true, last night but merely on a question of order for the purpose of asking the house to observe the rule which provides that the house shall not sit after eleven o'clock. Now let me quote what Beauchesne says under standing order 43, paragraph No. 334:

> By moving or seconding an amendment a member, if he utters a few words, actually speaks to the main motion. It is only after the amendment has been put by the Speaker that it is considered a new question.

Each amendment is therefore a new question, and those who have spoken once on the amendment cannot speak twice, but as long as the main motion is not disposed of, if an hon. member has spoken only on the amendment, he can speak on the main motion.

Mr. JEAN J. DENIS (Joliette): Mr. Speaker, I should like to say a word on the question of order. It seems to me that the leader of the opposition is certainly right and perfectly logical in his argument. If the rules are wrong in that regard they should be amended. As it is now this debate is liable to be reopened and every hon. member excepting the member for St. Lawrence-St. George may speak again. Now it is very hard to differentiate and to tell whether any hon. member spoke on the subamendment alone, or on the amendment alone, or on the whole issue. As far as I can judge, all members who have spoken while they spoke on the subamendment also spoke on the amendment and the main motion. Therefore, Mr. Speaker, if an appeal is entered from your ruling with all deference I think I shall be obliged to vote against that ruling.

Hon. HUGH GUTHRIE (South Wellington): My view has always been that the mover of an amendment, as for example my hon. friend, the member for St. Lawrence-St. George who was the mover of the first amendment, would have the right to speak on a subsequent amendment. There was a subsequent amendment. All others who have spoken in this debate have spoken practically upon three questions—the main motion, the amendment and the subamendment. Therefore they are all precluded from speaking again, and the only one entitled to speak on the second amendment would be the hon. member for St. Lawrence-St. George, but as the second amendment has been decided by the house he also is now precluded.

Hon. ERNEST LAPOINTE (Minister of Justice): May I say first that there is no man who would like better to have the vote taken immediately than myself. I do not propose to discuss what the rule should be, but I think all the old members of the house will remember as well as I do that it has happened not only once or twice, but many times, that the debate has been resumed after the vote on an amendment.

Mr. BENNETT: By those who did not speak on the amendment.

Mr. JEAN FRANCOIS POULIOT (Temiscouata): I would suggest an opportunity be given to each member to speak before the vote is taken. It will only cause a loss of two or three minutes, and we might sing Alouette.

Mr. C. H. CAHAN (St. Lawrence-St. George): I have looked into the question that has been raised, and my firm conviction is that every member of this house except myself has a right to speak on the main motion. That was the conclusion I came to after careful consideration of the procedure, and if it comes to a question of a vote I should have to vote that way.

Hon. LUCIEN CANNON (Solicitor General): I do not think that any member except the member for St. Lawrence-St. George has a right to speak. Any member who spoke before the amendment was submitted to the house is debarred, but any member who spoke after the amendment was proposed is free to speak again. Any member who spoke after the subamendment was moved is also free to take part in the debate on the main motion. As you have pointed out, Mr. Speaker, the subamendment, the amendment and the main motion are three different subjects of discussion, and when a member speaks he is supposed to speak on the question which is before the house at that time.

Mr. SPEAKER: On a debate on the budget, members are at liberty to speak on

matters generally affecting the affairs of the country, but if it is very clear, very evident that in the present debate the amendment and the subamendment raise an entirely different issue, then every hon. member is entitled to speak on those different issues so raised. The two amendments having been disposed of and the main motion being put to the house, every hon. member except those who have already spoken, has a right to speak to it.

Mr. BENNETT: I appeal from the ruling of the chair.

Mr. Speaker put the question as follows:

On the main motion being put, the hon. member for Labelle (Mr. Bourassa) rose to address the house. Thereupon the leader of the opposition (Mr. Bennett) raised a point of order on the ground that the hon. member for Labelle, having already spoken, was debarred from addressing the house. Mr. Speaker ruled that the main motion, the amendment and the subamendment were three different questions and that the hon. member for Labelle, not having already spoken on the main motion, was entitled to speak.

The house divided on the question: Shall the ruling of the chair be sustained?

YEAS

Messrs:

Adshead,
Allan,
Auger,
Bancroft,
Beaubien,
Bird,
Blanchard,
Bock,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahan,
Cahill,
Campbell,
Cannon,
Cardin,
Carmichael,
Casgrain,
Cayley,
Chevrier,
Coote,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Duff,
Dunning,
Dussault,
Elliott,
Euler,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Fiset (Sir Eugene),
Fontaine,
Forke,
Foster,
Garland (Bow River),
Girouard,
Glen,
Goodison,
Goulet,
Hay,
Heaps,
Heenan,
Hepburn,
Howard,
Ilsley,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Lovie,
Lucas,
Luchkovich,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Marcil,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morrissy,
Motherwell,
Neill,
Odette,
Parent,
Perras,
Power,
Prévost,
Ralston,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Speakman,
Spencer,
Steedsman,
Stewart (Edmonton West),
Taylor,
Telford,
Thorson,
Totzke,
Vallance,
Veniot,
Ward,
Wilson (Vaudreuil-Soulanges),
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—125.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Benoit,
Bettez,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cantley,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Cotnam,
Cowan,
Denis (Joliette),
Dickie,
Drayton (Sir Henry),
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Fraser,
Garland (Carleton),
Geary,
Gott,
Grimmer,
Harris,
Hodgins,
Hubbs,
Jones,
Kaiser,
Ladner,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacNutt,
McGibbon,
McGregor,
McQuarrie,
Manion,
Matthews,
Maybee,
Morin (St. Hyacinthe-Rouville),
Peck,
Perley (Sir George),
Pettit,
Preston,
Price,
Rennie,
Robinson,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Spence,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Sylvestre,
Thompson,
Tolmie,
Tummon,
Verville,
White (Mount Royal),
Wilson (Wentworth),
Young (Toronto Northeast).—84.

Ruling sustained.

Mr. GUTHRIE: I did not vote, Mr. Speaker, because I was paired with the hon. member for Chicoutimi (Mr. Dubuc), who is not in his place. Had I voted, I should have voted against the ruling of the chair.

Mr. MALONEY: I was paired with the hon. member for St. Ann (Mr. Guérin). Had I voted, I should have voted against the ruling of the chair.

Mr. IRVINE: I was paired with the hon. member for Winnipeg South (Mr. McDiarmid). Had I voted I should have voted to sustain the ruling of the chair.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I should have voted to sustain the ruling of the chair.

Mr. SINCLAIR (North Wellington): I was paired with the hon. member for South Bruce (Mr. Hall). Under a misunderstanding, and under pressure, I voted thinking that there were no pairs on this division. I voted against the ruling of the chair.

Mr. SPEAKER: Once a vote has been recorded and proclaimed, it cannot be withdrawn.

Mr. SINCLAIR (North Wellington): I am not withdrawing my vote, Mr. Speaker; I am simply making an explanation.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson) on government questions only. That being the case, I did not consider that pairs held in this division, and I felt I had a perfect right to vote.

Mr. GERSHAW: I was paired with the hon. member for London (Mr. White). Had I voted, I should have voted to sustain the ruling of the chair.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker,—

Mr. SPEAKER: Order. I would ask hon. members to maintain not only the dignity of the house but the freedom of speech.

Mr. BOURASSA: Now that a majority of this house has sustained the freedom of speech and the liberty of individual members under the rules of the house, and voted that those rules shall be respected by all, I intend to devote a few moments not exactly to the consideration of the motion of the hon. Minister of Finance, but to exercise—

Mr. SPEAKER: Order. I would ask the Sergeant at Arms to exercise the rights of the house.

Mr. HENRI BOURASSA (Labelle): I propose to exercise the oldest privilege pertaining to a representative of the people, a privilege which, in the wording used yesterday by the Prime Minister, has behind it the sanction of centuries of tradition in the British parliament, and that is, that whenever the Minister of Finance or any adviser of the crown moves to go into supply, or into committee of ways and means, every free elected representative of the people has the right to express his views and the views of the people who have sent him here. In this I am sure the distinguished leader of the opposition, divided as we may be on many questions of public interest, will stand upon his long knowledge of British public affairs and his parliamentary culture, and admit that in so doing I am not only claiming my right, but asserting a right of every member of this house to whatever party he belongs.

May I say—and here I address myself quite sincerely to all the members of this house, no matter to what party they belong—that it was neither to my taste nor to my comfort that I prevented the house from concluding its business last night upon the proposals of the Minister of Finance? I did it for two reasons. One, because I wanted this house to have an opportunity of realizing the consequences of the rules of debate that it has established. Those rules are supposed to be for the common good of the country, of the House of Commons, of every party within the house, and of every freely elected member. When the revision of the rules was under discussion, my excellent and intimate friend the Minister of Justice (Mr. Lapointe) stated most positively, in the name of the government, that he accepted the rule for the adjournment of the house at eleven o'clock every night, provided it was connected with the adoption of the rule debarring any hon. member, with the exception of the leader of the government and the leader of the opposition, from speaking more than forty minutes. Although I did not believe that those rules would work for the benefit of the country, or that they would attain the avowed and sincere object of abridging debate, I did exactly what the Minister of Justice did; I accepted the one rule because the other was accepted and in the belief that both would be enforced.

What I wanted to emphasize before this house and before the country last night is this. If the forty-minute rule is to be enforced rigidly, as it has been since the beginning of the session, the other rule should also be enforced rigidly. It should not be relaxed for the comfort or at the wish of either the

government or the opposition. I did not desire last night to embarrass the government or the opposition, neither did I wish to cause discomfort to any hon. member. I took my stand to exemplify the conjunction of those two rules, and to have it laid down in practice that they must be applied, whether they are agreeable or disagreeable to this member or that member, to this party or that party. In doing this, I believe—I may be mistaken—that I have helped the house to vindicate the primary right of every hon. member, and the house itself to observe its own regulations.

This brings me to the other consideration which induced me last night to prevent the final decision of the house upon the budget proposals. Yesterday afternoon we listened to two very interesting speeches from the leaders of the two great "historical" parties. These parties, according to the letter of this book—Beauchesne's Parliamentary Rules and Forms—are the only acknowledged parties in this house. I want to be absolutely fair and as nice as I can afford to be. Both leaders availed themselves of the privilege accorded them to speak as long as they wished upon a measure which has been treated in detail by some forty members on one side and by some sixty members on the other, all of whom have more or less upheld the same views and propounded the same policy. Under the forty-minute rule, the leader of a small group like our Progressive friends, the leader of a still smaller group such as our three Labour friends, and the unfortunate individual who, if you like, represents an eccentric brand of people, but people who are British subjects just as much as any other class of people in this country of ours, people who have elected me freely to this house under the same constitution and to express their views with the same freedom as may be enjoyed by the Prime Minister of Canada or by the leader of the opposition—under this rule each one of us is limited to forty minutes in which to expound doctrines or opinions with which you, Mr. Speaker, or the members of the government, or the members of the opposition, may not agree, but which I think you and they desire to listen to with the sense of British fair play and patience which we exercised in listening to the Prime Minister and the leader of the opposition.

But that is not the main point. Upon the subamendment presented by the member for East Lambton (Mr. Fansher), because of my determination to respect the longstanding traditions of the British parliamentary system, I refrained altogether from dwelling upon a matter which was brought up by the hon. member for Southeast Grey (Miss Macphail) and discussed at length by the Prime Minister last night; I mean, the evolution of our system of government and parliamentary representation. I refrained, because I considered that in discussing the subamendment it was not quite proper to dwell upon this question, which relates to the general policy of the country. But now that the amendment and the subamendment have been disposed of, I owe it not to myself—I am but an insignificant individual—but I owe it to the thousands of people in the province of Quebec, and even in Ontario and in the other provinces, who have done me the favour of expressing some degree of confidence in me in the last twenty years, to say what I think of the opinion which the Prime Minister expressed yesterday on the question of party evolution. The Prime Minister knows that I am a personal friend of his. The Prime Minister knows, and no one better, that no party call or allegiance brought me back to public life when, he being loaded from one end of the country to the other with the accusation of being untrue to Canada and to the British Empire, and of harbouring American tendencies, I stood by him, because I felt that he was on the point of resurrecting the old "Canada first" spirit of which his illustrious grandfather was one of the creators, and of which his excellent father was one of the upholders. I sustained him freely in the province of Quebec and elsewhere during the elections of 1925 and 1926. The province of Quebec sent a solid delegation to support the government, and the Prime Minister knows, or ought to know, that that was not due to party allegiance, but to the free and voluntary determination of a growing number of men and women in my province who have ceased to believe in the gospel of party, and who vote for one party or the other according to circumstances and to their own convictions.

Of course, when the trial came in those days that were fought out during the session of 1926—and they have already been referred to in this debate—great respect was paid to every form of independent influence and support that could be given to the government. But since the general election of 1926 returned the government with a clear majority, it seems to me that the thermometer of sympathy and of expressed admiration for independence of thought and action of such people, in the province of Quebec or elsewhere, has somewhat come down. Therefore I simply wanted to choose this occasion to tell the Prime Minister and his friends that those men and women, free of their will, free

of their convictions, who voted to support him in the fall of 1925 and the fall of 1926 because they thought that the Liberal party stood for freedom of conviction, for freedom of speech, and for freedom of action, will be just as prepared to vote against that party the moment they find that such appeal to their sense of honour and sense of citizenship was misdirected. I have always believed, in matters of political as well as individual hygiene, that an ounce of prevention is far better than a pound of cure. In the past I was forced, wrongly perhaps, certainly against my taste and personal affiliations, to fight against the Liberal party, thereby assisting the Conservatives—Heaven knows there was no co-operation—in gaining ground in the province of Quebec. Now for my own sake as well as for the sake of my good Liberal friends I do not want those days to return. I had enough of them, as I believe my good Liberal friends had also.

While no doubt there is much in what was said by the Prime Minister and, before him, by the Minister of Railways (Mr. Dunning) as to the inconvenience of group representation, at the same time, as I have suggested privately to friends on both sides of the house, I believe that if parliamentary government is to ensure to Canada what it ensured to England in days gone by, and what it still preserves to the people of Great Britain, there must be found some combination between the principle of free representation of all classes and groups, call them what you will, the free representation of all currents of opinion, of all interests, great or small, in every part of the Dominion, and the principle of stability of government for which the Prime Minister rightly stands and for which I stand just as firmly. But is it true, as was suggested yesterday, that the two party system is indispensable to proper parliamentary government?—that it is impossible to have stability of government without the house and the country being divided into two camps? I pay tribute to the Prime Minister's wide knowledge of history, his broad mind, and all the fine marks of scholarship which I have admired in him ever since he came back to this country as a young man; and I have followed his career with considerable interest. I was surprised, therefore, to hear the right hon. gentleman express the opinion that the two party system or, as he put it, the system of government now in vogue in Canada, has stood the test of the centuries in England. It is the very opposite. Study the glorious history of British parliamentary institutions, from the early days of the Witenagemot, transplanted to England from the soil of Saxony, down to the great revolution of 1646 and later to the less bloody though more significant revolution of 1688, and you will discover that in all this time the principle of class representation or, if you prefer the expression, the recognition of the needs of all classes, was vindicated by the free action of a free parliament long before there was any such thing as a two party system or before any cabinet existed. Not a revolutionary, not a jurist, but a conservative-minded man like Lecky pointed out some thirty years ago that in the evolution of representative government in Great Britain, from the days when the armed and privileged leaders of the masses, the noblemen, wrested from a tyrannical king, first, the primary rights of the aristocracy, and then those of society at large, as an annex to the aristocracy, until the time of the triumph—I will not qualify it—of so-called democracy, the distribution of power has been continually maintained in the balancing of political influence among certain classes of the people or among the people as a whole, but that in our days that balance is threatened by the usurpation of all powers by the cabinet.

One of the things by which I have been brought, French as I am by origin, to a sincere though not servile admiration for the British system of government, is precisely the fact that there is no finality in that system. Every nationality within the empire, whether English, Scottish, Irish, French, Dutch, or Italian in origin, which voluntarily acknowledges the king as the emblem, if you will, of the sovereignty of its nationhood, can commune with men of English extraction in the gradual evolution of government, and can bring its contribution to that system. I admire the British system for the very reason that it is at once broad and supple enough to survive all reforms, and to adapt itself to the genius of every race within the British commonwealth, without fear of any of its basic principles being destroyed. As the descendant, either of those Normans who introduced into England some of the features of that form of government, or of four generations of Canadians who have lived under British institutions and helped in moulding the form of government in this country, I cannot endorse the words of the Prime Minister that the present system, under Mr. Baldwin or under any other gentleman who may be at the head of affairs in London or Ottawa, has reached the point of perfection. There is ample room for improvement.

Not only is the two-party system a modern excrescence of British parliamentary institutions, but it is one that cannot last. Indeed, it has ceased to be in England. Under what conditions was it born? Every schoolboy who has studied the history of Britain knows that the two-party system of government had its origin in the transmission of sovereignty from a Scottish royalty to a German dynasty imported from Hanover and enthroned in the seat of the Stuarts. These Hanovers were good fellows enough but they did not speak a word of English; they could not communicate with the British people. A man of genius, though not afflicted with too many scruples, Robert Walpole, created a new system in order to strengthen the Hanoverian dynasty and to discourage effectually the champions of the alleged rights of the Stuarts. Finding that he had to encounter the opposition and ill will of the Tory aristocracy, still firmly entrenched within the precincts of the House of Lords; finding also that he could not depend even upon the Whig lords to assert the rights of the people as against the rights of the lords, Walpole purchased a majority in the House of Commons and thereby brought about the real cleavage between the Lords and the Commons, at the same time laying and strengthening the foundation of the two-party system. The Tories and the Whigs were the successors of the old Jacobites and of the Independents or Covenanters. It is therefore no exaggeration to state that the two-party system was born in iniquity, as the result of a long civil war which had torn asunder the basis of government and social law in England.

Mr. GARLAND (Bow River): And it has remained that way ever since.

Mr. BOURASSA: But thanks to the extraordinary genius of the British race, and to borrow the words of one of their greatest statesmen, a genius which is perhaps the more powerful because it is bound up with some degree of stupidity, the British people gradually adapted themselves to that system of government. They soon found out, however, that the two party system produced those things which were so deprecated two years ago and which have been deprecated ever since by opponents of the group system in this country; it produced corruption and log-rolling—to use modern phraseology—as between the two parties in the house and as between the organizers and vote catchers of the two parties among the people.

I pass over the period of the great crisis which accompanied and followed the French revolution and the Napoleonic wars, and come to the time when affairs came back to their proper level in England. A new power had arisen, which has made itself felt ever since the world over; that is the power of the rising masses, the tillers of the soil and the toilers of the factories, who in their turn asked for a place in the sun and for a share of the liberty wrested by the nobility from the crown and by the high middle classes from the nobility. Ever since that time the two party system has failed to exist in its integrity in England.

Then how can the Prime Minister or any hon. member of this house fail to acknowledge the tremendous services which have been rendered to modern England by the newly arisen parties? If to-day, after centuries of religious and civil intolerance equal to that which existed in France or in any other country, England is held as the classical land of liberty, it is due of course to some extent to the commonsense of the British people, but it must be also acknowledged that it is due to the struggle which was made by the representatives of the Irish nation who, from the time O'Connell broke the doors of the House of Commons and refused to take an oath which meant abjuration of his faith, forced upon the conscience of the British people religious tolerance and respect for all creeds. If to-day the toiling classes of England, after having been deprived of their elementary rights for centuries by the Anglo-Norman nobility, can have a pride in their British citizenship, it is due to a certain extent to the commonsense of the Liberal party of England, but where would the Liberal inheritors of the old Whiggish party be to-day if it had not been for the struggle which was made by the representatives of the working classes? If to-day English labour has the right to share in English citizenship, in English nobility and in English monarchy, is it not because of the fact that such men as John Burns, Kier Hardie, and Ramsay MacDonald, he the most illustrious of all living statesmen in England, supported by the growing strength of those who once and for so long were the subdued classes, have proven to the world that a labourer or a farmer may at times produce a political thought and a political strength which the time-serving politicians and classical parties have been unable to do.

Mr. Speaker, I do not want to delay the house at greater length; one reason why I have spoken, and the minor reason, was to show the house the result of those rules which were adopted in a somewhat hasty manner. I have asserted myself, not for my own sake,

as I have already said, but rather to my extreme discomfort. I do not like to be disagreeable to my fellow members when I can avoid it, even to my good friend from Frontenac (Mr. Edwards) who, by the way, is my best friend in this house, because every time he vituperates against me he brings more votes to me in my constituency. I like to be as nice as possible to all,—but I claim that every time even the humblest member of this house,—and I am one of the humblest individuals,—calls for the application of the rules indiscriminately as between parties and leaders, that man is working for the good of the house at large and for the good of every party in the house.

My second reason for speaking to-day is because, with the ideas, the principles and the ideals to which I have devoted my life at the expense of all political honours and comforts, and with all the friendship I have for the Prime Minister, I could not let pass that assertion of the tumbling-down party system of government, the complete failure of which both parties may delay for a certain time, but which they cannot stop. Something else will take its place. I do not find fault with the arguments brought forward by the Prime Minister or the Minister of Railways; although perhaps out of place and time, I believe they were valuable contributions, to what should be one of the chief concerns of all people in different parts of this country. Last summer, from Halifax to Vancouver, I expressed the hope that every individual in every community in this federation of ours would devote more time and study to these great problems, because if there is one feature of our social and political state in which we have fallen far below the great traditions of the British nation, it is in the disinterestedness of many of our people. I might even call it the social aloofness with which all too many of our professional and business men, our farmers and our labourers look upon the great problems of the nation; it is the facility with which all classes and groups, if you wish to so call them, disassociate themselves from the general interests and the future of this country, relying upon this man or that man, this group or that group, this leader or that leader, to settle the affairs of state for them. Sir, if we want to preserve in Canada the essential characteristics of a nation, with the great moral and political inheritance we have received from the two great countries which have contributed the most of our population, and if at the same time we want to look to the future with optimism, strength of will and the determination of purpose which is characteristic of a young and growing nation, we must be at once Liberal and Conservative, but we must have also an eye to the aspirations of all groups; racial groups if you like, provincial groups, or class groups, who find rightly or wrongly that the Liberal gospel or the Conservative doctrine is not sufficient to meet their desires.

I venture to predict that the first of the leaders of these great parties who understands the situation and leaves the narrow trail of party shibboleths, party traditions, party slavery and party narrowness of mind, to associate himself and his party with the growing aspirations of all Canadians, east and west, of old French or English stock, or those newcomers to whom we owe a duty to welcome as brothers in this great family, will become in very truth the leader of the nation. The party and leader, I repeat, that will not go counter to these groups or classes, but will be prepared to receive the expressions of opinion of all and give them a sympathetic hearing without asking them to pass under the yoke of party allegiance or so-called party co-operation, will be the party and the leader of to-morrow. That leader will be the man of to-morrow and the leader of Canada, because he will have shown himself capable of understanding the hopes of this young giant nation that refuses to be shackled by the shibboleths and traditions of old countries, respectable though they may be, which do not fit our present state of mind, and which will not harmonize with it in the future.

Mr. MACKENZIE KING: Before my hon. friend takes his seat I wish to correct what appears from his remarks to be a false impression he has gathered as to the purport of what I said last evening. I was not attacking group government in what I said, and I was not seeking to emphasize the importance of the old political parties. What I was taking exception to was a theory of representation put forward by the hon. member for South-east Grey (Miss Macphail) to the effect that a member is elected to parliament as a representative of a class. To make my meaning perfectly clear, my hon. friend in order to take the same position would have to stand in this house to-day and declare that he is here to represent the journalists of Canada because he is a journalist and belongs to that class. His whole speech this afternoon has been an assertion of the position I was taking last night, namely, that an hon. member is not here to represent a particular class whether it be agricultural, professional, labour or other, but is here to represent all of the people regardless of the particular class to which he may belong.

Mr. BOURASSA: I take advantage of the five minutes left to me to tell the Prime Minister that I could not read over his speech of last night, because owing to the incorporation of so much printed matter in it, Hansard was not distributed until five minutes before the house convened. I agree largely with what the Prime Minister has just stated, but I claim that he has not put the question fully and completely. Every member of this house is bound, of course, to do justice to all classes; but the representative of a rural community is naturally obliged, because of the character of his constituency, to give more attention to rural interests. The representative of a labour community too, such as my hon. friend from Hochelaga (Mr. St. Père), is bound to pay more attention to the interests of the people who send him here. As a matter of fact, we have, as representatives of constituencies, to take into account the desire of the particular classes who make up the majority of these constituencies. As to what the Prime Minister has said with respect to representation of a class, I have always opposed, for example, the idea of calling one of the members of the government, Minister of Labour.

Mr. KAISER: Mr. Speaker, when is it considered that a member's speech is concluded? My understanding is that when a man resumes his seat his speech is over.

Mr. SPEAKER: My hon. friend's theory is correct. In the present instance, however, when the hon. member for Labelle sat down the Prime Minister explained to the hon. member that the latter had probably misunderstood the speech he had made the previous night. According to my understanding the hon. member for Labelle made an explanation upon this point. In any event the hon. member's time has expired.

The house divided on the motion (Mr. Robb) which was agreed to on the following division:

YEAS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bettez,
Blanchard,
Bock,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahill,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Duff,
Dunning,
Dussault,
Elliott,
Euler,
Fafard,
Fiset (Sir Eugene),
Fontaine,
Forke,
Foster,
Gershaw,
Girouard,
Glen,
Goodison,
Goulet,
Hay,
Heenan,
Hepburn,
Howard,
Ilsley,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Lanctôt,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Marcil,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Odette,
Parent,
Perras,
Power,
Prévost,
Ralston,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Totzke,
Vallance,
Verville,
Ward,
Wilson (Vaudreuil-Soulanges),
Young (Saskatoon),
Young (Weyburn).—116.

NAYS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cahan,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Coote,
Cotnam,
Cowan,
Dickie,
Drayton (Sir Henry),
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Garland (Bow River),
Garland (Carleton),
Geary,
Gott,
Grimmer,
Harris,
Heaps,
Hodgins,
Hubbs,
Jones,

Kaiser,	Rowe,
Kennedy,	Ryckman,
Ladner,	Ryerson,
Lucas,	Senn,
Luchkovich,	Short,
Macdonald (Kings),	Simpson,
Macdougall,	Smith (Cumberland),
MacLaren,	Smoke,
MacNutt,	Speakman,
Macphail (Miss),	Spence
McGibbon,	Spencer,
McGregor,	Spotton,
McQuarrie,	Stevens,
Manion,	Stewart (Leeds),
Matthews,	Stinson,
Maybee,	Stirling,
Peck,	Thompson,
Perley (Sir George),	Tummon,
Pettit,	White (London),
Price,	White (Mount Royal),
Quinn,	Wilson (Wentworth),
Rennie,	Woodsworth,
Robinson,	Young (Toronto
Ross (Kingston City),	Northeast).—92.

PAIRS

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

Messrs:

Veniot,	Hanson,
Edwards (Ottawa),	Preston,
Blatchford,	McRae,
Bissett,	MacDonald (Cape Breton South),
Mercier (St. Henri),	Bell (Hamilton),
Pouliot,	Lennox,
Gervais,	Hocken,
Dubuc,	Guthrie,
Raymond,	Bell (St. Antoine),
Howden,	Macdonald (Richmond-West Cape Breton),
Jacobs,	Cantley,
Letellier,	Gardiner,
McDiarmid,	Irvine,
Tobin,	Kellner,
Guérin,	Maloney,
Bouchard,	Tolmie.

Mr. GUTHRIE: I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted I would have voted against the sub-amendment, for the main amendment and against the motion.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted for the motion.

Mr. MALONEY: I was paired with the hon. member for St. Ann (Mr. Guerin). Had I voted I would have voted against the motion.

Mr. CANTLEY: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted against the motion.

Mr. IRVINE: I was paired with the hon. member for South Winnipeg (Mr. McDiarmid). Had I voted I would have voted against the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted I would have voted for the motion.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted against the motion.

Mr. MACDONALD (Richmond-West Cape Breton): I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the motion.

WAYS AND MEANS

The house in committee of ways and means, Mr. Johnston in the chair.

Mr. ROBB: This being private members' day, and the government having no wish to infringe upon the rights of hon. members in respect of private business, I move that the committee rise, report progress, and ask leave to sit again.

Progress reported.

SETTLEMENT OF WESTERN LANDS

PROPOSED GOVERNMENT ASSISTANCE AND FAVOURABLE TREATMENT OF CANADIANS

Mr. O. L. BOULANGER (Bellechase) moved:

That, in the opinion of this house, citizens of Canada desirous of settling on western lands should receive from the government of Canada the same assistance and favourable treatment as the citizens of Europe.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I rise to a point of order. Immediately following the motion you have just read there is one standing in my name. This motion of mine was discussed on the 16th day of February, the discussion starting in the evening about 10.35 and continuing until about eleven o'clock. Discussion of that motion having already commenced, I claim that it should take precedence over the motion you have just read to the house. In the discussion that took place that evening the right hon. the Prime Minister is reported as having said:

As the rule now stands, this resolution becomes the first order the next time these motions are taken up.

Whatever the interpretation of the rules may be, I think that a motion that has once been called and discussed should have precedence over any other motion on the order paper. That is what occurred in the case of my motion. If the rules are such that the hon. member for Bellechasse (Mr. Boulanger) has the right to proceed now with his motion, I think there is something wrong with the

rules. Under the circumstances I think that my motion should have precedence over that of the hon. member.

Mr. BOULANGER: I would not have any objection to allowing the motion of the hon. member to take precedence over mine.

Mr. HEAPS: I appreciate the courtesy of the hon. gentleman, but this is a question of the interpretation of the rules.

Mr. SPEAKER: Standing order 27 says:

If at the hour of six o'clock p.m. on a Wednesday, or at the time of the adjournment of the house, a motion on the notice paper be under consideration, that question shall stand first on the order paper of the following day, next after orders to which a special precedence has been assigned by standing order or order of the house.

Under the rules, the motion of the hon. member for Bellechasse stood ahead of the motion of the hon. member for North Winnipeg. When by the effluxion of time the hon. member was interrupted by the operation of the eleven o'clock rule, his motion was kept where it was when it was introduced. The motion of the hon. member for Bellechasse did not lose its rank on the order paper. The hon. member for Bellechasse was entitled to have his motion called, and if not proceeded with on that day, to have it called in its place upon another occasion. That occasion has arisen to-day, and if the hon. gentleman does not proceed with his motion now it will go to the foot of the order paper. It stands now where it ought to stand.

Mr. JAMES ARTHURS (Parry Sound): I was a member of the committee that revised the rules, and I must say, Mr. Speaker, that I do not think the committee had any such intention. If there are thirteen or fourteen orders called, as has often been the case in this house, should all these orders take precedence over an adjourned order when six o'clock comes on Wednesday? That is the question. I do not think so. Here is a case where one order was ahead of the motion of the hon. member for North Winnipeg, the debate on which was adjourned according to the rules of the house at eleven o'clock, and if the motion of the hon. member for Bellechasse has precedence over it, then all orders called previous to it on that day would have the same precedence.

Mr. SPEAKER: Standing order 52 says:

When a private member's notice of motion shall have been twice called from the chair—

The motion of the hon. member for Bellechasse has been called only once. To-day is the second time of its calling. It is where it should be, at the head of the motions on the order paper. Because the hon. member for Bellechasse was not ready to proceed when the motion of the hon. member for North Winnipeg was called, his motion did not lose precedence, but if he does not proceed with his motion to-day, it goes to the bottom of the list.

Mr. O. L. BOULANGER (Bellechasse): Mr. Speaker, in rising to move, seconded by the hon. member for Shefford (Mr. Boivin) that citizens of Canada desirous of settling on western lands should receive from the government of Canada the same assistance and favourable treatment as the citizens of Europe, I assure the house that my remarks will be as brief as possible, because, in the first place, the subject matter of this resolution has been mentioned by many speakers during the course of the debate which has just closed. Secondly, I should like to hear expressions of opinion from other hon. members representing the views of their respective portions of the country; and thirdly, the resolution explains itself, and it would be a waste of time to attempt to prove the obvious; for I sincerely believe that all true Canadians will see at once the desirability, the reasonableness and the necessity of the policy advocated in this resolution.

The question of immigration and colonization is at present, and has been for some time, very much in the public eye. The press of the country and public men in every party are giving it serious consideration from every possible angle. The cry is for more immigrants to increase the population of Canada, in order that our natural resources may be more extensively exploited, that our virgin lands may be made productive, and that our heavy burden of taxes and debts—due to our participation in the great war and to ten years of Tory maladministration—may be distributed upon a greater number of shoulders. It has occurred to me, and to many other people also, that upon the highly important problem of increasing our population there is grafted another, also of paramount importance—the problem of keeping Canadian citizens in Canada. The resolution which I have the honour to propose to the house for adoption has no other purpose than that of offering a solution to that very problem.

But before I go any further I should perhaps make it clear that in moving this resolution I have no intention to add to the miseries of our friend the hon. Minister of Immigration and Colonization (Mr. Forke) and of his department; nor do I desire that the resolution should not be construed as a criticism of the policy of the government in regard to immigration and land settlement.

My intention is merely to afford the house an opportunity of discussing a question that all Canadians who love their country have very much at heart, hoping that the exchange of opinions will produce light and suggestions helpful to the hon. minister. A living example of what valuable assets immigrants can be to Canada—and there are many other illustrious examples in this house and in other branches of our national life—the hon. Minister of Immigration and Colonization, conscientiously and painstakingly, is devoting all his talent, experience and energy to a task which is very far from easy. Buffeted by different currents of opinion, he must say, as the fabulist, that it is impossible to please everybody and his own father. There are people in this country who are in favour of unrestricted immigration; they want the bars let down and a call sent to the four corners of the earth for new settlers. Others would favour only immigration from Great Britain, in order to preserve the British character of this country. In passing, may I express the view that it is about time for us to cease speaking of British characteristics in respect of Canada, and that we should try rather to give this country a Canadian character, a Canadian spirit and a Canadian soul. There are some who advocate the superiority of the Nordic races; whereas others think that with our hard climate and our difficult conditions of settlement the man in the sheepskin coat from Central Europe is the most suitable settler. Immigrants should be helped financially by the government to come here and to settle on the land, in the opinion of some people, but, on the other hand, we have men like the hon. member for Macleod (Mr. Coote)—as he expressed himself last summer at a convention of Native Sons of Canada clubs—who are against assisted immigration of any kind, thinking that coddling and pampering of immigrants, principally boy immigrants, will not prepare them to be successful farmers. And finally, we come with this resolution saying: Before we bring immigrants here we must keep in the country the people who have been born here; before trying to fill up the barrel we must stop the leaks; that if we are going to have assisted and subsidized colonization we must first start at home with our own people, who should be more precious to us and more desirable settlers than strangers. Truly the position of the Minister of Immigration and Colonization, confronted with all these conflicting opinions and advised and criticized by every organization, convention or synod in the land, must be a very trying one indeed. We should therefore assure him of our sympathy, and of our sincere desire to co-operate with him and give him credit for discharging his onerous duties with great ability and the ever present intention of doing his utmost for the good of the country.

I also might be permitted to say that in moving the resolution under discussion I am actuated by nothing but a very earnest desire to do a little good to my fellow citizens. I am one of those who think that getting immigrants, no matter how well selected—and I wish to commend the government for its declaration that proper precautions are taken to ensure the fitness of those who come here—is not half so important as to make sure that our still unoccupied land is properly settled and developed. Colonization carefully managed is what Canada needs rather than the immigration of large numbers. And colonization, especially colonization assisted with the funds of the people of this country, should, like charity, begin at home, with home material and with our own people, who for centuries have abundantly proved their worth as settlers.

For some time past the government has been spending large sums of money in accordance with what is known as the Empire Settlement Scheme to place immigrants from Great Britain and northern Ireland on Canadian farms. In virtue of that scheme, boys between fourteen and seventeen years of age are brought here at the joint expense of the imperial and Canadian governments; on their arrival, they are trained on farms or in agricultural colleges at the expense of this government, and when they are ready to go on the land they receive a loan which they may repay without interest over a long period. We saw in the press last summer that it is intended to spend $25,000,000—half of this being supplied by Canada—during the next ten years in furtherance of such plan. As to adult immigrants coming here with the declared intention of going on the land as the result of an agreement between the imperial government, the Canadian government and the transportation companies, they can come here for almost nothing, for they pay £2 to Halifax, St. John and Quebec; £3 to Montreal; £3.10 to Toronto; £4.10 to Winnipeg; £5 to Regina, Moose Jaw and Saskatoon; £5.10 to Calgary and Edmonton; £8 to Vancouver. Their children under seventeen years of age are transported free, that is, at the expense of both governments. The regular passage rates are reduced by £4. by the steamship companies, and the difference between the reduced

rates and what is paid by the immigrants is furnished by the imperial and Canadian governments. The small proportion of the passage cost which the immigrant has to pay is even loaned to him in some cases when he cannot afford to pay it. After they land, immigrants are given after-care assistance by the Canadian government, estimated at £6 per head; and they are loaned money to buy land and start farming, the Canadian government being charged with the administration and collection of the loans.

What is this costing the Canadian taxpayers? The last report of the Department of Immigration and Colonization, at page 47, states that for the year ending March 31, 1927, a sum of £304,714.19, roughly $1,500,000, was expended in bringing from Great Britain and northern Ireland prospective farmers, domestic servants who receive the same assistance as prospective farmers, and boys intending to become farmers. The report, however, does not state what is the share of this amount paid by the Canadian government, but it can safely be said that it is more than half of the total. I was officially informed last year that up to January 31, 1927, the empire settlement scheme had cost this government from its inception the sum of $1,146,887.59. I have under my hand a statement of the Right Hon. W. Ormsby-Gore, Under Secretary of State for the Colonies, who in the British House of Commons on July 11, 1927 said, in answer to a question, that during the year ending March 31, 1927, 19,573 persons had been sent to Canada under the British empire settlement scheme at a cost of £214,904, or $1,405,866, to Great Britain and £102,833, or $500,452.93, to Canada. I must point out that there is a remarkable discrepancy between the figures of the Right Hon. Mr. Ormsby-Gore and the report of the Department of Immigration and Colonization, as the latter states that 21,586 persons came to Canada under the scheme during the year ending March 31, 1927, instead of 19,573; and there is also a difference in the cost figures. If we add the amount paid by this government for selecting and transporting those immigrants here, together with what it has to spend to train them to become farmers and look after them when they have arrived, as well as place them we can safely say that each such immigrant costs more than $50 to Canada.

Some time ago, in answer to a question put in this house, the statement was made, according to press reports, that from the year 1921 down to the year 1927 there were brought to Canada 787,408 immigrants from Great Britain, the continent of Europe and the United States, at a cost of $7,204,986. We would not begrudge this expense were it not for the fact that in eastern Canada a great number of young men, born and brought up on the farm, are forced to abandon the cultivation of the soil and go to the cities or to the United States. We claim that these young farmers, with a little government assistance, could be restored to the land and would be ideal settlers.

In the section of the country in which I live, and which is the oldest in Canada we have a surplus of farmers and they are real farmers, not semi-ready farmers who have to be trained and afterwards cared for and accustomed to our climate, methods and conditions before being safely placed on a farm. Our old rural parishes and counties in the east, where all available good land has been long since occupied, are too small for our ever growing population and we are continually sending out emigrants; farms have already been subdivided to the extreme limit and we continue to raise large families. The result of this is that only one boy of the family can remain on the ancestral farm; the other boys have to move out. This is the case in my own family in which there are eight boys; one has taken the place of my father on the farm and the others had to follow less useful vocations than that of the farmer.

Mr. EDWARDS (Frontenac): Is there not plenty of available agricultural land in both Quebec and Ontario?

Mr. BOULANGER: I would not say that; I think most of the good farming land in the old provinces is already occupied. Fortunately, in the case of my own family, we all remained in Canada; but this is not always the case with eastern Canadian farmer families. There remain very few colonizable areas in eastern Canada and the surplus farmers' sons go to the cities, sometimes on this side of the border but very often on the American side, where they are lost to Canada. This attraction of the sons of our farmers by the industrial cities of New England, which are closer to us than western Canada, is a subject of much anxiety to every Canadian who loves his country, and it is quite natural to think of means to prevent the desertion of their traditional calling by such valuable citizens. Case after case has come under my observation, in my own and in the neighbouring counties—and I presume the situation is about the same in the maritime provinces—of young farmers, born tillers of the soil, brought up in the best traditions of our unsurpassed rural population, becoming lost in the great American cities near us. They have heard of the vast fertile

plains of the west where hard work, of which they have no fear, and intelligent effort, are always sure of their reward; but, alas it costs a small fortune for eastern Canadians to go west and settle there and no benevolent government or colonization organization has been willing to offer them assistance of any kind. This emigration of our young farmers took quite an alarming turn a few years ago, but I must say that, due to the good administration which this government has given the country, and thanks also to the praiseworthy policy of a great Canadian, the Hon. L. A. Taschereau, Prime Minister of Quebec, in attracting capital to our province, in prohibiting the exportation of hydro-electric power, in encouraging the exploitation of our natural resources, and in creating industrial centres and new markets for our farmers, the situation is not so grave as it was, although still too great a number of young farmers, who cannot find land in the east, are obliged to expatriate. It is with a very great sense of satisfaction that I note, in the report of the Department of Immigration and Colonization, that during the last year 56,957 Canadians who had gone to the United States came back to the country they had abandoned. And at this juncture might I be permitted to thank the government for having place a sum of $50,000 at the disposal of the province of Quebec to repatriate its citizens.

But however satisfactory might be the repatriation and return of Canadians who found out that, after all, their own was the best country to live in, it seems to me that it would still be more satisfactory to prevent our own people from leaving us; and I am convinced that this very desirable end would be attained by giving young Canadian farmers, unable to find land in their own vicinity, the same assistance as is given others to go and settle on vacant land in western Canada. I repeat that we in the east are not against bringing in immigrants to colonize our undeveloped areas; we are not even against assisted and subsidized colonization, if we must have it. But we demand that Canadians should be given the first chance, that before we spend our money to place strangers on our land we must first try to place native Canadians there. It appears to me that such an enterprise particularly commends itself in these days, when we talk so much of the necessity of achieving Canadian unity and of creating a distinctive Canadian spirit and character. Prominent people like Colonel R. H. Webb, mayor of Winnipeg, and others, fear foreign domination in the Canadian west; they deplore the spread of communism, which certainly did not originate with our native population; they claim that 40 per cent of the criminals and 60 per cent of the people in asylums and sanatoria, are foreign born; they even pretend that immigrants, placed at great cost on land, desert and drift to the cities, where they displace our native workingmen, or to the United States, which was their secret destination from the start. But, sir, let us give our idle land to till and to cultivate, even if we have to assist them with public moneys to do so, to the descendants of those who came on the Hector, to the descendants of the British Empire Loyalists, to the descendants of those who came back to their ravaged homes after the "Grand Dérangement" and to the descendants of those who from the provinces of France, three hundred years ago, came without assisted passage or hopes of after-care, to settle on the shores of the St. Lawrence, and to roam this continent from the gulf of Mexico to Hudson bay and from Labrador to the Rockies. Let us place them on the land and they will remain; they have been doing so for centuries. They have inherited traditions of courage, self-reliance, perseverance and tenacity, and they need no training to become accustomed to Canadian life. You can trust them to work for Canadian unity and to help build a strong and vigorous nation, endowed with the qualities and characteristics of the two great races which have written their fame on the pages of our history and which are destined by Providence to achieve together the destinies of Canada. And if the time should ever come when it is necessary for them to defend the soil in which they have been rooted for generations, their past will be a guarantee that the heritage entrusted to their care shall not be wrested from them.

The idea embodied in the resolution which I have the honour to propose is not a new one, but I sincerely believe it is sound and one which it would be in the interests of the country to put into execution. It seems a fundamental necessity to do everything possible to conserve our rural population, that quiet, honest, sane, hard-working and clear-thinking rural population which according to Mr. Stanley Baldwin is the core and the source of the strength of the nation. Assisting farmers' sons, who cannot find land in the east, to take up land in the west is, in my humble opinion, one of the best ways of keeping our rural population and of maintaining the balance which must exist between city and country dwellers. It may be objected that provincial governments would look with disfavour upon the emigration of their citizens to another province, and that the

federal government would not see the advantage of assisting the transportation companies or the colonization societies in moving these people from one place to another within the country. I do not need to point out, however, that the object of this resolution is to devise a means of preventing the surplus farming population from leaving not only their native provinces but Canada as well, and that provincial authorities would rather see young farmers go to western Canada than to the United States. As to the reluctance of the federal government to spend money in assisting Canadians to settle in their own country, I think we need have no fear on that score because last year the Minister of Immigration and Colonization told us he was working on a plan to help young Canadians who desired to become settlers. If the discusison of this resolution does no more than hasten the maturity of that plan, it will not have been in vain.

I have therefore the honour, Mr. Speaker, to move the adoption of the resolution.

Mr. JAMES ARTHURS (Parry Sound): I have no desire to take up the time of the house, Mr. Speaker, but it happens that there is a resolution on the order paper in my name, one part of which covers essentially the same points brought up by the hon. member for Bellechasse (Mr. Boulanger), so it seems imperative for me to say something along this line.

The hon. member has made a fairly good case from his point of view and probably from every point of view in connection with equal treatment as between Canadians and foreigners. He has told us that there is no more land available for the increasing families of his own county, and that in consequence they are forced to go to the United States if they do not receive some preferential treatment in Canada. He also said, and I believe it to be true, that the members of his own family did not go to the United States, and for that he is to be congratulated. I doubt, however, if his neighbours could give the same testimonial as far as conditions in Quebec exist at present.

The hon. member also told us that the government of Quebec under Mr. Taschereau are endeavouring to place on the land of that province as many citizens as possible, and that they are succeeding to a great degree. The members of my hon. friend's family apparently did not take advantage of that opportunity, and no matter what similar opportunities may be offered by the province of Ontario or any other province having control of its own land, these will not effect the present situation at all. The fact remains that under the present system followed by this government there is preferential treatment for those coming to Canada from foreign countries as against the man born in Ontario, Quebec, New Brunswick or any other province of this Dominion. For instance, a Canadian going to Winnipeg from Toronto or any point adjacent to Toronto requires a much larger sum of money than is required by a settler coming from Great Britain to travel between the same two points. The Department of Immigration have established a rate for immigrants of £1 or $5 as between Toronto and Winnipeg. I wonder if the minister has any idea of the ordinary fare between those two points? Has he any idea of the difference between the ordinary rate for a farmer from Ontario or any young man going to the west to locate on the land and the rate for a man brought from Great Britain going to the same place? That is the essential point, and in addition there are various other advantages given to immigrants.

For a number of years we had a department called the Soldier Settlement Board, which was inaugurated for the purpose of placing soldier settlers upon the land. We will grant that the experiment was not altogether successful, but as time went on and the necessity for this branch of government practically ceased, that department was taken over by the Department of Immigration and Colonization. That is the situation today, and under the guise of soldier settlement various lands in the west have been improved, houses have been erected, land taken from soldier settlers has been improved and British settlers or other citizens satisfactory to the minister have been placed upon that land. The sons of our Canadian farmers have not had the same opportunity afforded them. That is one of the accusations I make, and I believe it to be true.

I do not desire to detain the house; if my motion should come up I am prepared to speak on it. The hon. member for Bellechasse has said that the government are spending $50,000 to bring back Canadians from the United States—presumably the government of Quebec. I should like to ask the hon. member for Bellechasse, or the Minister of Justice (Mr. Lapointe) or any other hon. member of this house, how successful that campaign has been. The Prime Minister (Mr. Mackenzie King) gave us figures with reference to the number of returning Canadians. Who has seen these returning

Canadians? I come from an average progressive Canadian town, and we have lost many of our young men and young women to the United States. If I go into my own town to-morrow I cannot recall any returned Canadian who has resided for any considerable period of time in the United States, nor can the hon. member for Bellechasse either. Canadians, unfortunately, are not coming back from the United States, they are still going; and I believe that one of the principal losses from which we suffer, altogether outside our industrial activities, is the loss of farmers who are going to the country to the south just as other classes of the community are. Now as the hon. member for Bellechasse has very properly said we want to provide some means of keeping these farmers in Canada, and we should at least give them the same terms as we are offering to newcomers from other countries.

Mr. P. E. BOIVIN (Shefford): I wish to say only a very few words on the matter under discussion. First of all I congratulate the hon. member for Bellechasse (Mr. Boulanger) upon the case which he has presented in support of this motion, and the manner in which he has dealt with the problems which have to be faced not only in the province of Quebec but elsewhere in this country. I wish the house would take this question into very serious consideration, because it is a problem for which we have to find a solution, and one that the Minister of Immigration and Colonization (Mr. Forke) should study very carefully.

I had not anticipated that this question would be brought up at this particular time and therefore I am not as well prepared to discuss it as I should otherwise have been. But I want to suggest a plan to which the Minister of Immigration and Colonization might give consideration and which he might find worthy of adoption in due course. To make it a success, however, this plan will involve the co-operation not only of all the members of this house but also of every business man and every newspaper in the country. I realize that it will be a big undertaking, but it is one which is worth studying. That plan is this: that the government establish training farms in every province of Canada, organized to train young men in farming in the same way that the Militia department train our boys in military affairs in camp. The men to be trained on those farms should be recruited just as we recruit our soldiers. Enlist the men for three years, bring them to these model farms, keep them there and train them in practical farming. After a certain period, when they have been thoroughly trained, settle each man on say 100 acres of land, in groups, and give them all the encouragement necessary to make that settlement a success. We should endeavour to keep in this country those of our boys who have been trained to a certain extent in farming and like the occupation, but who cannot stay at home because the homestead is not large enough. If young men of this type were brought to model farms where they could be trained and made practical farmers, Canada would gain to a tremendous extent.

Then again at periods when the country, perhaps, was not as prosperous as it is to-day and a certain amount of depression prevailed, you could take from the cities, men who complain that they cannot find work. You could say to them: Go and enlist on one of these farms, and you will at least get your living. If they turn out to be good, practical men, by all means locate them on farms and give them a chance to make a success of farming and become good Canadian citizens. If we pursue the course I have advocated we shall be able to retain many of our own sons in Canada, and they will not be tempted to leave the country and go elsewhere. If the Department of Immigration wishes to study this plan, I shall be only too pleased to co-operate with them in every way and to give them the benefit of any ideas that I have.

Hon. J. W. EDWARDS (Frontenac-Addington): I have only one or two observations to make in regard to this motion and to the remarks offered by the hon. member for Bellechasse (Mr. Boulanger). In the first place I want to say that I am in entire agreement with the tribute which he pays to the young farmers of the province of Quebec, a tribute, I presume, which will apply equally to the young men on the farms in Ontario. In intelligence, virility and energy I think I should be safe in saying that these young men are the equals if not the superiors of any settlers we could get from any other country. But it seems to me, Mr. Speaker, that there is a weakness in this resolution which should be pointed out and I have risen for the purpose of doing so. The resolution says:

> That, in the opinion of this house, citizens of Canada desirous of settling on western lands should receive from the government of Canada the same assistance and favourable treatment as the citizens of Europe.

Why specify western lands? I venture the statement that we have hundreds of thousands of acres of just as good lands in Ontario and Quebec as the sun ever shone on, which have not yet been brought under cultivation. It seems to me, also, that there are advan-

tages to the intending settler that can be offered in inducing him to go on unoccupied lands in Ontario and Quebec that cannot be offered to any settler going to the west. For instance, assuming if you like—and I make the assertion in the confident belief that I am correct—that we have hundreds of thousands of acres of just as fertile soil in Ontario and Quebec as there is in any province in the west, then a man who settles on a farm in either of the two former provinces has this advantage over a man who settles in Manitoba, Saskatchewan or Alberta: When he brings his farm under cultivation and has his products ready for the market, he is within twenty-four hours of large centres of population like Toronto and Montreal where he can sell those products to advantage. I do not admit for one moment, nor do I believe that any person else who has travelled over this country to any extent will admit, that the soil in western Canada is one whit more fertile or better adapted to agriculture than is the soil in Ontario and Quebec. I repeat there are advantages in Ontario which I believe the men in the western provinces will come to realize in the very near future, and I would ask my hon. friend therefore if he is prepared to extend the scope of his resolution and ask this government, or any government that may be in power, to give assistance to those in western Canada who might desire to come east and settle on vacant lands in Ontario and Quebec. Because I assume that the time will come when the western people will become aware of the advantages I have indicated, and will be anxious to take advantage of them. Why should not people leave cities like Winnipeg, Edmonton, Calgary, and even Saskatoon and come down and settle on some more splendid lands in New Ontario, or on some of the vacant lands in the province of Quebec? Why ask the government to adopt a scheme giving special help to those who want to settle in the west? I am not depreciating the advantages of the west but I rather think that a little too much attention has been directed to the west in our immigration efforts to the detriment of the older provinces of Canada. These provinces, I think, have been overlooked to a large extent in our immigration and colonization campaigns in this country.

The resolution, no matter what may be said in favour of it is defective and weak in that it specifies that as regards Canadians who desire to settle on the land, assistance will be given only to those who are going to the west. I see no reason for specifying that and I do not think such a scheme will work out in practice. Very soon other provinces would be asking the government to give the same assistance in bringing people from the west or the extreme east for settlement in the central provinces.

There is just one other thought that I should like to add to this for the benefit of my hon. friend who introduced the resolution and who, in introducing it, very naturally, though very incorrectly, paid a tribute to the government of the day. Might I point out to my hon. friend that there are very definite reasons, other than the ones that he mentioned, why the boys are leaving the farms of Quebec and Ontario. This government has adopted a policy to discourage our boys in Ontario and Quebec from going on the land. What particular branch of agriculture will a boy take up? Will he go into dairying in the face of the attitude and action of this government in adopting the Australian treaty? Has he any encouragement along that line to go into dairying in this country? Will he take up gardening, raising fruits and vegetables in the face of the attitude and action of the government in placing every possible obstacle in his way to make a success of it? Will he be encouraged to go into the sheep industry in this country? Not under the policy followed by this government. So I would appeal to my hon. friend who introduced this resolution, I am sure, honestly, conscientiously and believing in what he is advocating, to direct some of his logic and eloquence towards the members of the government and to endeavour, if possible, to induce them to see a little reason and to adopt a policy which will offer encouragement and not discouragement to those on the land in the Dominion of Canada.

Mr. H. E. LAVIGUEUR (Quebec-Montmorency): Mr. Speaker, I think the hon. member for Bellechasse (Mr. Boulanger) must have been inspired to bring forward this resolution and he is to be congratulated upon the splendid speech that he delivered to this house in support of it. I have listened carefully to the remarks of the hon. member for Frontenac-Addington (Mr. Edwards). He commenced by saying that he concurred in the argument brought forward by the hon. member for Bellechasse and he admitted that our young men in Quebec and Ontario were certainly as worthy individuals as the foreigners who are brought to this country.

The problem of immigration has been discussed in this house for many years and all governments of late years have paid a great deal of attention to it. But it has been found and admitted that, although enormous sums of money have been spent in order to promote immigration, the results that were ex-

pected did not ensue. A great improvement in immigration has been noticeable, especially since the present government has been in power, and the great efforts made by the former Minister of Immigration and the present minister have been fruitful. I want to say to the hon. member for Frontenac-Addington that he should not send forth the whispers of death as he did a few minutes ago when he took advantage of the discussion of the motion of the hon. member for Bellechasse to state that our young men, whom we wish to establish on our farms in the west or in Ontario and Quebec, would have no reason to stay in this country or, if they had gone away to the United States, to return, because they could not make a living in Canada on account of the policy of this government. I wish to protest against the attitude of the hon. member as revealed in that statement. Instead of making such a statement he should join hand in hand with the hon. member for Bellechasse and support this resolution in the same spirit as it has been introduced in the house.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I do not wish to detain the house at length upon this question, but it seems to me that in a small way it will supply something that this country needs very materially at the present time, and that is work. One thing that to my mind is wanted in Canada to-day is work. It has been my unpleasant duty now for many years, almost weekly, sometimes almost daily, to write medical certificates for people in my riding, boys off the farm and from other places, who are going to the United States largely because there is not work for them in this country. We might just as well admit this fact and we deplore it as much as anybody. They are going there and during the last three or four years I have not run across a single one that has returned. My sister's family consists of five children and four of them are in the United States making a living, although they would much prefer to live in Canada if they had equal opportunities. It is the duty of this country and, of course, of the present government, to supply every means possible to give our people work. I have not been able to understand why the Minister of Immigration (Mr. Forke) will give greater facilities, greater encouragement, to people from Europe, than he will to our own people when they are almost daily leaving this country in search of work.

I regret also that the government have discontinued giving assistance to our soldiers. That scheme, launched as it was under great stress and difficulties, was a success, everything being taken into consideration, and I think it points the way for helping to keep our boys at home. I agree with the hon. member for Frontenac-Addington (Mr. Edwards) that there are still great opportunities in Ontario and Quebec and I am going to throw out to the government the suggestion that they can keep people on the land profitably in other ways than by having them grow grain or raise stock. I have spent some time in the last few years investigating fur farming in the northern parts of Ontario and Quebec. In that country there are admirable locations for that business, and in my belief a man who goes upon a fur farm where the conditions are suitable can get a greater revenue from it than he could from any farm in the west or in the older parts of Ontario on purely agricultural land. The possibilities are greater, and more than that, it is something new, comparatively speaking. In northern Ontario and Quebec there are timbered lands and lakes and rivers and swamps that are admirably suited for this purpose. I wonder how many members of this house are aware of the rapidity with which rats, for example, multiply. They will have four or five young ones at a litter, and four or five litters a year, and those rat skins are worth from $2 to $2.50 each. The rats feed themselves, and all you have to do it to see that the conditions are favourable, and weed out their enemies. That offers a possibility for the government and the people of this country to develop a new industry that would be very profitable indeed to Canada. It has this further advantage, that the character of the country best suited for the purpose is the least valuable as a rule for agriculture, and once the timber is taken off, the land has practically no value at all. Anyone who has travelled over northern Ontario and Quebec must have seen large areas of land which to-day are practically worthless for agriculture, but which could be utilized in a scheme of this kind, giving employment to tens of thousands of people, who would make a better living from it than they could from agriculture simply.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Before the house adjourns, I should like to advise my hon. friends as to the procedure for tomorrow. It was understood that when the Finance Minister introduced the budget and spoke on a Thursday, private members would

not be deprived of their right to an equivalent amount of time on some subsequent Thursday.

Mr. ROBB: They do not want it to-morrow.

Mr. MACKENZIE KING: The government's intention was to give to-morrow afternoon to hon. members as private members' day, and then to go on with the regular Thursday proceedings in the evening.

Mr. BENNETT: It would not be convenient to-morrow, and I gathered from what the Minister of Finance said that he desired to-morrow afternoon to proceed with his resolutions. We are quite agreed that he should do so.

Mr. MACKENZIE KING: Then if that is agreeable to all parties in the house, we will go on with his resolutions to-morrow.

Mr. SPENCER: Providing, of course, that the arrangement as to giving private members an equivalent amount of time is adhered to.

Mr. MACKENZIE KING: That is understood.

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

Thursday, March 15. 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 65, respecting the Canadian Pacific Railway Company.—Mr. Jelliff.

Bill No. 66, respecting a certain patent of Douglas J. Martin.—Mr. Clark.

Bill No. 67, to incorporate The Peace River and Mackenzie District Railway Company.—Mr. Hay.

Bill No. 68, to incorporate the Northwest Canada Conference Evangelical Church.—Mr. Brown.

Bill No. 69, respecting The Interprovincial and James Bay Railway Company.—Mr. Parent.

MESSAGE FROM THE GOVERNOR GENERAL

ACKNOWLEDGMENT OF ADDRESS

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication from His Excellency the Governor General:

[Mr. Mackenzie King.]

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

WILLINGDON.

Government House,
Ottawa.
10th March, 1928.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SULPHATE OF AMMONIA FOR EXPERIMENTAL FARMS

Mr. MacDONALD (Cape Breton South):

1. Has any order been given by the Department of Agriculture for the purchase of a quantity of sulphate of ammonia for the experimental farm at Kentville, N.S?
2. If so, to whom was such order given?
3. By whom were such goods supplied?

Mr. MOTHERWELL:

1. 2. and 3. No. The Barrett Company of Toronto through the Dominion Iron & Steel Company of Sydney, N.S., have forwarded 2,250 pounds of sulphate of ammonia, free of charge, for trial on the illustration stations in Nova Scotia.

CIVIL SERVICE SUPERANNUATION

Mr. WHITE (London):

Upon his superannuation a civil servant is paid a superannuation allowance of a certain percentage of his salary based on the last three years of his service. Is it possible under the present act, in the event of a lower salary having been paid for one or more of the final years, for a civil servant to choose any three consecutive years of his service to form the basis of his superannuation?

Mr. ROBB: The Civil Service Superannuation Act (chapter 24, revised statutes, 1927) provides that superannuation allowance shall be based on the average salary of the contributor during the last five years or ten years of his service, depending upon which part of the act applies. The act further provides that in the case of a contributor to whom part III applies, that is, one who on July 19, 1924, was subject to the provisions of part I of the Civil Service Superannuation and Retirement Act, his allowance shall not be less than that to which he would have been entitled if he had continued to be subject to said part I of the Civil Service Superannuation and Retirement Act. Under the provisions of that act, the basis is the average yearly salary during the last three years of service. In no case is provision made for a civil servant to choose particular years for the purpose of determining the average salary to be used as a basis of superannuation allowance.

*INTERNATIONAL JOINT COMMISSION

Mr. WOODSWORTH:

Does the government propose to reorganize the International Joint Waterways Commission in harmony with Canada's present status?

Mr. MACKENZIE KING: With permission of the house I should like to answer this question orally. The appointment and procedure of the International Joint Commission is at present in substantial harmony with Canada's national status. Article 7 of the Boundary Waters treaty of 1909, under which the commission was constituted, provides for the appointment of the Canadian members by "His Majesty on the recommendation of the Governor in Council of the Dominion of Canada." The governmental references to the commission are made by the Canadian government. I have used the words "in substantial harmony" for the reason that as a matter of fact there is the use in several places in the treaty itself of the terms "the United Kingdom" and "His Majesty's government" where if the treaty were now being drafted the term "His Majesty" would be used instead. In many articles of the treaty reference is made direct to the government of the Dominion of Canada, but there are three instances in which it is ambiguous. When I give my hon. friend those instances he will see in a moment that any ambiguity has been removed by the understanding reached at the last Imperial conference. Article V of the treaty reads:

> The United Kingdom, by the Dominion of Canada, or the province of Ontario, may authorize and permit, etc.—

The words "United Kingdom" would be out of place in any drafting of a treaty to-day between the United States and Canada, and it may be taken as now being the fact that the words "His Majesty" are the words that are signified in that particular.

Article VII reads as follows:

> The high contracting parties agree to establish and maintain an International Joint Commission of the United States and Canada composed of six commissioners, three on the part of the United States appointed by the President thereof, and three on the part of the United Kingdom appointed by His Majesty on the recommendation of the Governor in Council of the Dominion of Canada.

In this section as will be seen the words "United Kingdom" occur again. If the treaty were being drafted to-day the words "United Kingdom" would not appear, but the words "His Majesty" would appear instead.

Article X reads as follows:

> Any questions or matters of differences . . . may be referred for decision to the International Joint Commission by the consent of the two parties, it being understood that on the part of the United States any such action will be by and with the advice and consent of the Senate, and on the part of His Majesty's government with the consent of the Governor General in Council.

The words "on the part of His Majesty's government" would read to-day in a redrafting of the treaty "on the part of His Majesty." I submit, however, that in view of the following statement which appears in the report of the Imperial conference of 1926, it is scarcely necessary to redraft the treaty in order to have it conform to the status of Canada as laid down at the last Imperial conference, although in some particulars this might be desirable:

> We propose that it should be placed on record that, apart from provisions embodied in constitutions or in specific statutes expressly providing for reservation, it is recognized that it is the right of the government of each dominion to advise the crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's government in Great Britain in any matter appertaining to the affairs of a dominion against the views of the government of that dominion.

So with respect to the International Joint Commission having regard to the procedure set forth at the last Imperial conference and the practice to be adopted in accordance with that procedure, any matter relating to the commission would be dealt with by His Majesty on the advice of his Canadian ministers. Wherever the treaty makes a reference to His Majesty's government in the United Kingdom, it would be understood, in accordance with the practice as now laid down, that this would mean His Majesty's advisers in Canada in so far as the matters have to do with Canadian domestic or external affairs.

There is one point I should like to clear up because I have seen some mention in the press of an intention on the part of the government to make some alteration because of the change in Canada's status. There is no intention to make any changes. Some time before the last Imperial conference, a communication was sent to the British government asking their opinion as to whether, in the event of an appointment being recommended by His Majesty in council in Canada, the wording of the treaty which nominally places the appointment in the hands of His Majesty's government in Great Britain, would be construed as in any sense giving that apointment to His Majesty's government in Great Britain rather than to His Majesty's government in Canada. The reply which was received was to the effect that most

certainly the King would be advised in these matters by his Canadian ministers and not by his ministers in Great Britain. Since the Imperial conference with respect, for example, to exequaturs issued to consuls, the practice has been adopted of having them bear the signatures of His Majesty the King and the Secretary of State for External Affairs in Canada where formerly they bore the signatures of His Majesty the King and the Secretary of State for Foreign Affairs in Great Britain. If to-morrow a commission were being issued to a new member of the International Joint Commission, it would be signed by His Majesty the King and would bear the signature as well of the Secretary of State for External Affairs in Canada and not the signature of the Secretary of State for Foreign Affairs in Great Britain as was formerly the case.

RIDEAU CANAL

Mr. WOODSWORTH:

1. Who owns the Rideau canal?
2. By what department is it administered?

Mr. DUNNING:

1. The Dominion of Canada.
2. The Department of Railways and Canals.

ROYAL MINT

Mr. WOODSWORTH:

1. Under whose authority is the Royal Mint operated?
2. Who makes the appointments?
3. Who pays the cost of operation?
4. What was the cost of operation last year?

Mr. ROBB:

1. Authority was given for the establishment of the Ottawa branch of the Royal Mint by royal proclamation dated 2nd November, 1907, and the operations of the Ottawa mint are conducted in accordance with the provisions of the proclamation referred to.
2. The Lords Commisisoners of His Majesty's Treasury.
3. Government of Canada.
4. 1926, $184,481.45.

PRIVILEGE—MR. CAHAN

On the orders of the day:

Mr. C. H. CAHAN (St. Làwrence-St. George): As a private member, and acting in that capacity only, I wish to call the attention of the house to what I regard as a matter of privilege, because it seems to me, subject to your opinion, Mr. Speaker, to be a breach of or infringement upon the established rules and practices of this house. I refer to pages 1301 to 1320 of the Commons' Hansard for March 13, 1928, containing tabulated statements presented to the house by the Prime Minister during the course of the debate on the amendments to the motion to go into committee of ways and means. I do not wish to deal at length with the previous decision of the house, in which decision the Prime Minister concurred, as reported on pages 619 and 620 of Hansard of February 20, in regard to the matter which was brought to the attention of the house by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I do not wish to object to the nature of the information which is very useful and serviceable to hon. members, but which I think could be brought to the attention of the house only by being laid upon the table as a financial statement emanating from either the Department of Finance or the Department of National Revenue. I am drawing this matter to the attention of the house because I think it is a breach of our rules and practices, and if it is to be persisted in, members on both sides, who have in the same circumstances exactly the same rights and privileges as the Prime Minister himself, will exercise that privilege, if it is to be established and recognized, in a way that will preclude the proper course of debate in this house, especially when such statements are presented in the closing part of the debate. I think it is a breach of privilege and I call it to Your Honour's attention.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to assure my hon. friend that the last offence of which I would wish to be guilty is a breach of the privileges of this house. I thought I was guarding against anything of that character when I asked the permission of the house to place on Hansard a somewhat lengthy statement with regard to which there was some discussion before the assent of the house was given to the request. Having received what I took to be the assent of the house I did hand the statement to Hansard.

Mr. CAHAN: The assent was not unanimous.

Mr. BENNETT: The house did not give its consent.

Mr. MACKENZIE KING: My hon. friend says: "The house did not give its consent." The house gave its consent at any rate by acquiescing. May I say however to my hon. friend, as I intimated in the course of the discussion, that I was quite prepared, if the house wished me to do so, to read the statement rather than to have it presented in tabulated form. It contains very useful and accurate information and as such was given to

the house for the purpose of enabling hon. members to read for themselves something which they could perhaps appreciate more readily by reading than by hearing it read. I hope I have not offended, but I will say to my hon. friend that I will keep his counsel in mind and endeavour not to offend in the future.

Mr. GOTT: Is this a privilege that we can all enjoy?

Mr. SPEAKER: The hon. member for St. Lawrence-St. George (Mr. Cahan) very kindly informed me of his intention to raise this question. Strictly speaking, according to the rules of the house, no one is allowed to place on Hansard a printed document which is not read to the house. An exception is made for the Minister of Finance and this year I have allowed the chief financial critic of the Minister of Finance to do likewise. When the question came up on Tuesday evening about this long document, the Prime Minister asked leave of the house and at first there was strong opposition to it. Then as will be seen on page 1282 of Hansard he said:

If the hon. gentleman objects, I am prepared to read them—

Speaking of the statistics.

—but I do not wish to read them at this stage. I will read them when I have concluded the main part of my speech. I would still ask my hon. friend if he objects to having the statement placed on Hansard.

Mr. Bennett: Your honourable friend has not yet objected; that is number one. Number two is that the observations made by the Prime Minister the other evening were so relevant to the action he is proposing to take, that I assume he will not himself entirely depart from them; but if he so desires, I am not offering any objection, and I have not done so.

The hon. leader of the opposition then went on to quote what the right hon. the Prime Minister had said on another evening upon the same subject, and concluded with these words:

His case is not a case within the exceptions.

Then the Prime Minister said:

I take it that my hon. friend would really like to be reassured in the matter of what the government has done, and I will take the liberty of presenting this to Hansard and asking the house to allow it to be printed.

Mr. Gott: The increases too.

Mr. Mackenzie King: Yes, I am quite prepared to give increases where there have been any worthy of mention.

I took that as a qualified assent to the request made by the right hon. the Prime Minister. Of course, I was not present when the document was sent to Hansard. I think it is rather bulky, and such a thing must not be repeated because it would violate the traditions of the house, which really forbid the printing of any such document in Hansard unless it is read.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Item 87b agreed to.

Customs tariff—192a. Pulp board in rolls not less than nine one-thousandths of an inch in thickness for use in wrapping rolls of paper: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. KENNEDY: What was the amount imported under this item last year, and who will benefit by this reduction?

Hon. J. A. ROBB (Minister of Finance): Hitherto there has been no separate classification for this article. The United States rate is 10 per cent, and the reason for the change is that provision is made under their statute for a duty equal to that imposed by any other country against the United States product; for example, under the old rates, their tariff on the Canadian product would be 25 per cent. We are reducing our rate, and the United States rate will be reduced correspondingly upon our product going into their market.

Mr. KENNEDY: Who will get the chief benefit of this reduction?

Mr. ROBB: The Canadians who are employed in this industry will benefit very largely by the reduction, we hope.

Mr. CAHAN: Prior to the date of this new tariff, had there been importations of pulp board in rolls, coming under item 192a, from the United States or from Great Britain? Is there competition from the United States and Great Britain?

Mr. ROBB: Perhaps my hon. friend did not hear the previous explanation. There is no separate classification whereby we can determine the imports of this particular product, but perhaps my hon. friend will be interested to hear that we are making this change at the request of the gentlemen who are engaged in this business in Canada. They say it will enable them to get into the United States market, where they will have a corresponding reduction in the tariff rate.

Mr. HANSON: What is the minimum duty in the United States at the present time?

Mr. ROBB: Ten per cent, but their rate will be made whatever ours is.

Mr. CAHAN: Is that clear that their rate will be whatever ours is?

Mr. ROBB: My information comes from the gentlemen who are in the business, who have requested this change. Our officers have checked up the information they have given us and find that it is quite correct.

Mr. HANSON: Is this provision in the United States for making their rate conform with ours a regulation under their tariff board, or is it in a statute, and is it a permanent provision?

Mr. ROBB: It is under their statute. Automatically under their tariff, their rate is made to correspond with that imposed by any other country. If we put a rate of 25 per cent against the United States, they put a similar rate against us.

Mr. HANSON: They have power to raise their rate of their own free will without reference to congress, I suppose?

Mr. ROBB: I am not sure of that.

Mr. HANSON: I am.

Mr. ROBB: Does my hon. friend object to this item?

Mr. HANSON: No, I do not; I welcome it

Mr. BENNETT: That is not the way to put it. The position is this: Should there not be added to this item a provision such as the United States has in its tariff, that if they take action to increase the duty, we by order in council may effect the same purpose? That is the only observation I have to make in respect of this item.

Mr. ROBB: That is a question of policy.

Mr. BENNETT: It is for you to say, not us.

Mr. KENNEDY: Are there not records in the department showing the amount of imports under this item last year?

Mr. ROBB: I have already told my hon. friend twice that there is no separate classification whereby we can determine the importation of this particular product. It comes in under various other classifications.

Mr. KENNEDY: None whatever?

Mr. HANSON: Supporting what my hon. leader has said, I would point out that if we lower the duty to 10 per cent—with which I am in perfect accord, for I think it will help Canadian industry—and the United States put their tariff up, automatically ours should be raised too. I have no idea in the world that we should keep our tariff at 10 per cent, and they raise theirs next week, say, to 20 or 25 per cent, as they may do. The minister will remember that there are some very large companies in the United States making this very product, and they will naturally want their home market for themselves. I happen to know that the International Paper Company are large manufacturers of this very product in their United States mills. It may be that they will transfer that business to Canada—I hope they will; they are getting over here as fast as they can—but at the same time I do not think we ought to be caught in a position where our tariff would be reduced to 10 per cent and they raise theirs back to 25 per cent. That is very likely to happen. The danger is now being pointed out to the minister, and I hope he will act accordingly. I am not opposing the item in any sense, but I am directing the minister's attention to the danger of what may happen if we do not safeguard our position.

The CHAIRMAN: Shall the item carry?

Mr. ROBB: Carried.

Mr. BENNETT: No, let it stand.

Mr. ANDERSON (Halton): What companies are making this product in Canada, and what is their output per year?

Mr. ROBB: I will get the information for my friend later on.

Mr. ANDERSON (Halton): Has the minister ascertained that our Canadian industries will not be injured by this reduction?

Mr. ROBB: Perhaps my hon. friend was not following me. Twice I have said that this change has been made at the request of Canadian industries.

Mr. CAHAN: Mr. Chairman, may I suggest it is not clear that the change is made in the way that will best promote the interests of Canadian industry. I would ask the Minister of Finance whether making it in this form has met with approval, because I understand that there is nothing in the tariff statute of the United States which limits their discretion: they may, if this is reduced to 10 per cent, reduce theirs to 10 per cent, or they may increase it; but when there is a duty outstanding they can exercise their discretion and make their duty exactly equivalent to the Canadian or other foreign duty. All we are suggesting is that this item should take the form of permitting the Minister of Finance, and the government which he represents, in the exercise of their discretion, to reduce the tariff on this

item if there is any satisfactory guarantee or understanding that the United States will reduce their tariff to a corresponding level.

Mr. HANSON: Mr. Chairman, the member for St. Lawrence-St. George (Mr. Cahan) has put the matter very succinctly, and I think the minister should give heed to what he has said. We ought not to place the ad valorem duty at so much, no higher and no lower, unless we have an absolute assurance that the United States are going to do the same thing. My information is that it is discretionary in the United States depending on the advice of the tariff. In other words, it is an executive matter, it does not come before congress at all. If they do it, well and good, I would welcome it; but I should not like us to put down our duty to 10 per cent, and the United States do nothing. That would be another sacrifice on our part to the United States. And there would be a good deal of opposition in the United States to any reduction in their tariff. I can warn the minister of that right now. The large interests over there will not welcome any reduction of the United States tariff. At the same time, if we can obtain that action by the United States I think we ought to do so. In my opinion the suggestion by the leader of the opposition is one that the minister ought to take into consideration and say now what he will do, rather than call the item "carried." There are members on this side of the house, I would remind him, who know quite as much about the pulp and paper and millboard business as he does.

Mr. ROBB: Mr. Chairman, with regard to the last observation of my hon. friend, I admit at once that there are gentlemen opposite to me who know very much more about the pulp and paper business of Canada than I do. I make no pretence whatever to being an expert in that particular field. The United States have already provided for an ad valorem duty of 10 per cent under their Tariff Act of 1922, paragraph 1302. I will read it into the record so hon. gentlemen will know just what position we will be in when this item carries:

> Paper board, wallboard, and pulpboard, including cardboard and leather board or compress leather, not laminated, glazed, coated, lined, embossed, printed, decorated or ornamented in any manner, nor cut into shapes for boxes or other articles and not specially provided for, 10 per centum ad valorem; pulpboard in rolls for use in the manufacture of wallboard, 5 per centum ad valorem:

My hon. friend will observe this:

> Provided, that for the purposes of this act any of the foregoing less than nine one-thousandths of an inch in thickness shall be deemed to be paper; sheathing paper, roofing paper, deadening felt, sheathing felt, roofing felt or felt roofing, whether or not saturated or coated, 10 per centum ad valorem. If any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, in excess of the duty herein provided, there shall be imposed upon such article, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, a duty equal to that imposed by such country, dependency, province, or other subdivision of government on such article imported from the United States.

Mr. HANSON: Let us have the same clause.

Mr. ROBB: That would be very nice for the government, and my hon. friend might like to see the affairs of this country run in that way; but I am not sure that the 245 members of this house are prepared to give the government—even this good government that we have now—power to make tariff changes in order to adjust conditions arising from day to day.

Mr. HANSON: The minister is very modest on that point. Since I have been a member of this house I can recall legislation that asked for a great deal more power than this proposal would confer on the government; I refer to the dumping provisions that were enacted at the request of the late Minister of Customs. No doubt my hon. friend remembers them very well. I think we ought to be safeguarded in some way, and I put it to the minister that it is his duty to see to it now. Furthermore, I would ask him why this item is limited to pulpboard in rolls. I know that is the common practice but I do suggest that there be no limitation and that paper cut in sheets be in the same category as pulpboard in rolls.

Mr. ROBB: My hon. friend may be right; I am not contradicting him. But this item was prepared by the men who asked for it and they are satisfied.

Mr. ANDERSON (Halton): Who asked for the reduction?

Mr. ROBB: The secretary of the Canadian Pulp & Paper Association.

Mr. ANDERSON (Halton): What companies constitute that association?

Mr. ROBB: Probably there is a record in the department; I do not carry all these facts in my head. There are a good many companies and the association is growing day by day.

Mr. GARLAND (Bow River): What amount of money will this item involve? Surely the minister must have some estimate in this regard or he could not prepare his budget at all. He may not know much about the tariff, as he says, but somebody must have given him an idea as to the probable loss in revenue; otherwise he could not have prepared these financial statements. How much does he estimate this item will represent to the pulp and paper makers? The pulp and paper makers of Canada are, I understand, very efficient gentlemen; why are they not making their own rolls?

Mr. ROBB: As regards the probable loss in revenue, I assure my hon. friend it will be very small. I may not be able to add very much to the subsidies of any of the provinces, but I can tell the hon. gentleman that we shall not lose much revenue.

Mr. GARLAND (Bow River): I am glad that the minister is coming a little closer to the point. A moment ago he was not able to tell us anything about the matter, but now he can go so far as to say that the loss will not amount to very much. What is his estimate?

Mr. ROBB: I have no record in dollars and cents but it will be very small.

Mr. GARLAND (Bow River): That is most unsatisfactory.

Mr. BENNETT: If the committee would not consider it impertinent, I could give them a little knowledge of a personal character with respect to this item. Although I am not associated with the industry to any great extent, I have had occasion to study the subject somewhat closely. The truth is that this item does not affect in any way whatever imports into this country. The mills that sell newsprint manufacture their own paper with which to roll up their product. They desire, however, to send their rolls to the United States and there is a duty there of about 25 per cent. In order that they may be able to sell more of this paper in the United States it is necessary that this item should be reduced to 10 per cent if we are to take advantage of the American tariff according to the terms read by the minister. Unless this is done the American duty of 25 per cent will continue on exports to the United States. The question is not what we buy from them; it is a matter of enabling us to send our product to the United States. And to do this we must make the change in our tariff. We must conform to the conditions laid down if we are to secure the benefit of a lower duty on

the part of the United States. That is the real situation. I would suggest to the minister, however,—because I still think it worthy of consideration—that he add to his item a provision which would ensure our right to maintain the higher duty should the United States not make it perfectly clear that we were entitled to the advantage suggested. I think the minister can provide this safeguard without difficulty. The point made by my hon. friend (Mr. Hanson) is, I think, sound, that the item should not be limited to rolls only, because a large part of the product is now cut in squares so as to be readily available for the purpose of rolling. I make the suggestion from knowledge that came to me under the circumstances I have indicated.

Mr. GARLAND (Bow River): I am very much obliged to the leader of the opposition, as I am sure the committee is. We now begin to realize that this much heralded reduction in the tariff is really of benefit to the manufacturers of pulp and paper in Canada, on the one hand, and to the consumers of the United States, on the other.

Mr. DUNNING: The Minister of Finance said so.

Mr. GARLAND (Bow River): The Canadian manufacturer and the foreign consumer get the advantage. I hope we shall find some items in the tariff whereby the consumer in Canada is benefited.

Mr. CAHAN: I want to make clear to the minister just what we have in view. He has read to us one clause of the tariff. There are other clauses which enable the United States executive in its discretion to increase their tariff, and my sole suggestion is that if the object is to be attained, which the Minister of Finance has in view, there should be a provision that this 10 per cent of our general tariff which applies to the United States shall be maintained only so long as a corresponding tariff obtains in the United States, so that we may not be put at a disadvantage should the executive of the United States in its discretion withhold the same advantage from us.

Mr. ROBB: My hon. friend and I may not agree on questions of policy but I think we concur in the hope that both of us will be back at another session, and if we find that we are being discriminated against it will be within the power of parliament to make such changes as the government may recommend. But the fact is that there are practically no imports coming into the country.

Mr. CAHAN: I understand that.

Mr. ROBB: The item now before the committee has been approved by the executive of the men who are actually in the business and who are looking for further trade in other countries. The reduction does not apply only to the United States; the item is reduced against the world. The reduction places us in the position where our goods will not be discriminated against in the United States, as they are at the present time.

Mr. CAHAN: I suggest to the minister that by an adroit and slight amendment he could provide that our goods would not hereafter be discriminated against in the United States. That is the only suggestion I make. As to whether we shall both be back in another parliament, that is a matter of conjecture; we can only deal with the question the Minister of Finance submits to us to-day. For my part, I trust the hon. gentleman will long occupy a position in the public life of the country.

Mr. HANSON: I think the minister should accept the suggestion, which has been offered in a reasonable spirit. It is not in any sense a criticism of his action in putting the reduction into effect. I fully appreciate that it will be a good thing for the paper companies. I believe that within the past two years I have mentioned to the minister this very matter, suggesting that if he would reduce his item to a level of 10 per cent with the United States it would be a distinct advantage to the Canadian paper manufacturers and to Canadian workmen. The minister says that in the event of our being discriminated against the government can come back to parliament to rectify things. I would point out that there is a difficulty in having such remedies provided; if I know anything about it, it is very difficult to convince a government that it has made errors in matters of this sort. Without wishing to take up more time, I would ask the minister to let the matter stand so that we might give it further consideration.

Some hon. MEMBERS: No.

Mr. HANSON: Who says no?

Some hon. MEMBERS: We do.

Mr. HANSON: I want to tell hon. gentlemen that they will not railroad any tariff changes without due consideration. I am not going to look for information on this subject from people who never saw a paper mill. I would suggest that a volume of trade might be built up to the exclusion of other volumes of trade and then, at the behest of the United States manufacturers, that government might act very quickly with the result that this trade would be lost to Canadian manufacturers and serious injury would be done them. Let us try to fortify our position in every reasonable way. I am not asking the minister to do anything unreasonable, but I do think the suggestions which have been made are worthy of more consideration than the minister has given them to date.

Mr. ROBB: May I recall to my hon. friend, who is possibly as well posted on the paper business as any person in this house, that in 1923 we made a change which will be found under item 768 of the customs tariff. This affected pulpboard and rolls for use in the manufacture of wall board; it has been in existence ever since and was put through for exactly the same purpose. No fault has been found with that change since that time. With regard to the policy of hitting him on the other cheek, as we may call it, if we are going to adopt a policy of that kind it should not be limited to paper products. It is a broad general principle which might be considered by parliament; it is debatable, but it is not now before the house at all. It is a theory proposed by my hon. friends, and our idea is that parliament should determine what should be done.

Mr. CHAPLIN: It is not a theory of your hon. friends' at all; it is practised by our biggest competitor.

Mr. BROWN: There is one point in connection with which I cannot grasp the argument of the hon. gentleman opposite. It is maintained that at present there are no importations under this item. What then would be the effect of that particular suggestion, if it were put into force? It could have no effect unless a trade were developed coming this way, but as long as the trade is all the other way, and we hope it will be all the other way, I cannot see how the change proposed by the hon. member for York-Sunbury (Mr. Hanson) can have any effect at all. With reference to his other point, I imagine the United States would have the power to cut off the trade at any time, no matter what we put in our tariff. I cannot quite understand the practical effect of the suggestion made by the hon. member.

Mr. HANSON: I would not like to undertake to make the hon. member for Lisgar (Mr. Brown) understand anything.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I resent that implication. The hon. member for Lisgar is endeavouring to understand this item.

Mr. KENNEDY: As I see it, the purpose of reducing this duty is to secure a reduction in the tariff on this paper going into the United States. If there is practically no loss in revenue, why not make it free all the way through?

Mr. ROBB: My hon. friends in that corner who oppose the budget do not agree with my hon. friends across the way, because hon. gentlemen opposite wish to put in a clause which will enable us to raise the tariff later on if necessary.

Mr. KENNEDY: I was thinking of the sensible thing to do from the explanation given by the minister.

Mr. BROWN: I might ask the hon. member for York-Sunbury (Mr. Hanson) what difference it will make if there are no goods coming this way. Has the hon. member the intellectual ability to answer that question? I was under the impression that it might be considered unparliamentary to say these things across the floor of the house, but the hon. member for St. Lawrence-St. George (Mr. Cahan) has intimated on two occasions that certain members on this side of the house were wanting in the intellectual ability to appreciate certain points. Perhaps I might ask the hon. member if he has the intellectual ability to appreciate the point which I am bringing up. If there are no goods coming this way and if it is not likely any goods will be coming this way in the near future, what difference will it make what our tariff may be? I can understand the reason for the reduction mentioned in the budget, that it will afford our manufacturers freer access to the United States, but I would like the hon. member to explain a point which does not seem clear to me, as to the difference it would make either with regard to present trade or trade which may be developed if this particular clause were included in the tariff?

Mr. HANSON: The hon. member has given me a large order, but it is the trade which is "likely to be" with which I am concerned. That is a complete answer to his question. I know he will not understand that.

Mr. YOUNG (Northeast Toronto): Before the item carries I would like to ask the minister a question which might be applicable to this and to any of the succeeding items. Can he refer us to the report of the tariff advisory board, or to that part of their proceedings, which advises this measure? If so, we can then refer to the persons who applied for it or who gave evidence before the board in connection with this item.

[Mr. Brown.]

Mr. ROBB: No, I have taken the responsibility and the government are taking the responsibility for this change.

Mr. YOUNG (Toronto): Then this is a matter with which they have not dealt?

Mr. ROBB: No.

Item agreed to.

Customs tariff—208d. Flake calcium chloride for road-treating purposes only: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROBB: This material is used largely for road-treating purposes. There is no separate classification of imports, but it is estimated that about 5,000 tons of this material are imported into Canada yearly. On that basis the reduction in taxation would amount to about $15,000.

Mr. HANSON: Is it made in Canada?

Mr. ROBB: As far as can be ascertained there is no flake calcium chloride being manufactured in Canada. In connection with this item I desire to move a slight amendment, which is required for shipping purposes. The word "flake" will be taken out, and the item as amended will read:

Calcium chloride not in solution, for road-treating purposes only.

Mr. ROSS (Kingston): Then I would like to ask the minister two questions: Who are using this material in Canada, and if it is not made here from where is it imported?

Mr. ROBB: It comes largely from the United States and is used in all the different provinces for road-treating purposes, particularly to keep down the dust on gravel roads.

Mr. ROSS (Kingston): Was this item before the tariff board?

Mr. ROBB: Yes.

Mr. ROSS (Kingston): And is this a suggestion or recommendation from the tariff board?

Mr. ROBB: Yes, it is approved by the tariff board.

Mr. HANSON: How is the minister going to restrict the use of this material to roadways only? Is it capable of being used for any other purpose? I am quite sure it is, so how is he going to differentiate when it is being imported? He should limit it to importations by municipalities or others who are going to use it on roads; if that is not done it will be brought into the country free and used for other purposes. What safeguard have we in this case?

Mr. ROBB: Who is going to be hurt even if it is brought in for other purposes? It is not made in Canada.

Mr. HANSON: It might hurt someone who wanted to manufacture it. I suggest that the proper way to safeguard the public revenue in a case like that is to put your duty on, and then to give the municipalities a drawback. If you want to help them, and they are the only people you seem to want to help, that is the proper method to adopt.

Mr. ROBB: That is a matter of opinion. I have had representations made to me, I think, for three years now. It was finally submitted to the tariff board that there was very little of this commodity made in Canada; the change is asked for by all provinces.

Mr. BENNETT: By the contractors of the province.

Mr. ROBB: They may be contractors.

Mr. HANSON: I asked the Minister of Finance how he was going to protect the public revenue in the case of importations by those who are not using this material on the streets of municipalities.

Mr. BENNETT: The contractors are the people who want it.

Mr. ROBB: We are assured that this material is not used for any other purpose.

Mr. ROSS (Kingston): Yes it is used for other purposes, it is used for medical purposes.

Mr. ROBB: Then the medical profession and the road people together will benefit from this $15,000 loss to the treasury.

Mr. HANSON: They cannot under this item.

Mr. CLARK: I suggest that the medical profession cannot benefit under this item because the material can only be imported for the purpose of roadways.

Mr. ROBB: My hon. friend will have to reconcile his opinion with that of his deskmate.

Mr. VENIOT: During my experience of public works administration in the province of New Brunswick, we imported a considerable quantity of this material for road purposes. We did not allow the contractors in road construction to use this chloride; it was used by the government, under rigid engineering supervision, for the purpose of laying the dust on gravelled roads and no other purpose. It was not used until after the road was finished and handed back to the province by the contractor. Then the patrol crews used the chloride on the road, and I understand it is being used in every other province of the Dominion. At any rate that is the way we used it, and I know it is the way it is being used to-day in the province of New Brunswick.

Mr. BENNETT: Is it used in solution?

Mr. VENIOT: No, it is used in powder form. It is contained in tin or metal barrels containing about 300 pounds to the barrel. A barrel will cover a road 40 feet wide for a distance of about 200 feet. In some cases it is is distributed just as sand is distributed on icy streets in winter time, in other cases by machinery. The former plan is followed in New Brunswick. It is quite a help in preserving the road. May I say for the sake of information that when chloride is placed on the roads in the month of June no further application will be needed that year, and the following spring you can see the good effects of the material not only in keeping down the dust but in consolidating the gravel surface of the road.

Mr. TOLMIE: May I ask the minister if the change will permit the importation of lime required for disinfectants free of duty, and whether it will interfere with the manufacture of disinfectants in Canada.

Mr. EDWARDS (Waterloo): Is there any calcium chloride manufactured in Canada?

Mr. ROBB: I am told there is a very small quantity manufactured but not in sufficient quantity to be available for road purposes. It is a by-product of salt.

Mr. BENNETT: Exactly, it is a by-product of salt.

Mr. MALCOLM: I can inform the committee that there will be calcium chloride manufactured in Canada. One of the largest salt companies in this country intends to install a plant for the manufacture of this particular material, and they are not at all worried about it being admitted free of duty because the the cost of manufacturing it in Canada is just about the same as the cost of manufacture in the United States. In connection with the drawback of the duty on coal, we have been pressing for some years that the salt manufacturers in this country should be put on a parity with the salt manufacturers on the opposite side of lake Huron. This particular firm claims that it can manufacture calcium chloride in direct competition with the manufacturers elsewhere and I can assure hon. gentlemen that there need be no fear of American competition.

This firm is aware that calcium chloride will be admitted free of duty and they are perfectly satisfied that it should be.

Mr. EDWARDS (Waterloo): Do the manufacturers intend to make calcium chloride?

Mr. MALCOLM: It is a by-product of the salt industry. They can manufacture it out of the common salt produced in the lake Huron district.

Item agreed to.

Customs tariff—208c. Xanthates, cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The CHAIRMAN: Item 208c has been changed to 208e.

Item agreed to.

Customs tariff—219a. Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying, n.o.p.: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The CHAIRMAN: Item 219a has been stricken out and the following substituted therefor:

Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying, n.o.p.; materials, n.o.p. for use only in the producing or manufacturing of preparations specified in this item under regulations prescribed by the Minister of National Revenue: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: Why the change?

Mr. CAHAN: I was going to protest against this item as it formerly stood because on the island of Montreal there is a very considerable amount of capital employed in the industry covered by the original item 219a, and I know that in the case of one establishment employing a very considerable number of people, those people would be thrown out of employment as the item originally stood. If I understood the reading of the amended clause aright, the regulations are subject to a department of government, which will obviate the danger to a certain extent. I am very glad because in my own city something like two hundred people would have been thrown out of employment.

Mr. KAISER: Are there any industries manufacturing these preparations?

Mr. ILSLEY: Unfortunately I was unable to catch the effect of the amended regulation when it was read by the chairman and it does not appear in the printed proceedings. I wonder if the minister is prepared to give some explanation. First of all may I state the cause of my interest in this particular item? I should like to know whether it includes solids which are used in the preparation of spraying material. Solids such as calcium arsenate and arsenate of lead are used by fruit growers who mix them with water, and with other ingredients and apply them in the form of sprays. I should like to be assured that this item as it now reads includes those solids. Possibly it is confined to liquid sprays only, but it would be well to have an explanation in regard to it.

Mr. ROBB: Under the original tariff it was for use only in manufacturing preparations specified in the item. The change has been made to enable the farmer, whether it be for his orchards or for his stock or for treating grain for smut, to import it and mix it himself into his own preparation.

Mr. BROWN: Will formaldehyde be included in this?

Mr. ROBB: Formaldehyde is a separate item.

Mr. KAISER: Are there any industries in Ontario that are concerned in the manufacture of these articles?

Mr. ROBB: I think there are a number throughout Canada, but the number of people who use the product is greatly in excess of those who manufacture it.

Mr. KAISER: That argument is something that I protest against, and I wish to protest strongly against this policy of destroying established industries. Let me read this extract from the Journal of Commerce of Canada:

The government have, therefore, decided to make free under all tariffs non-alcoholic preparations and chemicals for disinfecting, dipping and spraying.

As a result, the fruit growers will be better able to import their insecticides for spraying and dusting instead of buying them as heretofore from such institutions as the Deloro Smelting and Refining Company of Deloro, Ontario, which uses the arsenic ores of Cobalt and other Canadian deposits and employs Canadian labour.

This company has spent much on research and made heavy investments in plant which undoubtedly would not have been made had they felt that their protection against imports would be any less than that enjoyed by the producer of these imports. In fact, it was the excellent work which this company did in research, working in conjunction with the mining school at Queen's University, in an effort to find new uses for cobalt and arsenic, that started the Canadian people to consider favourably the expenditure of public money in order to encourage such research.

As the representative of an industrial centre I again lodge my protest against the action of governments who will not for one moment consider the efforts that these men have put forth in order to establish their business, in order to employ men, men who come to a centre, buy homes, establish themselves and then wake up some morning after this parliament assembles to find that their industry is injured and possibly their work brushed aside. We should at every opportunity, protest against this attitude of the government. As I understand the matter, the firuit growers appeared before the tariff board and asked for a seasonal protection against fruit being imported into Canada. The government of the day did not care to launch into a seasonal tariff, and probably with some justification, but something has to be done for these men. When a government is without a policy, just dealing with individuals, each individual must be fixed up in some way or another. These gentlemen were sent home and told: You cannot get any protection on your fruit but we will tell you what we will do; we will allow you to have brought free into this country some of these non-alcoholic preparations or chemicals for disinfecting, dipping or spraying. I consider that is a wonderful gift to hand out to people who are endeavouring to have their industry protected. Regardless of the fact that there were in Canada industries employing men, the government was to penalize them in order to protect a few men by some such means. As long as an industry is affected and as long as these industries are being disturbed by the action of government, as a representative of an industrial centre I intend to protest against this kind of thing. In this country we need work and we need homes. We must protect in some way or another these people who have launched into an enterprise after years of research and they should not be disturbed in this way. I desire to protest against this proposed change in the tariff.

Mr. ILSLEY: As representing a fruit-growing constituency where the people desire and appreciate these changes very much, I should at least express the other side of the question. I do not know how many are employed in the industry about which my hon. friend has been speaking, and I do not know whether that industry will be injured or not. I rather fancy not, but I know that reductions of costs such as this to the fruit growers of eastern Canada are very important and will be greatly appreciated. They affect not a few people but many thousands of fruit growers, and as representing the other side in this controversy, I want to say to the Minister of Finance that I appreciate very much what has been done.

Mr. GARLAND (Bow River): I heard the answer which the Minister of Finance gave to the hon. member for St. Lawrence-St. George (Mr. Cahan), but I am not quite clear as to all it means. The clause that we are discussing states that the tariff will be administered simply under regulations prescribed by the Minister of National Revenue. Will the minister give us some idea of what these regulations will be? I understand the hon. member for St. Lawrence-St. George is very much alarmed about some plant in his constituency or city manufacturing non-alcoholic or alcoholic spraying chemicals, and so on. Does the minister propose not to levy that duty against imports of this manufacturing concern, or what is all this about?

Mr. ROBB: It is quite a common practice, as my hon. friend will see if he will go through the tariff, to prescribe regulations of the Customs department, regulations of the Minister of National Revenue. That is quite necessary in the administration of the act so that the officers will be able to follow the business and see that goods are admitted under a certain tariff for a specific purpose. For instance, certain products are made of which alcohol is a component part. We have an excise tax of ten dollars on alcohol, but if they are admitted for certain purposes, there is a different rate. I just offer that as an example. I am not sure what the regulations are. The Customs department have asked for this provision for the purpose of administration.

Mr. GARLAND (Bow River): Are we to understand that under this item a manufacturer may import formaldehyde free?

Mr. ROBB: No. I said a moment ago that formaldehyde comes under another item.

Mr. BENNETT: What revenue will be affected?

Mr. ROBB: The imports for the year ended 31st March, 1927, are as follows:

Under the British preference rates..	$68,525
Under the treaty rates..	1,840
Under the general rates..	98,472

Or about $170,000.

Mr. BENNETT: What is the production in Canada?

Mr. ROBB: I have no information on that.

Mr. ROSS (Kingston): That last answer will perhaps explain a great deal. There is no information simply because this is going to affect a great many people. My hon. friend

from Nova Scotia (Mr. Ilsley) pleads for the apple growers, but let me tell him and every other member present who is near a mining section, that this change affects them. It will also affect the great principle of research, towards the development of which the Minister of Trade and Commerce is proposing to make a large contribution. The smelting people connected with the mining industry have been endeavouring to find some use for their arsenic and other by-products, and research work carried on by the Deloro Smelting Company has proven that arsenic, which is a product of many ores in this country, can be used in this way. Hundreds of thousands of dollars have been spent by this company in research work in connection with this very product, and if the minister persists along this line he is going to interfere very seriously with research work in this country. Arsenic is contained in a great many ores, and it is a problem to ascertain the best use that can be made of it, a problem upon which the mining industry has spent a great deal of money in research, and at their own expense. Further, the research work carried on in the universities by this company will now be carried on in their own laboratories in the Welland district, and if this product is to be made free they might just as well discontinue any further research work along this line. So it is not simply a few men engaged in the mining industry who will be affected, but the whole mining industry of this country.

Mr. ROBB: My hon. friend starts from a wrong principle. He believes, I imagine, that because we reduce the duty, somebody else is going to come in. That is not the intention at all. It may mean, I admit, that there will be such competition as will compel the manufacturers to reduce the price to the consumers, but I do not believe that this is going to destroy the industry, or I would not do it.

Mr. ROSS (Kingston): The minister has admitted that he knows nothing as to the amount that is produced in Canada, so obviously he cannot say very much as to the matter of competition. My point is that if you continue to reduce the duty, you will discourage the work of research. This change is very important and affects not only the few men engaged in this particular industry, but the whole mining industry in this country.

Mr. BRADETTE: Mine owners in northern Ontario are perfectly satisfied with this change, I would judge, after reading several mining papers in my section of the country. Anything that will reduce the cost of production will be greatly welcomed by the mining industry of Ontario.

[Mr. A. E. Ross.]

Mr. EMBURY: As this change is going to affect the whole mining and smelting industry, as mentioned by my hon. friend from Kingston (Mr. Ross) I suggest that the item be allowed to stand so that we may have an opportunity to study its probable effects.

Mr. BENNETT: I think that is a reasonable suggestion to the minister.

Mr. SINCLAIR (Queens): As this discussion has resolved itself into each member saying a word for his own constituency, I might be permitted to say that I have a lot of manufacturers in the constituency I represent who are making spraying materials. They import their own raw material. Every farmer who grows potatoes is a manufacturer of spraying material. He puts up the ingredients and manufactures the spraying material on his own farm. Particularly in the spraying of potatoes a lot of bichlorid of mercury is used, which they have to import largely from Great Britain, and the relief given by this item will be of real benefit in decreasing the cost of production of potatoes in Canada. Its benefit will be felt not only in eastern Canada but all over the country. Any farmer who is engaged in growing potatoes in a large way, if he is to be successful, must use spraying materials almost continuously. This is a very valuable crop in eastern Canada, and the relief given by the minister in this one item of bichlorid of mercury alone means a great deal to our farmers in eastern Canada.

I did not catch the changes that were read by the minister, and I would ask if they include materials coming in to be manufactured, as well as manufactured preparations.

Mr. ROBB: Yes.

Mr. ADSHEAD: In reply to the hon. member for St. Lawrence-St. George, the minister said that in making this reduction on spraying materials he was thinking more of the large number of people who used these materials, than of the comparatively small number who are engaged in their manufacture. I would ask if the minister is prepared to lay that down as a policy and carry it out.

Mr. ROBB: We have gone this far at all events in carrying out that policy, and I observe that my hon. friend has not supported us. I would like to know where he stands.

Mr. EVANS: I understood the minister to say that he was arrogating to himself the power to bring these materials in free—

Mr. ROBB: I did not say anything of the kind.

Mr. KENNEDY: What is the object in splitting this item into 219a and 219b? The original item 219a reads:

Non-alcoholic liquid preparations for disinfecting, dipping or spraying, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Since this budget was brought down, we find that this item is apparently split into two, and the new item provides:

Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying, n.o.p.; materials, n.o.p. for use only in producing or manufacturing preparations specified in this item, under regulations prescribed by the Minister of National Revenue: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Does this mean that the materials will have free entry only if they are to be used by manufacturers?

Mr. ROBB: No. I said distinctly when I was first asked what the change was, that this was for the benefit of the farmers who might import these materials and mix them on their own farms, as well as the producers.

Mr. KENNEDY: Then why is formaldehyde kept at the old rate? It has been withdrawn from item 219a and put in under an amended item at the old rates, 10, 15 and 17½ per cent; there is a reduction of 2½ per cent in the general rate. But why is not formaldehyde given the same treatment as these other materials and who asked for this change?

Mr. ROBB: Because representations were made to us. This is a non-alcoholic product; formaldehyde contains alcohol.

Mr. KENNEDY: No one drinks it. It is used for the same purpose treating seed grain against smut. If the minister cannot see his way to make this free, perhaps he will explain why the change was made and at whose request.

Mr. TUMMON: In view of the fact that a change has been made, and that we will not be able to peruse the item carefully until we get Hansard to-morow, I think the request of the hon. member for Hastings-Peterborough (Mr. Embury) that it be laid over for a while is reasonable.

Mr. ROBB: I do not object to it standing if hon. gentlemen wish to consider it.

Mr. GARLAND (Bow River): Before the item is finally left over until to-morrow, let me reinforce the statement of the hon. member for Peace River (Mr. Kennedy). If there is any class of farmer entitled to relief of this kind it is the man growing grain; he has to contend with frost, drouth, smut and other troubles. Now, formaldehyde, carbonate of potash and one or two other preparations we use, but formaldehyde is most commonly used in the west to keep grain from becoming smutty in the growing season. All I am asking for, in common with the hon. member for Peace River, is that the wheat farmer be not discriminated against. We are very glad that my hon. friend from Hants-Kings (Mr. Ilsley) got something for the fruit farmers, potato growers, and so on; but we say: Extend that all the way through; let us see the great generosity of the Liberal government this year; spread the benefit over to the man growing grain.

Mr. ROBB: Is my hon. friend making this request after consultation with my hon. friend from St. Lawrence-St. George (Mr. Cahan) who opposes it?

Mr. GARLAND (Bow River): I am not interested in the attitude of the hon. member for St. Lawrence-St. George. And it is not fair, Mr. Chairman, for the minister to attempt to evade a direct answer to a very fair question.

Mr. ROSS (Kingston): Will the minister state if the Mining Institute has expressed any opinion on this item? It has been said that the mining people from the north are in favour of it. I should like to verify the statement.

Mr. ROBB: Is it the non-alcoholic item?

Mr. ROSS (Kingston): Yes. The salts are made in solution for spraying potatoes, and so on, and are obtained from the products of certain ores, such as copper, arsenic, and so on. It is very important to mining development in the north.

Mr. ROBB: If my hon. friend has studied the tariff changes he will have observed that they provide fairly well for the mining industry of this country—

Mr. ROSS (Kingston): That is no answer to my question.

Mr. ROBB: Will my hon. friend permit me? He will have observed that the tariff changes provide fairly well for the mining industry of this country. My hon. friend who represents, and represents well, the city of Kingston, offers some objection to the item; but my hon. friend down yonder who represents a mining district says the people are satisfied.

Mr. ROSS (Kingston): I am perfectly satisfied that he has not gone into this item. If you will allow it to stand over until tomorrow some information can be submitted.

Mr. BENNETT: He says that it will stand.

Mr. BRADETTE: Mr. Chairman, the Porcupine district is producing more mineral wealth than any other mining district in the Dominion. I have in my room newspaper clippings giving particulars of the developments there, and I shall be glad to afford my hon. friend an opportunity to read them. Then he will readily realize that all the mining producers of northern Ontario are perfectly satisfied with the reduction of tariff under this budget, for the simple reason that those reductions will lower the cost of production. I am speaking from personal knowledge, I know well the mining districts of northern Ontario, and I am in a position to say that that is the opinion of that section of the country.

The CHAIRMAN: Shall the item stand?

Some hon. MEMBERS: Stand.

Item stands.

Customs tariff—219b. Formaldehyde containing not more than 15 per cent alcohol: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 17½ per cent.

Mr. McMILLAN: When was that put in?

The CHAIRMAN: It is an addition.

Mr. KENNEDY: Will the minister explain why this item should be kept dutiable when the other part of the old item is placed on the free list? I cannot see any reason why spraying or treating liquid of this kind should be discriminated against because there is a little alcohol in it. It is not for drinking purposes anyway.

Mr. ROBB: My hon. friend is quite right, it is not for drinking purposes. The house will observe my difficulty. We have just allowed the item which is free to stand at the combined request of both groups; now we come along to another item where the reduction in duty is 2½ per cent, and there is objection. The total imports, I admit, are not large, but a moment ago I gave the reason now asked for by my hon. friend: it is an alcoholic preparation.

Mr. GARLAND (Bow River): I beg to correct a misstatement on the part of the minister. The group in this corner never asked that the original item he submitted stand; hon. members there did.

Mr. ROBB: I am very glad to have that assurance.

Mr. GARLAND (Bow River): We have a situation where non-alcoholic preparations for spraying, fertilizing, and so on, are allowed in free. But you have a commodity that was included in the original item now taken out of its setting and placed in a new item, 219b, described as "formaldehyde containing not more than 15 per cent alcohol." Why will not the minister allow that to remain in the original classification so that it may continue to come in free? We are certainly entitled to as much consideration in this regard as the fruit-growers, potato-growers, or any other people. We are up against a terrible problem in the west. The minister travelled through there last year when he did not see any smut; but I wish I could have him out there during threshing and put his nose near the machine. Then he would know what smut means, and, believe me, he would come down and put formaldehyde on the free list if he thought it would stop that smell. I want this new item to stand if he is not prepared to restore it to its old classification.

Mr. ROBB: I do not object to allowing the item to stand for consideration if my hon. friend wants to study it further. The next time I go west, and he gives me an invitation to meet his constituents when they are threshing, I shall be delighted to accept it.

Mr. GARLAND (Bow River): The invitation is given right now for next fall, and I hope there is lots of smut around at that time for his sake.

Mr. ROBB: No, no, you do not hope it.

Mr. GARLAND (Bow River): I say, for his sake—not ours.

The CHAIRMAN: Item stands.

Mr. EVANS: Mr. Chairman, I look upon this item as direct discrimination. The preceding item is made free in favour of certain classes of primary producers who in their products are absolutely protected and their profit guaranteed under the acts of the government during the last two seasons; that is, by discriminatingly applying the dumping clause. But the wheat farmer pays a tariff duty on everything that he uses in his production, and he has to sell his product in the markets of the world. This is most unfair. If it was an oversight on the part of the minister, he cannot plead that excuse any more. We want to be put on the same plane as the other primary producers. It is only fair to the agriculturists of western Canada that they receive free of duty all the commodities they need in the production of wheat. But here is a case of direct discrimination.

Mr. ROBB: The item stands for further consideration. I may say frankly to the house that I considered this item rather carefully. I sympathize with the views presented by hon. gentlemen opposite, but they would have been in a very much better position to advocate their proposal to-day had they supported these measures as presented to the house yesterday when they thought the items were free.

Mr. GARLAND (Bow River): What about hon. members opposite who also come from the province of the Minister of Railways (Mr. Dunning)? Are they not interested? Are members of the Liberal-Progressive group not to be listened to? Are they dumb?

Mr. DUNNING: They can speak for themselves.

Mr. ROBB: They have already made representations to me.

Mr. GARLAND (Bow River): I hope the minister will take those recommendations into consideration.

Mr. ROBB: If I make such changes it will be more out of consideration of the support I had than of the opposition.

Mr. BENNETT: It was asked that the item stand—

Mr. ROBB: That was the previous item.

Mr. BENNETT: Yes, because it is a new item; in essence it is an addition to the item submitted by the minister in presenting his budget. That is the first observation I have to make. The minister is wrong when he asserts that the request to have the item stand was made on this side for any reason other than the fact that the item is a new one. The item has been presented to-day for the first time; we have not had an opportunity to study it; nor is there any printed copy of it. Strictly and technically speaking, therefore, he has no right to propose it to the committee. Let us have no misunderstanding about that. In the second place, let me say that I resent, as a member of this house, the covert threats of the Minister of Finance. I know that government has sunk to a low level in the country; I know that. I know that men cannot get a job who do not pay a dollar and join the Liberal association.

Some hon. MEMBERS: No.

Some hon. MEMBERS: Oh, oh.

Mr. CASGRAIN: That is not so in Quebec.

Mr. BENNETT: We have answers on the records of the house with respect to an expenditure of $175,000 on that canal—answers in black and white. The statement is that if they had been in good health and had had a recommendation from one of the members of the constituency—

Mr. DUNNING: Which is different from what my hon. friend says.

Mr. BENNETT: In practice they were told that they must join the association. There are men within the sound of my voice to whom they came to borrow a dollar to join. And it is not confined to this city or province, for I received yesterday a letter from Gaspe on behalf of a poor returned soldier who could not get a job on the wharf this summer because he could not get a letter from Mr. Marcil—

Mr. POWER: Mr. Marcil is not the member for Gaspe.

Mr. BENNETT: Bonaventure.

Sir EUGENE FISET: There are no wharves in Bonaventure.

Mr. BENNETT: The last man to make any observation is the ex-Deputy Minister of Militia and Defence.

Mr. POWER: Did he say he needed the dollar?

Mr. BENNETT: No.

Mr. POWER: The hon. member made the broad statement that no man could get a job from this Liberal government unless he paid a dollar and joined the Liberal association. On behalf of the members of Quebec I absolutely deny that statement.

Mr. CASGRAIN: I deny it too. It is absolutely untrue; it is most unfair to say that.

Mr. LAVIGUEUR: I know it was done during the Conservative regime.

Mr. CASGRAIN: Under the Tory regime but not under the Liberal regime.

Mr. ROBB: We are getting away from the question.

Mr. BENNETT: I shall deal with the question. I say, as a member of a free parliament I resent the covert threat of the Minister of Finance. If men cannot exercise their judgment and vote as conscience directs, without being threatened that the wheat seed they desire to put into the ground shall not be free from smut, then this is a poor kind of parliament. I say further—

Mr. GARLAND (Bow River): That is the implication.

Mr. BENNETT: The implication was absolute, and I say further that if the minister will study the question he will remove that discrimination against formaldehyde. If he is right in making free the sprays that remove an evil from fruit trees, then he must make this smut destroyer free. I know exactly what it is; I am only a lawyer but I have studied some of these problems. It has been my business to do so. And when members of this House of Commons get up and assert the right of their constituents to have this smut destroyer placed on the free list, and are told that had they supported the minister's budget they might have got it—to be told so by implication—it is an insult to the institution of parliament. I must say there is nothing more offensive to parliamentary life than that gentlemen who represent rural constituencies, as these gentlemen do, should be told in this parliament, when they assert that this formaldehyde should be placed on the free list in order that they might use it for the purpose of destroying smut, their request might have been considered as was the request of the hon. member for Hants-Kings (Mr. Ilsley), who voted for the budget. I say, this is not the way in which parliamentary institutions should be maintained; and I, as a member of this house, resent that sort of thing. It is subversive of parliamentary life and is injurious to the whole body politic. I resent it now and will continue to resent it. Gentlemen who loudly cheer observations of that kind are striking a fatal blow at the institutions of the country in which they live.

Mr. ROBB: My hon. friend is attempting to put words into my mouth and to place upon my observations a construction not intended.

Mr. BENNETT: It is what is said.

Mr. ROBB: I said I would have—and naturally my hon. friend would have—a greater regard for the gentlemen who supported my budget—for the representations they made to me before to-day regarding formaldehyde —than for hon. gentlemen who opposed the budget when they thought it was free. I am glad to have the apparently unanimous assurance of gentlemen that they are prepared for a reduction. My hon. friend, speaking for the great Conservative party, indicates that he will have no objection if I reduce the item.

Mr. BENNETT: He says that if you are right in placing the other items on the free list, much more should you place these.

Mr. ROBB: Fine.

[Mr. E. J. Garland.]

Mr. DUNNING: There are some other things in relation to the dignity and liberties of the house which require to be mentioned. My hon. friend a moment ago stated in the plainest terms that on the records of this house would be found the statement that men could get employment on the Rideau canal in this city only if they paid a dollar to join the Liberal association.

Mr. BENNETT: He did not say that.

Some hon. MEMBERS: Yes.

Mr. DUNNING: It is within the memory of the members of the house. If that was not what my hon. friend said, certainly that was the meaning to be drawn from it, I am not a lawyer; I cannot put words into my hon. friend's mouth as he did into the mouth of the Minister of Finance. But I can state that that is absolutely and completely outside the fact. I would use a stronger term if it were parliamentary so to do. The practice with respect to daily labour on the Rideau canal this year, and in every other work of a similar character this year, has been just exactly what it has been in every year since confederation.

Some hon. MEMBERS: No.

Mr. SPENCE: Since you came into power.

Mr. DUNNING: Do my hon. friends require to have placed on the table of the house proof of what I am stating, that the system has not been changed? Not only my own department but the Department of Public Works has done the same thing in the same manner in every year since confederation. My hon. friend from Carleton (Mr. Garland) can confirm it; he knows the practice followed. And it has not been departed from this winter, to my knowledge. If proof can be given that it has been departed from, I shall be glad to look into it. This has always been the practice with respect to casual labour required for such purposes.

Mr. BENNETT: This is $175,000; so the return says.

Mr. DUNNING: In wages?

Mr. BENNETT: Spent on the Rideau canal.

Mr. DUNNING: Yes, in wages and material.

Mr. BENNETT: Of course.

Mr. DUNNING: Exactly; it does not matter what the amount is. As my hon. friend knows, the labour involved is the kind

of labour engaged in building concrete walls and digging trenches for the erection of them; and every year in connection with that work—

An hon. MEMBER: You are getting away from the item.

Mr. DUNNING: I am following the example of my hon. friend's leader, and a minister who is attacked in this manner surely has the right to reply. If I have not on this item I shall be glad to raise it as a matter of privilege, and we might consider a little what is called the freedom of parliament, about which we hear in some moving accents in this house. I will be very glad to bring down in this house the records of the work done on the Rideau and other canals by my predecessor in office and by my predecessors of the party to which my hon. friend belongs, and I can assure him that I have cleaned up a good many of these situations which they started at that time. I will be glad to advance proof of that statement.

Mr. BENNETT: Another covert insinuation.

Mr. DUNNING: No, I do not make covert insinuations, nor do I put threats into the mouths of other people, but I do endeavour to sit quietly while other people are speaking. There are always hundreds of applications for casual labour of this character. Those who apply are required by the superintendent to be able-bodied and fit for the work in question, returned soldiers receiving the preference. They are supposed to be recommended by the sitting members for Ottawa. That has always been the case, and in that regard we have followed the practice which formerly existed. It does not do my hon. friend credit to make those statements; he knows very well that this has always been the practice. I would be very happy to have the whole situation left to the Civil Service Commission, and I am sure the members for Ottawa feel the same way about it. We would then be rid of that nuisance.

Mr. MANION: It is common talk around this city, and if it is not true it is doing a great injustice to the members who sit for Ottawa, that no man has an opportunity of getting work on that canal without going to those members. Not only that, but it is also common talk that every time a man or woman looks for work of that kind they are asked first as to their political affiliations, for whom they worked during the election and to what Liberal association they belong. I am not stating anything which is not common talk in Ottawa at this moment.

Mr. DUNNING: No officials of my department ask any such questions.

Mr. MANION: I am not saying anything about the officials.

Mr. DUNNING: The practice is that which has always been followed; work is given on recommendation of the members representing the city of Ottawa.

Mr. MANION: And the members representing this city look into their political affiliations. But I also wish to put myself on record as opposed to the attitude taken by any Minister of Finance who tells any party or group in this house that if they would support him they might get what they ask for, and if they do not support him they will not get what they ask for.

Mr. ROBB: I did not say that.

Mr. MANION: The minister made this statement, that if hon. gentlemen in that corner had supported his party, he would be much more inclined to listen to them. In other words, the budgets of this country are not drawn up for the purpose of doing good to the country as a whole, but are drawn up for the purpose of doing good to the political party in power.

Mr. ROBB: Do you think these budgets are good for us?

Mr. MANION: They seem to be hoodwinking the people rather successfully, and by the last vote or two I must confess that the people seem to be carried away a little by them. Personally, however, I do not think they are good for the country, although they have helped or something has helped to keep this party in power for another short time. I wish to protest against that situation, because I do not think it is for the good of this country or for the good of any political party in this country in the long run to make changes in the tariff designed only to benefit a particular party. I believe the minister will agree with me, if he cares to express an opinion, when I say that changes in the tariff should be made for the benefit of the country as a whole rather than for the benefit of any political party, and they should not be determined by the support or non-support given the government by any political party or group in this house.

Mr. EVANS: I want to say another word regarding this matter, and it is something I do not like to say. The minister has thrown down the gauntlet to us; to-day he has passed an insult on this little group and the great class we represent as having no voice here

and no right to a voice because we did not support the budget. The minister made that plain statement. The Minister of Finance not only confirmed what the Prime Minister said in the west during the last election campaign, but he has directly insulted this group of members. The Prime Minister said on the platform at Saskatoon during the last election that we could get anything if we would only join with the Liberal party. In his speech this year the Minister of Railways said we might have been co-operating with the Liberal party this year, and that we had thrown insults at those members who had seen fit to co-operate with that party. That is right, is it not?

Mr. DUNNING: That is right.

Mr. EVANS: The minister said we could only secure what we wanted and could only make our plans effective by log-rolling and dealing.

Mr. DUNNING: No, no.

Mr. EVANS: The words of the minister are in Hansard, and he can look them up.

Mr. DUNNING: I did not use those words in the connection they are now being used by my hon. friend, and he knows that very well.

Mr. EVANS: In connection with group government, the minister said it could only be accomplished by log-rolling and dealing. The minister himself came into public life through the very organization which sent us here.

Some hon. MEMBERS: No.

The CHAIRMAN: I think I should draw the attention of hon. members to the rule which states that discussion in committee must be directly relevant to the item or clause under discussion at that particular time. Hon. members know very well that for a considerable time the discussion has not been relevant to the matter before the committee. I would therefore ask hon. members to bring their remarks more closely to bear on the item now before us.

Mr. EVANS: This is a direct discrimination between two classes of primary producers, and that is why I protest against it. I also protest against the words of the minister as an insult to us and to our whole class.

Mr. CHAPLIN: What is the item before the committee?

Mr. CHEVRIER: I rise to a question of privilege. It has pleased the distinguished leader of the opposition to make statements in which he has mentioned the members for the city of Ottawa. I want to say to the hon. gentleman in the most courteous manner possible, but at the same time in the most vehement and effective way, that the statement he has made with reference to the securing of work on the Rideau canal is not at all warranted by the facts. The appointments have been made not only on the recommendations of the hon. members for the city of Ottawa; but they have been made on the recommendations of the hon. member for Hull (Mr. Fontaine); of the hon. member for Wright (Mr. Perras); of the hon. member for Russell (Mr. Goulet), and on the recommendations of other hon. members for adjoining constituencies.

An hon. MEMBER: The hon. member for Carleton?

Mr. CHEVRIER: Not the hon. member for Carleton (Mr. Garland), I am happy to say. For those appointments I take the responsibility. No man was asked at any time to pay a dollar to join any Liberal association in order to secure work.

Mr. GOTT: It is more than it is worth.

Mr. CHEVRIER: When my hon. friend gets into power he can ask $5. Now I say again it is not true that those appointments were made in that way; they were made as the Minister of Railways has said. If I were to produce a list of those who have been appointed to work on the Rideau canal you would find a large percentage of returned soldiers who were unable to do that hard, arduous work under those difficult conditions, and in addition you would find that both myself and my colleague sitting for this city had received recommendations from the Salvation Army, from the ministers of different churches, from priests, from the welfare bureau and from other charitable institutions, and that those were given the preference. In conclusion may I ask my hon. friend from Fort William (Mr. Manion) if he has ever given any position within his power to a Grit since he has been in charge of any operations of the Ontario Liquor Commission?

Mr. MANION: I can assure my hon. friend any way that we have never demanded any fee from applicants or asked them to produce a certificate from the Conservative association before they got the positions.

Mr. HEAPS: I was just wondering what this question of privilege has to do with the matter before the committee. Any question of privilege should have some relation to the matter under discussion.

Mr. GARLAND (Carleton): I rise to a point of order. The Minister of Railways and Canals (Mr. Dunning) said that I could approve of the way they were appointing men to work on the Rideau canal in the city.

Mr. DUNNING: No. If that is my hon. friend's point of order I can assure him it is not well taken. I would not expect him to approve of that. What I said—and he can rise to a point of order afterwards if he likes—was that he could confirm the statement that this system has been in operation ever since confederation.

Mr. GARLAND (Carleton): All I have to say is that I cannot confirm it.

Mr. DUNNING: I see.

Mr. GARLAND (Carleton): When this Rideau canal retaining wall was built during the Conservative régime, the money was apportioned to three parties, the federal, government, the provincial government, and the corporation of the city of Ottawa. It was done as an unemployment measure, and no letters were required from one party any more than the other. At that time the Conservative party was in power and my county got its share. All I have to say with regard to the hon. member for Ottawa (Mr. Chevrier) is that he is really beside the mark in the assertions he has made here to-day, and I hope that if he has any respect for himself he will apologize for some of the statements he has made. However, I do not expect an apology, but I know that neither the member for Ottawa nor the member for Hull (Mr. Fontaine) can produce to anybody a list of the workers of the past two years which will bear any comparison with the list employed since this work started. Not only must applicants have these letters but they must go to the secretary and president of the Liberal association of Ottawa and get cards before they can get work.

Mr. CHEVRIER: That is not so.

Mr. KENNEDY: In regard to what the minister stated a few minutes ago—

Mr. LAVIGUEUR: The leader of the opposition made a statement a few minutes ago—

Some hon. MEMBERS: Order.

Mr. KENNEDY: I think the minister was replying to me when he stated that if we had supported the budget we would have been in a better position to ask for these changes, or to call attention to these items.

Mr. ROBB: What my hon. friend has said is correct.

Mr. KENNEDY: That may be so, but the minister should know that neither threats nor anything else are going to divert me from doing what I believe to be right.

The CHAIRMAN: Order.

Mr. LAVIGUEUR: The leader of the opposition made the statement a few minutes ago that the member for Bonaventure (Mr. Marcil) had refused to give work on the wharf to a returned soldier.

Mr. BENNETT: I said I had a letter saying so.

Mr. LAVIGUEUR: I think we would be interested in knowing the name of this man—

Mr. BENNETT: I will give it.

Mr. LAVIGUEUR: —who was refused work.

Mr. BENNETT: His name is Mr. Watt.

Mr. LAVIGUEUR: Mr. Watt? I think the hon. gentleman should produce this letter.

Mr. BENNETT: I will get it from my room.

Mr. LAVIGUEUR: In justice to the hon. member for Bonaventure this information should be produced. We are interested in knowing the name of this man and his address.

Mr. BENNETT: I have given the man's name. The letter is in my room, and when the Public Works estimates are under consideration I will read it to the committee. The man is an ex-soldier.

Mr. KENNEDY: In acting as we are, we are not influenced by threats, promises or anything else. We are working for what we believe to be in the interest of the country, and we have taken our oaths to promote that interest.

Mr. ROBB: I have no objection to the interpretation placed upon my remarks by the hon. member for Peace River. He is quite right in the statement he has made. What I said was that hon. gentlemen would be in a better position if they had supported the budget as brought down. Let there be no disagreement among us. I have no quarrel with my hon. friends but they seem to be under the impression that they can attack the government or individual members of it without evoking any retaliation. They think they can attack any members on this side or any members in the ranks of hon. gentlemen opposite without our striking back. But we are merely human and when we are attacked we strike back.

The CHAIRMAN: Item 219b which has to do with formaldehyde stands.

Customs tariff—236. Surgical dressings, antiseptic or aseptic, including absorbent cotton, lint, lamb's wool, tow, jute, oakum, woven fabric of cotton weighing not more than seven and one-half pounds per one hundred square yards, whether imported singly or in combination one with another, but not stitched or otherwise manufactured; surgical trusses and suspensory bandages of all kinds; sanitary napkins, spinal braces and abdominal supports: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. ROBB: The only change is the inclusion of the words "sanitary napkins", and the word "or aseptic", also "woven fabrics of cotton weighing not more than 17½ pounds per hundred square yards."

Amendments agreed to.

Item as amended agreed to.

Customs tariff—267b. Crude petroleum not in its natural state .725 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free; on and after the 1st July, 1931, per gallon: British preferential tariff, 3/10c., intermediate tariff 4/10c., general tariff, ½c.

Mr. ROBB: I am told that as this item is framed it does not accomplish what the government intended. I therefore wish the item to stand until I can look a little further into the matter.

Item stands.

Customs tariff—277. Palm and palm kernel oil, unbleached or bleached, not edible; shea butter: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The CHAIRMAN: The word "unbleached" is added to the item.

Mr. BENNETT: What is the principle here? Is this Lever Brothers' application?

Mr. ROBB: The change in wording makes the item read "unbleached palm and palm kernel oil".

Mr. BENNETT: There seems to be a consolidation of these items.

Mr. ROBB: Formerly it was bleached only.

Item agreed to.

Customs tariff—356b. Nickel chromium rods for making electric resistance wire: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Mr. BENNETT: I should like to have said a word upon the item before it was passed. Is it not desirable to encourage the manufacture of nickel products as far as possible in the country, and is it not one of the points urged by the minister himself some time ago that in connection with matters of this kind we should not ship out the raw material in matte form and then bring back the manufactured goods, but rather by the utilization of our tariff permit the goods to be manufactured in Canada. And it will be observed that this nickel chromium in bar rods of not more than ¾ of an inch in diameter was previously dutiable to the extent of 15 per cent, 17½ per cent, and 17½ per cent. The effect of this clearly will be that there will be no opportunity to develop what you might call the fabricated nickel in this country. The matte will continue to go out and the manufactured article will come back. Perhaps the minister will tell us what is involved in dollars and cents, and at whose instance the change was made.

Mr. ROBB: My hon. friend will observe that the rates will stand when these materials are made in Canada. The item reads:

Of a class or kind not manufactured in Canada.

It has been asked for by some people up above Walkerville. The loss in revenue would be about $10,000.

Mr. ROSS (Kingston): What manufacturing industry asked for this free importation?

Mr. ROBB: It was the Hiram Walker Products Company. This is:

When imported by manufacturers of electric resistance wire or electrical resistance strip or ribbon for use only in the manufacture of such articles in their own factories.

Mr. FANSHER (Lambton): Was this considered by the tariff board?

Mr. ROBB: No, this has been before the department for, I think, two or three years.

Mr. BENNETT: There is only one point I desire to make clear about that. It will certainly prevent the development of the industry in this country, and there is just this to be said with respect to all these matters: The Minister of Finance has had to meet this difficulty and I suggest to him it is desirable to overcome it. When you say that goods shall be free only if utilized in a certain way and at a particular point, the great difficulty has been in knowing that they are used for that purpose and at that point, and usually what has happened is that advantage has been taken of that particular provision of the tariff item to enable the goods that are thus free from tariff to be used for purposes not intended. Therefore I suggest to the minister

that as far as possible he should not use those words, that is, fix the application of the exemption by specifying the use of the article imported and the place at which it may be utilized.

Mr. ROBB: It is not very easy to do that. This language is inserted by the Department of National Revenue administering the customs. They say that under this they will be able properly to watch it. What my hon. friend has said is quite true, but sometimes there are evasions of duty and it is when we discover those evasions that occasionally changes are made in the tariff.

Item agreed to.

Customs tariff—438. Locomotives and motor cars for railways and tramways, and chassis, tops, wheels and bodies for same, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. NEILL: I should like on this item to draw the attention of the minister to what I consider an injustice in the way of carrying out, probably by regulations which have been referred to, a previous item on this subject. While I am on my feet I should like to express my appreciation of item 438e, which provides for a reduction of duty on cars for mining. This will help the coal mining industry, and I wish to draw the minister's attention to a somewhat similar case. In 1924 a reduction was made in the duty on machinery for sawing lumber and so on. The item concludes something like this:

Machinery, logging cars, block and tackle and complete parts thereof for logging purposes exclusively.

It was the government's policy at that time to reduce the cost of production in the basic industries, and it appears to have been worked out by regulations in a way that in some degree more or less prevented the advantage being obtained. Apparently by regulations it was held that, as regards locomotives, the line on which these locomotives ran must be exclusively on land belonging to a logging company. I have in mind a logging company which has forty miles of well ballasted railway nearly all on its own land, but because there is half a mile of other property between it and the shore to which the logs go, these locomotives were held not to come within the scope of this clause. Another objection that was made is this. It was held that if a logging car was used for ballasting this railroad—and this is a road on which nothing would ever travel except logs—therefore the cars could not be held to come under this item. I would suggest that if a logging car is used for hauling logs three hundred days in the year and used for only a couple of weeks to ballast the line, it should be allowed to come under the item. Another objection made presumably by regulation was that the locomotive must be only on the side line—what is called yarding, I believe—hauling logs out of the bush on to the branch line. If the locomotive went on the main line, they would not allow any reduction on it. I object to this because nothing is carried over this line except logs and perhaps the stores going up for the various camps. I would ask if the minister's attention could not be attracted to a better definition of that item which is or used to be, 453e. It would carry out the absolute purpose for which it was passed and be of considerable help to the lumbering industry generally.

Mr. YOUNG (Weyburn): I notice that item 438 of the old tariff has been repealed and item 438 of the new tariff covers locomotives and motor cars used on railways, but there is no provision for automobiles or vehicles of all kinds which stood in the old item. Where do they come in now?

Mr. ROBB: The only change in this item is the addition of the letters "n.o.p.".

Mr. YOUNG (Weyburn): The old item 438 read:

Locomotives and motor cars for railways and tramways and automobiles and motor vehicles of all kinds.

Mr. ROBB: My hon. friend must have an old tariff. That is not the last one.

Item agreed to.

Customs tariff—438e. Locomotives and motor cars for railways and tramways, of a class or kind adapted for underground haulage for use only in mining operations: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. GARLAND (Bow River): I approve of this change; it is a good measure of improvement for conditions in the mining industry, but I am a little at a loss to know why automatic carloaders were not included. I think an application was made to the board for the inclusion of automatic carloaders in any reduction. None of these is made in Canada; no industry in this country would be harmed in the least, and it is very unlikely that any of these will ever be made in Canada as the consumption is very small.

Mr. BENNETT: They are being included in the amendment.

Mr. McMILLAN: What was the old rate on them?

Mr. GARLAND (Bow River): I think it was 22½ per cent, 30 per cent, 35 per cent, or something like that. I suggest that they should come in under the new rate.

Mr. BENNETT: They are going to make them free.

Mr. GARLAND (Bow River): If they make them free, I shall be highly delighted.

Mr. ROBB: My hon. friend will be pleased to know that upon representations made to me by hon. gentlemen on this side of the house, he will find an item covering that a little further on. I have an amendment to provide for that.

Mr. GARLAND (Bow River): I am delighted to know that representations from that side of the house have been influential for once. They do not seem to have been so before. I made representations to that effect twelve months ago and I presume they have had some weight with the minister. I thank him very heartily.

Mr. YOUNG (Saskatoon): The hon. gentleman flatters himself too much.

Mr. ROSS (Kingston): I cannot let this item pass without taking an opposite view to that held by a good many members in this house, because at the present time the manufacture of locomotives and other equipment used for mining is now being started in Canada. If hon. members who are speaking for the coal industry will kindly remember that their coal will be used in Ontario only in manufacturing plants, they will realize that this item and the reductions made in this way will not encourage the use of western coal.

Mr. GARLAND (Bow River): The hon. member is quite wrong. Alberta coal is domestic coal, that will be used for domestic and not manufacturing purposes.

Mr. ROSS (Kingston): I know the difficulty in persuading housewives to use western coal for domestic purposes, but there is no question about the use of soft coal in manufacturing plants. If the industry beginning the manufacture of this equipment for mining is to be discouraged in this way by a reduction in the tariff, then less western and maritime coal will be used in these plants, and this item is no encouragement to industries starting up the manufacture of this equipment.

Mr. FRASER: Is it not a fact that mining machinery of a class or kind not made in Canada has been on the free list for many years?

[Mr. McMillan.]

Mr. ROBB: Certain kinds, yes.

Mr. FRASER: Only certain kinds?

Mr. COOTE: I would like to remark that it is very difficult for miners who are mining coal on which there is no duty to carry on if they have to use machinery that bears a duty of 35 per cent. That should be evident to the whole house without any argument. This afternoon I have been more impressed than ever with something that has often struck me before, and that is the difficulty of making a tariff that is going to suit everybody.

Mr. ROBB: Hear, hear.

Mr. COOTE: You give a certain manufacturer concessions, give him free importation of something he wants to use, and immediately you incur the opposition of some other manufacturer who is making the very article which you propose to put on the free list. I am coming very much to the opinion that was expressed about two years ago by Mr. Jones, of the Canada Cement Company, that perhaps the best thing we could do in Canada would be to introduce a uniform ad valorem tariff; then those who can take advantage of it to manufacture in Canada, may do so. Those who could not get along with that amount of protection would have to put up with it. It would certainly save a lot of unfair discrimination. The minister rather intimated this afternoon that if we belonged to his party we might possibly be able to get the tariff adjusted in a certain way.

Some hon. MEMBERS: No, no.

Mr. COOTE: I hope not. May I change that and say that the tariff as it stands to-day is not a scientific tariff in any respect; it has not been built up upon any scientific principle, but stands as it is to-day just because of the pressure which certain interests have been able to exert on the Finance department.

Some hon. MEMBERS: No.

Mr. COOTE: That statement has often been made before, and I will go to this extent at least, that generally speaking it is true. There are gross inequalities existing in our tariff; surely no one will deny that, and in spite of the fact that we have an advisory tariff board, many of these inequalities are still going to continue. Not only must the findings of the tariff board be taken into consideration, but there is also the political aspect to be considered in making tariff changes, and in spite of all the protestations of hon. gentlemen opposite I still maintain that the tariff as it exists to-day is largely

the result of the pressure and influence that has been brought to bear upon the Finance department by industries and individuals who have a personal interest in the matter.

I sympathize very much with the Minister of Finance. I am sure that from the time he starts to make up his budget until the resolutions are finally passed by this house he must have a great time dodging those people who are in Ottawa trying to get a little more tariff protection for their pet industry, or trying to have the duties taken off some of the materials they use. I would like to see the minister ask the tariff board to inquire carefully into the proposal that was made two years ago by Mr. Jones, that we should have a uniform ad valorem tariff on all imports coming into Canada, and let us do away with the system which now exists of giving tariff favours to certain people because of the influence they are able to bring to bear by reason of their financial position or political affiliations.

Mr. GEARY: May I ask if the hon. gentleman would have a uniform tax on every import?

Mr. COOTE: I am not saying I would have it, but I would like the Finance minister to ask the tariff board to inquire very carefully into that proposal to see whether it would not be more in the interests of Canada than a tariff built up, as the present one has been, through the influence that certain interested parties have been able to bring to bear upon the government or the Minister of Finance.

Mr. BRADETTE: This item has something to do with the mining industry, one of the primary industries of this country, and in this connection I should like to quote from an editorial in the Northern Miner of Cobalt, which is absolutely a non-political paper; it is a mining paper pure and simple. It says:

> Tax and tariff reductions announced by the Minister of Finance indicate savings to the Canadian mining industry of a million dollars a year. And the changes made will be particularly encouraging to a branch of the mining industry in which Canada may be expected to take a leading part, that of treating complex ores, such as copper-zinc-lead-gold-silver ores, now shown so abundant in northern Manitoba, in Sudbury and in Rouyn.
>
> Among the interesting items in the tariff changes are those that admit free certain acids used in the treating of complex ores and which lower the duty on machinery and equipment used in concentrating and smelting. With several new plants going up these items are particularly interesting. Another reduction is in the duty on hoists of a type not made in Canada.
>
> The tariff changes were so framed as not to hurt the growing manufacture of mining machinery in Canada. This is becoming quite an industry, and one which is proving helpful to mining by reason of the ability of Canadian factories to quickly supply machines and parts of a kind suitable to Canadian needs. The government feels that in cutting the tariff on these items it will aid mining and not yet injure manufacturing.
>
> The Ontario Mining Association must have felt gratified to learn that five out of its six tariff recommendations were adopted. The sixth was not of great importance and because it was found to impose on manufacturing was not pressed.

That, Mr. Chairman, is the situation as it exists in northern Ontario.

Mr. FRASER: What amount of machinery came in under this classification last year?

Mr. ROBB: There was no separate classification, so I could not tell my hon. friend, but apparently, in the judgment of the miners as expressed in the article that has just been read, this item is considered of great value.

Mr. CHAPLIN: What is the loss in revenue involved in this change?

Mr. ROBB: The estimated loss in taxation is $5,000.

Mr. CHAPLIN: Did this item come before the tariff board?

Mr. ROBB: Yes.

Mr. KENNEDY: I would ask the minister if a reduction in duty always involves a loss in revenue.

Mr. ROBB: I am estimating on the basis of last year's importations. I gather from the observations of my hon. friend that he does not believe a reduction in the rate necessarily means a loss in revenue, and I think I have proved the truth of that to the satisfaction of the house and the country by the reduction that was made in the income tax, which did not mean a loss in revenue.

Mr. STEVENS: Then put them all on the free list and we would have a bigger revenue.

Item agreed to.

Customs tariff—442. Printing presses, lithographic presses, and type-making accessories therefor, also machines specially designed for ruling, folding, binding, embossing, creasing or cutting paper or cardboard, sheet feeding machines, when for use exclusively by printers, bookbinders and by manufacturers of articles made from paper or cardboard—including parts thereof composed wholly or in part of iron, steel, brass or wood; machinery and complete parts thereof for printing by photographic methods on plates for use on lithographic and offset presses; stereotypers' and typecasters' blankets, and press blankets used in covering cylinders on rotary printing presses, of a class

or kind not made in Canada: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. KENNEDY: Is this change a result of the recommendations of the tariff board?

Mr. ROBB: Yes. The new part is the addition of the words:

—stereotypers' and typecasters' blankets, and press blankets used in covering cylinders on rotary printing presses, of a class or kind not made in Canada.

There is no classification of the imports. There are none made in Canada. The estimated reduction in taxation will be $5,000, based on last year's business.

Mr. BENNETT: I understood the minister to say the item had been recommended by the tariff board.

Mr. ROBB: Yes.

Mr. BENNETT: It must have been a verbal recommendation.

Mr. ROBB: Perhaps.

Mr. BENNETT: I looked through the report and could find no record of it. What would be the source from which it would come to the minister? These verbal recommendations are very unsatisfactory when dealing with the tariff. Was the recommendation made by the chairman of the board?

Mr. ROBB: It is an advisory board. I think I might take this opportunity of describing the procedure.

Mr. BENNETT: I shall be glad to have it.

Mr. ROBB: They take evidence in the applications made to them and make their reports thereon. When the minister starts to prepare his budget he sends for the tariff board, who sit around the table with him and go over all the tariff items. We work together for long hours at a stretch, sometimes as late as two o'clock in the morning.

Mr. STEVENS: That is too bad.

Mr. ROBB: My hon. friend, who has sat around the council table, knows that a minister goes over his proposals with his colleagues.

Mr. BENNETT: My experience was very brief.

Mr. ROBB: Happily my hon. friend has been promoted, and he will not be worried and pass sleepless nights considering two opinions, and trying to do what he thinks is best.

Mr. McGIBBON: May I ask the minister first, if any recommendations from the tariff board have been dealt with; second, have the tariff board found it necessary to advise an increase of protection for any industry; and, third, have they specified the amount of protection and the duration of time during which it should be effective in order that the industry might make its plans accordingly?

Mr. ROBB: It is only fair to the members of the tariff board to say that in some cases they thought we should provide higher rates than the rates that are now before the house in respect of some of these tariff items.

Mr. McGIBBON: Where could we get those recommendations?

Mr. ROBB: I have just told my hon. friend that I called in the members of the tariff board to sit with me around the table and discuss these matters.

Mr. McGIBBON: On behalf of the parliament and the people of Canada, might I suggest to the minister that he adopt the system in operation in Great Britain?

Mr. ROBB: What is that?

Mr. McGIBBON: I placed it on Hansard a year ago. The necessities of certain industries are reviewed by a commission, and some of the requests for tariff protection are refused altogether, while others are favourably considered and the amount of protection specified, as well as the duration of time of such protection. These recommendations are in writing.

Mr. ROBB: Does the government adopt those recommendations?

Mr. McGIBBON: Generally. The commission functions under the Safeguarding of Industries Act. The information will be found in the library in pamphlet form. Under that system the industry would have the advantage of knowing just where it stood for a definite time, and during that time it could shape its business accordingly. Something more than confidential verbal recommendations—which probably are not followed—should be before the people of Canada; there should be something definite and concrete. Otherwise, how are we going to appraise the value of this tariff board? There is no question that today it is looked upon as simply a political football for the government—

Some hon. MEMBERS: No.

Mr. McGIBBON: I say yes.

Some hon. MEMBERS: We say no.

Mr. McGIBBON: I say the public think so. I am not saying that I think so, although probably I would not disagree with the public.

Mr. CHAPLIN: No appraisal company would value it at all.

Mr. McGIBBON: We should have something definite and specific before us in order to judge the workings of this commission. I commend that to the consideration of the minister.

Mr. ADSHEAD: Did I understand the minister to say that the tariff board had made recommendations for an increase of tariff?

Some hon. MEMBERS: Yes.

Mr. ADSHEAD: I understood the tariff board was simply a fact-finding body, and made no recommendations. Which of the two is it?

Mr. ROBB: My hon. friend is quite right, they are a fact-finding body. At the hearings they take evidence, and this evidence has been tabled. Perhaps my hon. friend could not hear me. I said that when we get ready to prepare the budget the tariff board are called over to the office, and they are asked in the light of all the evidence they have heard from both sides what in their judgment would be fair to the consumer and to the producer in regard to certain tariff changes. As I say, it is only just to the tariff board to say that there have been cases where they have suggested that rates of duty higher than those now before the house might be put into effect. But the government of the day must take responsibility for whatever changes are made.

Mr. McGIBBON: Then is it the general practice of the government to accept the advice of the tariff board, or to disregard it?

Mr. ROBB: My hon. friend, who has had a wide experience, is aware that no minister —not even my hon. friend opposite me (Sir Henry Drayton), who was for a number of years Minister of Finance—sits down, takes his pencil, and declares, "This is what the tariff shall be." He consults the officers of his department. The tariff board are among those officers.

Mr. McGIBBON: Perhaps the minister did not understand my point. Has the tariff board really had any effect in producing this budget, or have its decisions been largely disregarded?

Mr. ROBB: I am prepared to take full responsibility for any blame from those who are opposed to the changes.

Sir HENRY DRAYTON: All the praise and all the blame.

Mr. ROBB: Yes.

Mr. McGIBBON: I quite agree with that, but I want to know what effect, if any, has this tariff board had on the budget.

Mr. ROBB: It has been very helpful.

Mr. KENNEDY: Has the minister discussed with the tariff board the various items that have been introduced in this budget by way of changes, or just some of them?

Mr. ROBB: Not all, but most of them. We discussed them at considerable length, and sometimes sat up until early in the morning going over them.

Mr. STEVENS: Don't tell us that again; we will cry.

Mr. BENNETT: You remember the mountain that laboured and brought forth a mouse.

Item agreed to.

Item 453e agreed to.

Customs tariff—453g. Machinery for the concentration of ores, metals or minerals, viz.: —flotation machines, pumps, vibrating and impact screens, jigs, magnetic separators and filters, when for use in the concentration or separation of ores, metals or minerals, and integral parts of all machinery mentioned in this item: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

The CHAIRMAN: In item 453g, after the first word, "machinery," the letters n.o.p. are inserted.

Mr. KENNEDY: Is this the only change, the insertion of n.o.p.?

Mr. ROBB: Yes.

Amendment agreed to.

Item as amended agreed to.

Item 453h agreed to.

Customs tariff—453i. Machine car loaders, and complete parts thereof, of a class or kind not made in Canada, for use only in mining operations for loading coal into box cars: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The CHAIRMAN: This is a new item.

Item agreed to.

Customs tariff—462. Blowers of iron or steel of a class or kind not made in Canada, for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metal of a class or kind not made in Canada, designed for roasting ore, mineral, rock or clay; furnace slag trucks and slag pots of a class or kind not made in Canada, and integral parts of all machinery mentioned in this item: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: How much is imported?

Mr. ROBB: There is no separate classification of imports.

Mr. BENNETT: What is the revenue involved?

Mr. ROBB: I have not the information on that. The reduction will be small.

Item agreed to.

Customs tariff—465. The following articles and materials when imported by manufacturers of automatic gas buoys and automatic gas beacons, for use in the manufacture of such buoys and beacons for the government of Canada, for marine signal purposes or for export, under regulations prescribed by the minister, viz:—iron or steel tubes over sixteen inches in diameter; flanged and dished steel heads made from boiler plate, over five feet in diameter; hardened steel balls, not less than three inches in diameter; acetylene gas lanterns and parts thereof; and tobin bronze in bars or rods: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROBB: There is no change in this item but there are certain places where there are large companies, and the Marine department were not disposed to provide the lighting leading into the harbour. This will enable the companies to have the same advantage as the department.

Item agreed to.

Customs tariff—468. Machinery and apparatus, of a class or kind not made in Canada, and parts thereof, especially constructed for preparing, manufacturing, testing or finishing yarns, cordage and fabrics made from textile fibres, or for use in factory operations incidental thereto, imported for the exclusive use of manufacturers and scholastic or charitable institutions in such processes only: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

The CHAIRMAN: An amendment has been proposed. The words "or for use in factory operations incidental thereto" have been struck out.

Mr. KENNEDY: There are two items consolidated here, 467 and 468. Machinery for cordage and so forth is free under the three tariffs; that is 467. Item 468 is 10 per cent under the general tariff I understand that machinery for cordage, which was free under all three tariffs, is used largely in the production of binder twine.

Mr. ROBB: There is a separate item for binder twine.

Mr. KENNEDY: Under item 467 all three tariff schedules were free; now the product becomes dutiable under the intermediate and general. In one case the duty is higher than in the other.

[Mr. Bennett.]

Mr. ROBB: My hon. friend has not observed, perhaps, that 544a remains. Articles which enter into the cost of manufacture of binder twine or twine for harvest binders, when imported for such use exclusively, by manufacturers who may produce such twine only, are free. That remains; there is no change.

Mr. KENNEDY: Is it new?

Mr. ROBB: It will be a new item; it is contained in 544a at present.

Mr. BENNETT: There is one matter which I think the minister should consider. This, I take it, is textile machinery?

Mr. ROBB: Yes.

Mr. BENNETT: Textile machinery ordered some time ago and put in place by some of the factories in Canada has paid a large duty —$50,000 in one case and $37,000 in another. Machinery which is under order but not yet delivered will come in free. Is it quite fair to industries thus to place them in competition one with another? Should not something have been done with respect to this situation so as to put them all on the same basis? I make the suggestion to the minister. There is another point I would submit to my hon. friends yonder: we are steadily providing for the free admission of certain forms of machinery. Does it occur to my hon. friends that there might come in this country again, as there did once before, a moment when we might no longer be able to get that machinery, without which, and in the absence of any machinery producing factories in the Dominion, our whole industrial fabric would be destroyed? This is no fanciful suggestion on my part; such a situation has actually taken place in Europe. And nothing could be done so easily to cripple the whole industrial life of Canada as for a foreign group of very powerful financial men to get control of factories producing essential machinery and then take steps to see that such machinery should no longer be available for export to Canada. I urge the gravity of this upon hon. gentlemen; it is by no means imaginary. Within the last few months I have had occasion to observe that when certain classes of machinery were put on the free list in this country the factories producing them in Canada discontinued operations, and it took so long to have filled orders which were sent to the United States that we lost weeks and in one instance months in consequence. In other words, they filled our orders just when it was convenient for them to do so, provided they had a domestic demand of such a character as to keep their plant in operation.

Mr. McLEAN (Melfort): What machinery?

Mr. BENNETT: Some of it was machinery used in connection with oil fields in the west; there was also machinery in connection with tractors and things of that description. I fancy my hon. friend from Melfort knows more about it than I do. It occurred to me at that time—and I mentioned the fact to the minister the other day—that it might be wise for this parliament very carefully to consider, having regard to the economic conditions prevailing on this continent and the competition to which we are subject, as well as in view of the enormous power in the hands of some of the great machinery producers in the neighbouring republic, whether we should not take steps to be at all times independent of foreign sources of supply. Should we not make sure that we can rely upon the domestic factories for the production of certain kinds of machinery indispensable to our industrial life? This is a matter which I think might very well engage the attention of some of my hon. friends during the recess. They might consider the principle laid down by Adam Smith in the early part of his great work, as to the desirability of a country being always in a position to protect itself in matters such as this—using the word protection in a sense different from that implied in relation to tariff questions. Should we not put ourselves in a position where we could be independent of the outside world in this regard? I submit that the minister should study this question from every angle to determine whether or not, in a new country with a limited population and vast undeveloped resources, it is wise for us to leave ourselves dependent upon producers outside Canada, sometimes three thousand miles away. These outside producers might have it in their power at any time to exclude us from the sources of materials or machinery, as the case might be, with the result that we might find ourselves unable to carry on operations in regard to either agriculture or manufacturing. It struck me in the course of my reading not long since how important it was that we in this country should give some consideration to this question. I leave this suggestion with the minister and with my fellow members, not with the idea of having the item changed but in order that we might take steps to safeguard ourselves. One country at least has had occasion to consider this matter carefully and we Canadians would do well not to overlook it entirely.

Mr. ROBB: On general principles there is much to be said for the point raised by my hon. friend, but he will observe that in these changes we are taking care to enlarge the sphere of the British preference.

Mr. BENNETT: A great deal of this machinery comes from the United States.

Mr. ROBB: We propose to give a preference of 10 per cent; this machinery is free under the British preference as against 10 per cent under the general tariff. If we buy this machinery from the mother country, which I hope will be the case, surely no one would argue that they would prevent this machinery from coming to Canada.

Mr. BENNETT: No. My hon. friend has been kind enough to say that there is something in the point. A condition might arise under which it would become impossible to bring that machinery across the ocean.

Mr. ROBB: If that condition arose we might not be able to ship our wheat either. Now, as to the other point advanced, with regard to the mills where the machinery has been already installed, that is a factor which prevails in all tariff changes. They must take their chance. I will admit that with a new mill going up near a mill which has paid duty on the machinery, the overhead cost will be a little less, but that occurs in all tariff changes and it would break the treasury if we attempted to introduce that principle.

Mr. BENNETT: A couple of years ago I had occasion to deal with this matter specifically, and perhaps the details will interest my hon. friends. The Dominion Engineering Company, to mention a particular company, has grown into a very considerable enterprise, and a large part of its work consists of the manufacture of paper mill machinery. The hon. gentleman will remember that until recent years, this machinery was made entirely in the United States and Great Britain, largely in the United States as far as we were concerned; but recently by reason of the operation of this statute this machinery has been made in Canada, largely by the Dominion Engineering Company. A very large paper machine being required, tenders were called for, and it may surprise hon. gentlemen opposite to learn that in order to keep their plants going the American concerns were willing to deliver that machine in Canada, duty paid, at a slightly lower cost than that given by one of the two firms producing the machinery in Canada. Needless to say they did not get the order, but that indicates how we may be dependent for machinery upon another country, and how

desirable it is at this time in our development to assist those plants which will keep us supplied with this machinery. I know of no better illustration than what has been done by the Dominion Engineering Company, which is a subsidiary of the Dominion Bridge Company, in Montreal. Anyone going through that plant and seeing some of the machines built there or at Walmsley's or Vickers will realize how desirable it is to produce in Canada that machinery on which our industrial life may depend.

Mr. KENNEDY: I would like to ask the minister the principle underlying this revision, whereby you take an item previously free and make it dutiable, while lowering the duty on another item.

Mr. ROBB: To be frank with my hon. friend, in this instance it was to give a British preference.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Customs tariff—494a. Cork slabs, boards, planks and tiles produced from cork waste or granulated or ground cork: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. BENNETT: What is involved in that?

Mr. ROBB: These materials are used for insulating purposes in houses or in cold storage. They are not made in Canada. The total estimated reduction in taxation on the basis of last year's importations is $28,639.

Mr. McMILLAN: Is that reduction in duty?

Mr. ROBB: No, reduction in revenue.

Mr. GUTHRIE: The present intermediate tariff is 30 per cent and the general tariff 30 per cent, whereas the new intermediate tariff is 17½ per cent and the general tariff 25 per cent. What is the reason for the change?

Mr. ROBB: My hon. friend has asked a very proper question. We have discovered from time to time in making treaties that sometimes we did not have anything to trade. We are getting ourselves into a position where we can utilize the intermediate column.

Mr. BENNETT: I am very glad the Minister of Finance has made that statement. I am only sorry the Minister of Justice is not present because the other evening he referred to the fact that in the economic conference of the League of Nations condemnation was expressed of tariff increases made for the purpose of bargaining. I assume that this economic conference is a splendid thing to refer to when it suits the convenience of the Minister of Justice, but it is quite the opposite in a case such as this.

Mr. ROBB: My hon. friend will observe that this is a decrease.

Mr. BENNETT: For the purpose of bargaining. My hon. friend alluded to any changes at all for the purpose of bargaining.

Mr. STEVENS: In regard to this item I wonder if the minister is aware that it is expected that in the near future we will be manufacturing in Canada these slabs for insulating purposes out of peat. That is being done successfully in some parts of Europe, and it is expected that such a product will be manufactured in Canada very shortly. It will, I understand, take the place of cork slabs, and it is claimed that it is equal to cork for the purposes of cold storage, as silencers in partitions and buildings, and so forth. I understand that some of the peat beds in the province of Quebec are about to be exploited not only for this purpose but for fuel purposes as well. Some thought should be given to the possibility of utilizing this at present wholly useless or apparently useless resource, and stimulating the manufacture of these articles. I am afraid that the placing of them on the free list—

Mr. ROBB: They are not on the free list.

Mr. STEVENS: They are not on the free list, but the reduction in duty may have some effect in not stimulating developments in this line of manufacture. It is an entirely new venture which perhaps merits support, I was going to say, above any other, and one which will take of course some time to bring to a state of real success.

Mr. ROBB: My hon. friend will observe that there is still a very substantial tariff.

Mr. STEVENS: What I would call a very moderate tariff.

Item agreed to.

Customs tariff—520. Raw cotton and cotton linters not further manufactured than ginned; rags and waste wholly of cotton unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: This starts the cotton schedule.

Mr. MANION: I notice that in the case of three or four items there does not seem to be any change at all except in the number.

Mr. ROBB: No, it is a reclassification.

Mr. MANION: There is no change in the duty at all.

Mr. KENNEDY: With respect to three items in this schedule, there is something in the definition that I cannot quite grasp, and it is hard to differentiate between material that is dutiable and material that comes in free. The old items referred to in these three items are 532, 533 and 681. The old 681 reads as follows:

Junk old; rags of cotton, jute, hemp and wool; paper waste clippings, and waste of all kinds, n.o.p., except metallic; broken glass or glass cutlet: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Now the old item 532 reads in this way:

Coir and coir yarn, raw cotton or cotton wool not dyed; cotton yarns, number forty and finer: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The old item 533 is thus worded:

Waste or shoddy from cotton, woollen or other fabrics or from yarn or thread machined, garnetted or prepared for use.

If you take the three items here, 520, 520a, and 535d, they read in this way:

520. Raw cotton and cotton linters not further manufactured than ginned; rags and waste wholly of cotton unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics: Free; free; free.

520a reads:

Waste portions of unused fabrics or used garments, wholly of cotton, imported by manufacturers to be used exclusively for disintegrating, or for manufacture into wiping rags in their own factories: Free; free; free.

Then we come to 535d, which reads in this way:

Garnetted material obtained by disintegrating yarns or fabrics, prepared for use, n.o.p.; wiping rags and wiping waste, n.o.p.; waste portions of unused fabrics, rags and waste, sold by weight, not to include remnants nor mill ends, n.o.p.: 7½ per cent; 10 per cent; 12½ per cent.

Mr. ROBB: Unused fabrics.

Mr. KENNEDY: How are you going to distinguish between waste portions of used fabrics and waste portions of unused fabrics wholly of cotton in 520b which is dutiable?

Mr. ROBB: That is unused fabrics.

Mr. KENNEDY: Yes, and rags and wiping waste. We have "waste portions of unused fabrics" in 520a, and "waste portions of unused fabrics" in 520b. Thus we have three items dealing with wiping rags coming into the country. Both the royal commission and the committee on customs found great difficulty in connection with the administration of the act on account of its not providing for proper appraisal systems that would take care of imports and properly classify them. I venture to say if the minister lives to be as old as Methuselah he will never have in Canada an appraisal system that will really distinguish between those various classes of linters and rags and waste that are classified in this list under three different tariff items. If the manufacturers are asking us to maintain an appraisal staff and to administer an act on that basis, this is protection run riot. The same phrase occurs in all three items.

Mr. ROBB: This has been administered for some years in this way and there is practically no change except the change in the classification.

Mr. KENNEDY: There is a big change in the classification.

Mr. BENNETT: What is the real reason for this being done?

Mr. ROBB: It is to simplify the administrative work of the department.

Mr. BENNETT: All these materials are free. Why should they not be under one item? Why this separation? There is always a reason behind all this, as we have all learned. The little customs inquiry taught us that. Both items are free under the three tariffs.

Mr. ROBB: My hon. friend will observe that some of them are for manufacture and some of them are general items.

Mr. KENNEDY: In 520a there is mentioned "waste portions of unused fabrics" and in 520b there is mentioned "waste portions of unused fabrics and rags and waste wholly of cotton," dutiable at 7½ per cent, 10 per cent and 12½ per cent.

Mr. ROBB: The item 520b covers garnetted material.

Mr. KENNEDY: The description is exactly the same under the item 520a. It says:

Or for manufacture into wiping rags in their own factories.

It appears as though the manufacturer is going to get the stuff in free, but if a ragman imports any he is going to be soaked.

Mr. DUNNING: It is garnetted.

Mr. BENNETT: What is garnetted ?

Mr. ROBB: Item 520a is the raw material for the garnetted material. The raw material comes in free. Then it is handled by the garnetting industry in Canada.

Mr. KENNEDY: There is the same language describing it in each case:

Waste portions of unused fabrics and rags and waste.

Mr. DUNNING: One is garnetted and the other is not.

Mr. BROWN: We are willing to confess to a certain amount of ignorance on this side. What is garnetting?

Mr. ROBB: "Garnetted" means shredded or torn up. Instead of being brought in garnetted, it can be brought in under 520a and the industry in Canada will do the shredding or garnetting. This is a small protection for that industry.

Item agreed to.

Item 520a agreed to.

Customs tariff—520b. Garnetted material wholly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags and wiping waste; waste portions of unused fabrics and rags and waste wholly of cotton, sold by weight, not to include remnants nor mill ends, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. ROBB: I beg to move that the following be substituted for item 520b:

Garnetted material wholly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags and wiping waste, waste portions of unused fabrics, machine-cleaned waste, wholly of cotton, n.o.p., not to include remnants or mill end: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. BENNETT: The hon. member for Peace River directed attention to the similarity in the two items. The Minister of Finance suggested that there was a slight protection to the Canadian manufacturer, but observe the language:

Garnetted material wholly of cotton—

And here the hon. member for Lisgar will see just what the word "garnetted" in this means.

—obtained by disintegrating yarns or fabrics prepared for use.

My hon. friend will see that the very suggestion he makes is negatived by the language used: "prepared for use", to come in and pay 7½ per cent, 10 per cent and 12½ per cent. I confess I could not follow this, and the observations of the hon. member for Peace River are wholly pertinent. Is there any mistake in the wording?

[Mr. Bennett.]

Mr. ROBB: No. My hon. friend will observe there is a duty on this material.

Mr. BENNETT: Yes.

Mr. ROBB: The raw material coming in from which this is made comes in free. If it is prepared in another country a duty is imposed. There is a slight protection.

Mr. KENNEDY: Is there such a difference in the waste portions of unused fabrics in each case that an appraiser can readily tell which is which?

Mr. ROBB: They have been doing that for some time.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—520c. Linters of short fibres of cotton, bleached, when imported by manufacturers of paper to be used only in their own factories for the manufacture of blotting paper or other grade of paper: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. ROBB: There is no change. This is a change in number only.

Item agreed to.

Customs tariff—521. Batts, batting and carded sliver wholly of cotton, not bleached, coloured nor impregnated, cotton fibres, bleached or coloured, n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. ROBB: I move that the first three words be struck out so that the item will read:

Carded sliver wholly of cotton, not bleached, coloured nor impregnated; cotton fibres, bleached or coloured, n.o.p.

Mr. BENNETT: What is this change for?

Mr. ROBB: The reason for the proposed change is the difficulty of distinguishing unbleached from bleached batts. All batts will enter under item 521a.

Mr. BENNETT: There is a reduction in the tariff there.

Mr. GARLAND (Bow River): Can the minister give us any idea of the size of imports and the estimated loss of duty?

Mr. ROBB: There is no separate classification of these imports. I cannot give the information.

Item agreed to.

Customs tariff—521a. Batts, batting, sheet wadding and carded sliver wholly of cotton, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 17½ per cent.

Mr. GARLAND (Bow River): Who asked for this and just what will it mean?

Mr. ROBB: All these changes came out of the general hearing carried on by the tariff board into the textile industry and there is a reduction in the tariff.

Mr. BENNETT: Only on some items. There is an increase on others.

Mr. ROBB: Perhaps on some items. The total imports were $61,765 and the estimated reduction in taxation is $4,631.

Mr. GARLAND (Bow River): Does that cover all the cotton items?

Mr. ROBB: Just this item alone.

Mr. MANION: This is an increase, is it not?

Mr. ROBB: A decrease.

Item agreed to.

Customs tariff—522. Rovings, yarns and warps wholly of cotton not exceeding number twenty, not more advanced than singles: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. EVANS: Does this cover items 520, 534, 734 and 750? Are these yarns for the use of manufacturers, or what?

Mr. ROBB: It embraces some of these items. It is a new method of description in the trade. The imports for the year ended March 31, 1927, were, cotton warp and yarns, $149,627; yarns for shoe laces, $141,212. The reduction in taxation on yarns and warps is $10,046, and the increase in taxation on yarns for shoe laces is $28,242. The change with respect to yarns for shoe laces is on account of difficulties in administration and alleged evasion of the act.

Mr. EVANS: This is another case where the manufacturer is benefited without any benefit accruing to the consumer or to the revenues of the country.

Mr. ROBB: I would not admit that.

Mr. EVANS: Has the minister any promise that the reduction will be passed on to the consumer?

Mr. ROBB: I have had a lot of complaints from the manufacturers, and some of them, in fact, have caused me some sleepless nights. They have intimated that by some of these changes they are going to be ruined. I do not admit that, but that is their side of the story.

Mr. DUNNING: If my hon. friend will look further down he will see that there is passed on to the consumer the reduction in cotton yarns for boot and shoe laces, which corresponds to the only item on which there is an increase in this case.

Mr. BENNETT: Item 520 in the old tariff was "cotton yarns not exceeding 20's, single," carrying duties of 15, 22½ and 25 per cent. Cotton yarns for shoe laces and yarn for mantles were free. Now what has happened? The Finance minister has put a duty of 10, 15 and 20 per cent on the whole of these, including what was formerly free.

Mr. DUNNING: In part.

Mr. BENNETT: No, the duty now goes up to 10, 15 and 20 per cent, and what was free now pays 10, 15 and 20 per cent. Others that paid a lower rate are also increased. Who asked for the increase apart from yarn for shoe laces?

Mr. ROBB: This comes out of the general reclassification of the items and the representations that were made before the tariff board.

Mr. BENNETT: I say that is not good enough. There was an application to increase the duty in the case of one cotton mill, and there was another hearing. Perhaps the clerk assistant will send for the evidence in the textile hearing and have it laid on the table. That evidence was given in two separate cases. One case was that of Wabasso Cottons for an increase in the tariff, and there was also a general inquiry, at which, as I pointed out the other day, a large number of interests were represented. We will come to woollens after a while. Leaving that for a moment, what we are trying to ascertain is, what is the cause for the increase in this cotton schedule. We have nothing from the board. They dump the evidence on to the minister and say, "This is a complicated matter." We know now from the minister that they sit around the table and get the benefit of the advice of these gentlemen, and unfortunately keep the Minister of Finance awake at night, which is very much to be deprecated. But what we are trying to ascertain is the cause for the increase in this cotton schedule, and what mills are affected.

Mr. ROBB: In addition to the inquiry which my hon. friend has just mentioned, the Customs department in administering the act discovered that there was evasion, and that importations ostensibly for shoe laces were coming in and the yarn being used for other purposes.

Mr. BENNETT: That, I suppose, has been going on a long time.

Mr. ROBB: I imagine it has been going on since they got on to what might be done.

Mr. MANION: Before we carry any of these items, I think there are a few points of information that should be given on each item. We have appointed a tariff board, and most of us agree that an advisory tariff board is probably a good thing because it can study the questions more thoroughly than we have time to do as members of this house. In view of that it seems to me that on each of these items we should be told (1) if the item has been before the board; (2) what is the report of the board on that item, and what is their recommendation in the matter; (3) what were the imports and the revenues associated therewith in the previous year; (4) what change will it make in the revenues of the country.

Mr. DUNNING: That information has been given on this item.

Mr. MANION: I am not speaking of this item in particular, but I say that we should have all these points of information regarding practically every item, and then we shall be in a position to appreciate the value or lack of value of this tariff board which we have acting in association with the minister and the house. I should like the minister to give us the points of information I have mentioned in regard to all these items. It would facilitate the business of the house and add to the information that can be gleaned from the discussion.

Mr. ROBB: The old item 534 covered:

> Cotton yarn, polished or glazed, when imported by manufacturers of shoe laces for use exclusively in the manufacture of such articles in their own factories.

Now we know that none of this fabric was used in the manufacture of shoe laces, but notwithstanding that, there were $141,000 of imports, and the Customs department have said that therefore there must be evasion of the act.

Mr. BENNETT: But cotton yarns were free under the old act. May I direct my hon. friend's attention to the old tariff? The following items were free: First, cotton yarns, whether dyed or not, for boot and shoe laces; second, yarn for mantles. Then we have cotton yarn for tape lines, at duties of 5, 7½ and 10 per cent. Now we come to cotton yarns not manufactured in this country. Under the old items 534 and 532 all these yarns come in free. Now let us turn to the new tariff. Item 522 provides "cotton yarns not exceeding 20's, single," 10, 15 and 20 per cent; item 522a "cotton yarns exceeding 20's but not exceeding 40's, single," 12½, 15 and 22½ per cent; item 522b, "cotton yarns exceeding 40's, single," 7½, 10 and 15 per cent; item 522c, "plied yarns and threads, (n.o.p.)," 15, 22½ and 25 per cent. What I should like to ask the minister is who is responsible for the increase in the tariff on cottons in this country at this moment. We have a right to know that.

Mr. ROBB: On cotton yarns?

Mr. BENNETT: Yes, on cotton yarns.

Mr. BOIVIN: The old item 520 provided a duty on cotton yarns of 15, 22½ and 25 per cent. The new duty is 10, 15 and 20 per cent, so there is really a reduction.

Mr. DUNNING: In the printed document the same old tariff items by number appear in various places. That, of course, indicates that articles formerly grouped together are now separated. Therefore the whole inference my hon. friend (Mr. Bennett) draws is not correct as related to one individual matter.

Mr. BENNETT: That is the reason why I read them all.

Mr. DUNNING: My hon. friend has not yet got my point. Item 534 is quoted in a number of places in the cotton schedule because apparently it was a sort of omnibus item to include the many different commodities which have been separated under the new arrangement on the basis of counts. This, according to the information supplied to the tariff board, is the trade way of separating various items for tariff purposes. As to whether on the whole there is really a reduction in duty or an increase, that can be gathered from the statement of the Minister of Finance given in support of the individual items. In the case of shoe laces, mentioned by my hon friend from Rosetown (Mr. Evans), there is lower down, I notice, a reduction in the duty on shoelaces, as such. As the minister pointed out, material which came under the shoelace raw material classification was not in practice, according to the evidence of the customs department, used for that purpose at all. So that really the effort has been to arrive at a classification easily understood and easily applied. I am informed that the Dominion appraisers were consulted and did play a part in defining just exactly what the different classifications should be, in order to get groupings which were reasonably uniform, and so

prevent evasion of the law. In reality, as far as I understand this particular part of the cotton schedule, it is a reclassification for administrative purposes rather than anything else.

Mr. STEVENS: Mr. Chairman, that is a very excellent explanation from the minister's standpoint, but it really evades the point at issue, which is this. Under item 522 in the revised tariff, cotton yarns not exceeding 20's, single, are now rated at 10 per cent, 15 per cent and 20 per cent. My submission to the minister is that, as far as we are able to learn from the documents before us, these yarns were free in the previous classification.

Mr. ROBB: No, no.

Mr. STEVENS: Just a moment. If the number was not free, will the minister give us precise information as to what the tariff was previously on cotton yarns not exceeding 20's, single.

Mr. ROBB: Items 520, 534, 734 and 750. They were 15, 22½ 25; for boot and shoe laces they were free, free, free; yarns for mantles, free, free, free. But as I pointed out a moment ago, they are not used for shoelaces. Now, it is reasonable to suppose that this product was imported and used to manufacture a fabric that had protection; and it is also reasonable to suppose that whoever produces the yarn should share in that protection.

Mr. STEVENS: I am sorry the minister fails to grasp my very simple point. Cotton yarns not exceeding 20's, single, is a specific item and can be found in the schedule, whether grouped with others or not. My submission is that under the heading in the old tariff it is free.

Mr. DUNNING: No.

Mr. STEVENS: The Minister of Railways says no. Very good. Will he kindly indicate in the old tariff precisely what was the rate on cotton yarns not exceeding 20's single. Never mind the rest of them; let us get this one.

Mr. ROBB: The record I have shows the rate was 15, 22½, 25.

Mr. STEVENS: What is the item? Will the minister read 520 in the group in the old tariff?

Mr. ROBB:

520: Batts, batting and sheet wadding of wool, cotton or other fibre, cotton warps and cotton yarns, dyed or not, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. STEVENS: That does not say anything about cotton yarns not exceeding 20's, single.

Mr. ROBB: That is where it is alleged it came in. We are so advised by the department.

Mr. STEVENS: A moment ago the minister gave us three other items, 534, 734 and 750. The reason I am pressing this is that the other day I ran across a case which illustrates how dangerous it is for the house to pass an item that is supposedly just moderately changed. For instance, a few years ago, I think in 1923, the house passed an item in which words were introduced something to this effect, "for the use of manufacturers." It was stated at the time that these words were added simply to clarify the item, and certainly they sounded very innocent. The item applied to parts of machinery used in the cotton industry. The British manufacturer of cotton machinery naturally was forced to keep in Canada a depot of parts that might be required to promptly supply to machines that he had set up in Canada. On the other hand the American manufacturer in Boston—that was the chief centre—could ship in his parts overnight. Previously the tariff item had been 10 per cent in both cases. The amendment to which I refer had this effect, that the British manufacturer had to pay 15 per cent on the parts he sent to his depot here, while the American manufacturer paid only 10 per cent on the parts he sent in. As a matter of fact, the amendment was inserted at the instance of the American manufacturer, and he laughed at his British competitor and pointed out how he had put it over him. As I say, the words looked very innocent.

Mr. ROBB: Are they in the tariff yet?

Mr. STEVENS: Unless a change has been made in this schedule. I have not yet had time to make a check.

Mr. ROBB: If my hon. friend can give me the item I will look it up.

Mr. STEVENS: I intend to bring it to the minister's attention as soon as I have had an opportunity of checking this schedule. It may be included in this item where you make the whole thing free. By reason of what happened in the case I have referred to, we are curious to know just what is the effect of the dividing up and the reclassification of these items. While I think the minister desires to be courteous, I am not yet satisfied that this item, cotton yarns not exceeding 20's, single, was included in 520 that he read a moment ago, because it is not specified there.

Mr. DUNNING: My hon. friend has just pointed out the trouble that occurred in administration. Considerable evidence was taken upon this very point of precisely how cotton of this kind should be classified for customs purposes. If my memory of the evidence is correct, it was generally agreed that, regardless of the question of percentages, the proper basis on which to levy customs duties would be on a simple classification based on counts, the trade term by which those dealing in the commodity distinguish between one class of goods and another. There were no counts in the old tariff; it was just, Yarns, n.o.p., and so on—a very general, vague description. In yarns we have counts of one to twenty, twenty to forty, and from forty up. It is, of course, quite difficult to extract, from the dozen items involved, exactly which would have fallen into the ranges of one to twenty, twenty to forty and forty and up respectively. It would be impossible to tell exactly. But the minister gave the revenue effect, grouping them all together, and the effect in relation to that one item touching the shoe lace business is apparently that there will be an increase. That also, however, is qualified by what the administrative branch of the Department of Revenue tells us, namely, that while none of this material, which was formerly admitted free for shoe lace purposes, was so used, nevertheless a considerable difficulty arose in connection with it.

Mr. GEARY: The matter is as clear as mud now. Can the minister tell me this: Is there any cotton yarn free under the proposed new schedule? And do the old schedules mean anything when they say that cotton is free? There are cotton yarns free under the present rates while the proposed rates contain no item regarding free cotton yarn. What is to become of the old one?

Mr. DUNNING: Mercerized cotton yarns are free in 522d under the British preference only.

Mr. BENNETT: Is nothing else free under the new tariff?

Mr. ROBB: 522d is free under all classifications.

An hon. MEMBER: It isn't here.

Mr. ROBB: No, the leader of the opposition has a copy.

Mr. BENNETT: This refers to yarns and warps, wholly of cotton, imported by manufacturers to be further manufactured in their own factories. This is a limitation; is it another joker?

[Mr. Stevens.]

Mr. MANION: Was this put in free so that the minister might be able to say that there was something free? I notice that none of the rest of them are. Is that the real purpose for making this free?

Mr. ROBB: I shall be glad to give an explanation when we come to it.

Mr. BENNETT: I have under my hand the evidence taken before the tariff board in connection with this matter. I will not, of course, read the whole of the evidence, but I may quote from the report:

> In the matter of an application by the Consumers' League of Canada for reduction of duties on all cotton goods, and application of the Wabasso Cotton Company, Limited, for the elimination from item 530 of the tariff of "cotton yarns, No. 40 and finer," and the placing of these upon the dutiable list.

There follows a list of those who appeared before the board, by counsel or otherwise. I take it that hon. members, like myself, have been interested to ascertain the meaning of the words "forty" and "twenty" used in this particular context, and perhaps it might be instructive to see what is said in this regard:

> First of all, by way of explanation as to what constitutes 40's yarn, we may say that for the purposes of trade and manufacturing, 840 yards of cotton thread spun from one pound of raw cotton is called one hank or one count, and is known as No. 1 count of yarn.
>
> If 8,400 yards are spun from one pound of raw cotton it then becomes 10's count of yarn; similiarly 33,600 yards, or 40 times 840 yards, are spun from one pound, it is then 40's count of yarn and so on.

No doubt other hon. gentlemen have heretofore been just as ignorant as I was regarding the matter. Now let us proceed. The hon. member for South Toronto (Mr. Geary) has indicated the situation in a single question. What items were free before the tariff was revised by the minister? That is one question; another is this: is there a single item which is left free on the tariff the minister has brought down except the one under the British preference?

Mr. ROBB: Mercerized is free altogether.

Mr. BENNETT: It was not until my hon. friend had further light on the subject. Under the British preference it was free. To-day my hon. friend for the first time proposes a new paragraph in relation to the cotton schedules. Whether or not, in view of his speech this afternoon, it bears any relation to the vote yesterday on the budget, I will not say. This, however, I will say, that it meets the views advanced by certain gentlemen opposite in opposing certain features of the tariff as it

stood. The new item I shall read presently, but I may remark in passing that technically we ought not to proceed with the consideration of it without having it printed for distribution; it is impossible for hon. members to follow these items unless they are printed. My hon. friend to my left and I are indebted to the courtesy of the minister for copies, but other hon. gentlemen will find it difficult to follow the discussion. The item reads:

Yarns and warps—

This will interest the committee.

—wholly of cotton, mercerized, number forty and finer, imported by manufacturers to be further manufactured in their own factories: free, free, free.

This is a new item in the minister's tariff proposals: so far as this House is concerned, it first saw the light of day this afternoon. It is not yet before the committee as a whole, and it would not be difficult to guess, judging by the faces I see before me, to what we are indebted for this particular change in the tariff. It is rather interesting to know that the influence of those hon. gentlemen weighed to the extent it did. Is it quite right, however, to proceed with the consideration of this matter without having it so presented to the committee as to make an understanding of it possible? My hon. friends on this side are of the opinion that it should have been printed before they were asked to proceed with it, because this is a matter of great importance to some of the constituencies represented on this side as well as to others represented by some gentlemen opposite. However, as I have pointed out, the situation could not have been better and more succinctly stated than it has been in the inquiry directed to the minister by my hon. friend from South Toronto. He says—and is not this the crux of the matter—that the government must determine whether or not it is increasing or lowering the duties in the cotton schedules. The first question is: Were there free items in the tariff as it stood before the minister introduced his budget? The answer is found in these sheets that have been circulated to-day, and if hon. gentlemen will look at them they will see the matter clearly stated. Take page 4 and follow the items right down:

Waste, etc., free, free, free.
Raw cotton, etc., free, free, free.
Rags, etc., free, free, free.

I am reading the present rates.

Cotton yarns, etc., n.o.p., dyed or not, for boot and shoe laces, free, free, free.
Yarn for mantles, free, free, free.
Cotton yarns, free, free, free.

Mr. DUNNING: It is a repetition of the same item.

Mr. BENNETT: They are separated under the new items; under the old they were all free. I am reading, as I say, from page 4 of the document. Then you go further:

Cotton yarns, number forty and finer, free, free, free.
Buckram, etc., free, free, free.
Cotton duck for hose pipe, free, free, free.
Certain candlewick—no change, free, free, free.

There you have a statement, in the document printed and circulated by the government, regarding a number of items which in the old tariff were free. I am exposing this because it is clear just what is sought to be done.

Mr. ROBB: Most of them are free yet.

Mr. BENNETT: Will my hon. friend point to a single one that is free under the new general tariff? It is true there is one under the British preference.

Mr. DUNNING: Item 520.

Mr. BENNETT: That is under the new tariff?

Mr. DUNNING: Yes.

Mr. BENNETT: There is no change; those are all free. I am talking of the items other than raw material; my hon. friend is right.

Mr. YOUNG (Weyburn): Item 524.

Mr. BENNETT: That is cotton duck for use in the manufacture of hose pipe. I read that, and there is no change in it. I am particularly directing attention to those yarns, and perhaps I should make it clearer. That was the item we were discussing at the moment. Look at the item; look at the old tariff and the new tariff and ask yourselves whether or not this is a protective tariff. That is what you have to do. Do not let us have the government go to the country and tell the people how they have reduced the tariff on cottons, make the welkin ring in the remote sections of western Canada with what the government have done in that direction.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: The hon. member for Rosetown (Mr. Evans) has heard that tale before. Let us look at this thing in the light of the application contained on page 1 of book 1; then I read books 2 and 3, and although I have only had time to look through a part of them I found that this tariff board was set up and its duties defined under order in council P.C. 530. What have they done? Mr. Deachman, acting for the Consumers'

League, himself made a complaint that the duties on cottons were too high; he asked for a reduction all along the line and gave his evidence on behalf of that league. The happy face of the gentleman who so honoured that association with his presidency is now translated to another sphere, but there are those with whom he was associated whom I assume to be still making their contributions to the maintenance of the Consumers' League. My hon. friend from South Huron (Mr. McMillan) still laughs; he realizes just what a league it was.

Some hon. MEMBERS: Was? It still is.

Mr. BENNETT: Then I am sure my hon. friend from South Huron is one of the most distinguished apostles of that league. At any rate, here is the evidence given by Mr. Deachman and the evidence called by him to support his case; here is the evidence given by the Wabasso Company asking for an increase of the duty; here is the order appointing the tariff board, and here their duties are defined. I asked the other day if there was a report made, and I read the report. That report did not specify any action to be taken by the government nor did it find any facts upon which the minister could act or upon which this parliament could act. That is the worst part of it; no facts were found upon which this parliament could act, and now we are told that in a meeting in the minister's office, with these gentlemen sitting about a table, certain discussions took place. Hon. gentlemen used to denounce the old star chamber and the red parlours; these are the same gentlemen who used to cry out against the way in which the tariff was formed. What is the difference between that system and having these gentlemen, who took evidence and made no findings of fact, sit around a table and tell the minister what they think should be done?

Mr. ROBB: My hon. friend does not insinuate that the Wabasso Cotton Company are our friends?

Mr. BENNETT: I have no hesitation in so stating.

Mr. ROBB: Then may the Lord deliver us from our friends.

Mr. BENNETT: Well might the hon. gentleman make that observation; he has reason to make it. No man of whom I know has greater reason to say, "Lord, deliver me from my friends." I think I can say that, without violating my friendship with the minister. But I was going to say, with respect to some of the gentlemen who appeared, that they are noted for their consistent advocacy

of the Liberal cause. I will at least say that, without saying whether or not they are friends of the government. It may be that they have ceased to be the friends of the minister, although I would require some further word than the mere observation made by the minister before I could credit that. Here we have the board and the order in council appointing them; their duties are defined. Now I leave it to my friend from South Huron, who has been greatly interested in this matter, whether after reading that order in council which imposed upon this body the finding of facts, he thinks they have fulfilled their duties in taking this evidence which I have under my hand and then meeting together in the office of the minister, making no written report, giving nothing upon which I could have arrived at a conclusion and nothing to assist me, leaving me to proceed in the dark. But the minister, with the glare of the electric lights impairing his health, after long, weary hours of work, listened to the observations made by these gentlemen who constitute this board as to what action should be taken by the government, and now we find that these articles which were free have a duty imposed upon them. That is the story, and I leave it to the people of this country to say whether or not under these circumstances we have a protective tariff or a free trade policy.

Mr. KENNEDY: I was very much interested in the statement made by the Minister of Railways that up to item 522a at least there had been a general balancing up of duties, rather than a general increase or decrease. I think the minister tried to make the point that no attempt had been made up to item 522a, to raise or lower the duties, but that the items had been reclassified.

Mr. DUNNING: No, my hon. friend must have completely misunderstood me.

Mr. KENNEDY: I thought the minister stated that the idea was to reclassify rather than to make a distinct change in the duty in one direction or the other.

Mr. DUNNING: That was with respect to an item which I was then discussing.

Mr. KENNEDY: Was it item 522?

Mr. STEVENS: No, it was the fortieth part of one of the items.

Mr. KENNEDY: Since we have been discussing 522b I wish to point out that this item—

Mr. DUNNING: As yet we have not discussed item 522b at all.

Mr. KENNEDY: We have been discussing everything up to 40's and finer, and that includes item 522b.

Mr. DUNNING: I have not been discussing everything.

Mr. STEVENS: I think my hon. friend is quite right in referring to item 522b, because you cannot discuss the one without the other. The Minister of Railways, as I said a moment ago, endeavoured to make a perfectly clear matter exceedingly difficult to understand. I have before me the customs tariff, from which I am going to quote, and I am also going to quote from the item before us. I asked the minister to give me this information, but he was unable to do so. Under item 532 of the customs tariff as it now stands we have these certain items of raw material and so on which I shall not read, and then it includes cotton yarns, number 40 and finer, which are free under all tariffs. That is carried into the new tariff in this form:

Cotton yarns exceeding number forty, single: 7½ per cent British preference; 10 per cent intermediate; 15 per cent general.

I think that is a fair statement of the situation. In that particular item we have cotton yarns which were previously free protected by a duty of 7½ per cent, 10 per cent and 15 per cent. Then we have cotton yarns, exceeding 20's, to which I referred a moment ago, and as far as I can see in the present tariff there is no specified item of cotton yarns exceeding 20's. For that reason I presume the minister was unable to answer my question a moment ago.

Mr. DUNNING: Item 520 would be closest to it.

Mr. STEVENS: No, item 534 would be the closest. That item reads:

Cotton yarns, polished or glazed, when imported by manufacturers of shoe laces for use exclusively in the manufacture of such articles. . . . .

Mr. DUNNING: That is not it.

Mr. STEVENS: No, item 520 is the one:

Batts, batting and sheet wadding of wool, cotton or other fibre, cotton warps and cotton yarns, dyed or not, n.o.p.

Mr. DUNNING: That is it.

Mr. STEVENS:

—15 per cent; 22½ per cent; 25 per cent.

Mr. DUNNING: That corresponds as nearly as may be to 522a.

Mr. STEVENS: We have then an increase.

Mr. DUNNING: No, no, a reduction. The figures are 12½ per cent, 15 per cent, 22½ per cent.

Mr. STEVENS: That is for cotton yarns, 40's.

Mr. DUNNING: No, 20's and not exceeding 40's.

Mr. STEVENS: In regard to these varieties we have in this item the rates 7½ per cent; 10 per cent, and 15 per cent. Will the minister state whether that is right?

Mr. ROBB: Some explanation will be made of the items when we come to them. First with respect to the item the leader of the opposition mentioned:

Yarn of linen or of cotton for use only in the manufacture of measuring tape lines, when imported by the manufacturers of such tape lines: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

The total importations were $936. Now as to item 734:

Cotton thread, nitrate of thorium and nitrate of cerium for use in the manufacture of incandescent gas mantles, when imported by manufacturers of such mantles or of stocking for such mantles: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The total importations amounted to $53,851.

Mr. STEVENS: What becomes of these two items?

Mr. ROBB: They come into the item we are considering now.

Mr. BENNETT: Which one is that?

Mr. ROBB: Part comes into the new item 522. The present rates are 15 per cent, 22½ per cent, 25 per cent. The proposed rates are: 10 per cent, 15 per cent and 20 per cent. My hon. friends will admit there is a reduction there.

Mr. BENNETT: The minister said a moment ago that an item which was formerly free is now included in this item which is dutiable.

Mr. ROBB: I mentioned two items and gave the importations with respect to them. Now as to 522a, the present rates are: 15 per cent, 22½ per cent and 25 per cent. The proposed rates—and this is an amendement which I have—will be: 12½ per cent, 15 per cent, 22½ per cent.

Mr. KENNEDY: What item are you dealing with? There are three items here.

Mr. ROBB: It is 522a I am dealing with now. Now as to 522b, that is the item to which my hon. friend from Vancouver Centre referred. That item at present is free in all classes. The proposed rates are: 7½ per cent, 10 per cent and 15 per cent.

Mr. BENNETT: What mills are affected?

Mr. ROBB: I think many of the mills are affected. The Wabasso were making a specialty of this line. They were selling this product to industries that had protection. We thought it was reasonable that they should enjoy a proportion of the benefits. There is no increase in the manufactured product anywhere. This is raw material for some of the industries that are enjoying protection. There has been a reduction in the case of some of them. Why should the other industries enjoy all the protection?

Mr. EDWARDS (Waterloo): In these cotton yarns of 40 and finer the industries using that tape are paying a duty of 10 per cent on the raw material on that particular item.

Mr. ROBB: I have a new item that I shall be coming to in a moment. The item 522d is just changing the wording. There is no change in the rate; it is free in the three classes.

Mr. STEVENS: What was 522d in the old tariff?

Mr. ROBB: The item we are dealing with is:

522d. Yarns and warps wholly of cotton, mercerized, number forty and finer, imported by manufacturers for use exclusively in their own factories.

Mr. EDWARDS (Waterloo): Has the duty been reduced on this particular item?

Mr. ROBB: No, it is just the same. My hon. friend asked a question about the tape that goes into 522a. There is a new item which reads:

522f. Yarns and warps wholly of cotton imported by manufacturers of tapes, braids, webbings and woven labels for use exclusively in the manufacture of such articles in their own factories: Provided that yarns and warps which are entitled to free entry or to lower rates than are mentioned in this item shall not be entered at the rates specified in this item: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Mr. MANION: I think the discussion we have been having for the last hour and ten minutes is an illustration of the difficulty of that group government which my hon. friend the Minister of Railways and Canals (Mr. Dunning) denounced so vociferously to the member for Southeast Grey (Miss Macphail) the other evening. We have had given us to-night an exhibition of government reclassification, but which is in reality an increase in the tariff on a number of items. No matter how much the attempt is made to hide it, that is what this amounts to. We find in the majority of these items that where there has been any change at all it has been a change to a higher tariff. That, without a doubt, is what has occurred. The Minister of Railways shakes his head, but in this group of items only one item in that group was free and that was after the minister came into the house to-night. The difficulty the government is in is very obvious. They have ministers like the Minister of Railways and Canals, the Minister of Immigration and Colonization (Mr. Forke) and the Minister of the Interior (Mr. Stewart) who are free traders, or say they are, and they have ministers like the Minister of Trade and Commerce (Mr. Malcolm), the Minister of National Revenue (Mr. Euler) and the Minister of Finance himself, who are fairly good protectionists. And then they have the difficulty that when they travel out to the prairie provinces they tell those provinces that they are free traders; but when they travel through Quebec and Ontario they tell the people of those provinces that they are good protectionists, and they have to keep the balance in regard to their varying professions. Their action to-night reminded me a little of a Jewish friend of mine who is not a very good orthodox Jew. Of course he does not want to eat pork in public and whenever he does do so, he calls it chicken. Well, the ministers opposite me are in the same difficulty. They do not wish to call these changes in duty increased protection, so they call them a reclassification. That is what they are going to say when they are out in the prairie provinces. I bespeak sympathy on their behalf from the members from the prairie provinces, because they have great difficulties to overcome; but I rather think that from the standpoint of the country it would be far better for the Miinster of Finance to come right out and say that he is increasing protection, for that is what he is doing in some of these items. I venture to say that in the majority of cases he is hoodwinking the people; he is even trying to hoodwink parliament. I appeal to him to stop once in a while and give us a little chance. The Minister of Finance has this advantage, that he has had this matter before him for weeks while these items have only come before us

quite recently, and it is only by chance in going through these items that we find out the real facts. I wish to congratulate the minister that in regard to many of these items he has pursued the course he has. I am very glad to see him do it because I believe it will be productive of good to the whole country. I wish he would base his own budgets on the same principle, and I think if he did that he would do more for the country than he has been doing with his budgets for the last few years.

Mr. DUNNING: My hon. friends opposite seem to be very much concerned about one or two increases in the items which have so far been under discussion. They know just as well as I do that all of the items that have been under discussion so far are manufacturers' items, and my hon. friend knows as well as I do that when we come, as we shall in a few moments, to the consumers' items, to those parts of the cotton schedules which affect the consumer, which are the articles which the consumer purchases, there are substantial reductions. I may inform my hon. friends that I shall certainly go out and tell the people of the prairie provinces and the people of Canada generally regarding the reductions of duties in the consumers' items. My hon. friends opposite are accusing us of ruining the manufacturers. If we are doing what we are just now accused of doing, namely, raising the tariff, why all this three weeks of talk about ruining the industry? Surely the industry cannot be ruined if we have raised the consumers' items in the tariff. My hon. friend knows quite well what the fact is. In the manufacturers' items there are adjustments, some upward and some downward, as a result of the examination which has been made; but when we come to the items which apply to the consuming public, it will be found that the adjustments are all downward.

Mr. MANION: Does the Minister of Railways try to suggest that when the items affecting the manufacturers are raised and those affecting the consumers are lowered, the manufacturers consume their own articles? Who purchases from the manufacturers, I should like to know? After listening to the remarks of the Minister of Railways, of all the yarns that exist in these tariff schedules I am sure there are none like those he tells the people when he is trying to get away with these changes.

Mr. EVANS: I wish the minister had gone a little further and explained item 522b, why the duty is raised on those 40's, single and finer. As far as I can see, and according to the word of the Minister of Finance, some of the big cotton companies are manufacturing their own yarn. Some of them of course cannot do that. They are charged 5 per cent, 7½ per cent and 10 per cent now, whereas they used to get this in free. I do not think that is right. That means that the fabric manufactured from that class of yarn will be that much dearer, otherwise the small companies will very soon have to go out of business and then the big companies will have less competition than they have at present. Evidently those small companies are somewhat short on the influence end and the consumer in any event will be charged 5 per cent, 7½ per cent or 10 per cent more for the cotton fabric manufactured out of those yarns.

Mr. KENNEDY: I am very much interested in this item 522b, 40's and finer. I have in my hand the application to the tariff board by the Wabasso Cotton Company, Limited, Three Rivers, Quebec, requesting that 40's and finer be placed on the protected list instead of on the free list as at present. They refer to clause No. 530, under which 40's and finer come in under the old tariff. They state:

Clause 530—

I think this should be 532.

—of the tariff reads: "Coir and coir yarn: raw cotton or cotton wool not dyed; cotton yarns, No. 40 and finer," on the free list.

We respectfully request that the words: "Cotton yarns, No. 40 and finer" be struck from this clause, and that these yarns be given protection.

That is the application. When I was making my speech on the budget I think I stated that in a general way I believed the tariff was increased on these cotton yarns. Yarn 40's and finer is a yarn that consumers use as well as manufacturers. It is the big item of import according to the trade of Canada. I have under my hand the trade of Canada up to 1926 and under this item there are more imports than in all the rest of the list of cotton yarns. The decreases in the other yarns amount to 5 per cent or 3 per cent or 4 per cent, as the case may be; but when we come to increasing the tariff on this item, which is by far the largest item, larger than all the rest put together, if my figures are correct—

Mr. DUNNING: For what purposes does the ordinary consumer use 40's and finer?

Mr. KENNEDY: I have seen the spools in houses.

Mr. DUNNING: Thread. My hon. friend had better look again. This is used to make thread.

Mr. KENNEDY: There is not any question about the fact that if a manufacturer pays more—and that is what he is going to do under this application of the Wabasso Cotton Company—for his yarns, he is going to charge that up to the Canadian consumer, because on the second page of the application I find this statement:

> As Wabasso are spinners of fine counts of yarns, and have quietly carried on and worked up a considerable business for these yarns, we ask that, having demonstrated that these fine yarns can be made in Canada, and by producing them at a loss, we be now given protection.

If they ask that they be given protection because they have been producing yarns at a loss, why do they want protection? To raise the price, of course. I am interested at this moment not so much in whether free trade or protection is right, as in the question of what is the basis of the revision of this tariff and how it compares with what the Liberal party has always claimed it stands for. It has been argued over there: We want increases; we want reductions. That is not any excuse for a party that went to the country on a low tariff platform. If the Minister of Finance has information that can convince me I am wrong, I am willing to listen to it, but as regards these items I should like to have information regarding the imports and the general effect of the change in duties, reductions or increases. So far I have been convinced by my own examination and what I have heard that the general trend is an increase in duty, if we take into account the size of the items on which increases are granted in the nature of protection for the manufacturers. On the item 522b, we have discussed that. The hon. member for Provencher (Mr. Beaubien) said that there was a joker in the tariff. This is a change whereby the manufacturers were going to be asked to pay some duty. The rates were free under the British preference, 10 per cent under the intermediate, and 15 per cent under the general tariff. The old rates were free, free, free. Now under this revision we are back again to: free, free, free, for manufacturers who are using that type of stuff. That is the joker again. I have claimed—and I think I am right although I am open to convicition—that this one item is more important than any other group on which the government have given reductions in the whole cotton schedule.

Mr. DUNNING: Which item?

Mr. KENNEDY: Item 522b. Imports of 40's and finer amounted in the year ended 31st March, 1926, to 2,732,069 pounds of a value of $2,580,014.

[Mr. Dunning.]

Mr. DUNNING: My hon. friend believes that to be a consumers' item?

Mr. KENNEDY: I did not say that. I said that some consumers use this material.

Mr. GARLAND (Bow River): Just where is the Minister of Railways going to draw the line as between the consumer and the non-consumer?

Mr. DUNNING: I will try to answer that. The case just mentioned by the hon. member for Peace River gives an excellent opportunity. He spoke of 522b as a consumers' item, because he thought it included thread. As a matter of fact it includes merely the fine yarns used by thread manufacturers, the raw material. If my hon. friend would go to the next item, 522c, he would find there the thread which is used by the consumer, and in connection with which there is a reduction in the duty. That is the answer.

Mr. McLEAN (Melfort): I would ask the Minister of Finance if we could not have a copy of the amendments as speedily as possible. Now that a working agreement has been entered into between our friends of the opposition and the hon. member for Peace River and other hon. gentlemen, it is important to us who are interested in the real significance of things—unlike the hon. member for Peace River, who is not much interested whether this thing is right or not—that we should know just what the house is considering. I would therefore urge upon the finance minister that he let us have a copy of these amendments as speedily as possible.

Some hon. MEMBERS: Oh, oh.

Mr. McLEAN (Melfort): It is all right for hon. gentlemen opposite who have been keeping away from protection since the Winnipeg convention to laugh at an appeal made by myself to the minister for information in this matter. At the same time I do not think it is any laughing matter if they think they are going to put over their platform with that kind of thing.

Mr. MANION: It is not half as bad for us to laugh at the hon. gentleman as it is for him to laugh at his own principles, as he is now doing in connection with these items where there is an increase of protection. The hon. member for Peace River has the courage to fight for his principles, while the hon. member for Melfort defends the government that brings down these increases.

Mr. McLEAN (Melfort): I was not defending anyone; I was asking for information, especially in view of the agreement threatened a few days ago that the members from Alberta would get together with the protectionists to make a saw-off.

Mr. GARLAND (Bow River): If that statement was not funny, I would answer it.

Mr. McLEAN (Melfort): Then there would be two funny statements together.

Mr. BENNETT: I hope the hon. gentlemen who sit to the right of the ministers, and who come so largely from Saskatchewan and some from Manitoba, have heard the clear distinction the Minister of Railways has drawn as between the manufacturers and the consumers, because I have before me the record of the proceedings in connection with this hearing before the tariff board, and now my friend from South Huron will hear the language of his great proponent and advocate, Mr. Deachman, as to the relation between the manufacturers and the consumers. Like my hon. friend from Melfort, he has no doubt who the consumers are. Mr. Deachman, who represented the Consumers' League and was voluntarily upholding the case of my hon. friend from South Huron, filed his application with the Minister of Finance, and at page 327 of reference No. 64 before the tariff board, he starts out in this way:

A report of the Bureau of Statistics covering Canadian industry in 1924 gives the total value of cotton, yarn and cloth made in Canada as $69,984,875. The wages paid amounted to $10,993,045, or approximately 16 per cent of the total value of the product. In other lines of cotton products, the wage ratio to total value of the production was even less. This is an application for a reduction of the general tariff rate on all cotton goods to a maximum of 16 per cent. We desire to state this position as simply and clearly as possible.

Then follow statistics with reference to the industry, and then he says:

Where such a duty is imposed and the manufacturer raises his price to the foreign level—

How familiar this must sound to my friend the minister! I have heard him use these words himself:

Where such a duty is imposed and the manufacturer raises his price to the foreign level plus the duty, we as consumers are compelled to pay—

Note that:

—we as consumers are compelled to pay, in an indirect bonus to this industry, a sum equal to double the entire wage cost in the production of the commodity.

These are the words of the advocate for the Consumers' League, presenting his case for reduction of the tariff.

Mr. DUNNING: To the consumer.

Mr RENNETT: Certainly; I am talking about the consumer.

Mr. DUNNING: It is a new thing for my hon. friend.

Mr. BENNETT: No, I have been a considerable consumer—of time in this house, for instance. Mr. Deachman continues:

Our contention is that we as consumers can not afford to pay to an industry in Canada a bonus so far out of proportion to the service rendered to the community.

How that does sound like a western speech from my hon. friend the Minister of Agriculture. He goes on:

We desire to be fair to an established industry.

So like my hon. friend the Minister of Finance.

We desire to encourage it by every legitimate means.

Like my hon. friend from Melfort.

We realize that the cotton textile industry, operating in a country where the people are suffering from limitation of purchasing power caused by high tariffs—

High tariffs after this government has been six years in power?

An hon. MEMBER: And the tariff is now being raised.

Mr. BENNETT: Mr. Deachman says:

We realize that the cotton textile industry, operating in a country where the people are suffering from limitation of purchasing power caused by high tariffs, is entitled to a measure of protection sufficient to compensate for the limitations forced upon it by high protection.

Then he says.

We emphasize again that the measure suggested by us for the protection of this industry should be understood as being purely temporary in character.

And then later he says:

The object, as we see it, is to encourage industries by subventions which, while borne directly by the consuming classes, are not excessively burdensome for the moment and in regard to which there may exist a reasonable hope that time may remove the burden.

That is what they are after. He says that they are borne directly by the consuming classes, and he is dealing with the very item which the Minister of Railways says is a manufacturing item.

Mr. DUNNING: No. My hon. friend is at his old tricks again, quoting something which does not deal with what the Minister of Railways said at all.

Mr. BENNETT: The Minister of Railways was dealing with item 522, and this and others are the items Mr. Deachman was dealing with in the application I hold in my hand.

Mr. DUNNING: Will my hon. friend quote Mr. Deachman's reference to what the Minister of Railways was discussing, please?

Mr. BENNETT: I have just read the application, which is an application to lower all of the cotton duties, including item 522 which is the item now under consideration. That item is now being increased not lowered, and the minister offers as an explanation this beautiful argument: "This is a manufacturer's item". Yet Mr. Deachman, appearing for my hon. friend from South Huron, says, "I am representing the consumers, and they have to pay this increase if it is granted, they and no one else." Now as between Mr. Deachman, representing the Consumers' League, and the Minister of Railways, representing the government that so greatly loves power, will the hon. member for South Huron have any difficulty as to whom to choose?

Mr. MacMILLAN: We are going to have some of these duties reduced.

Mr. BENNETT: That is the way to talk.

Mr. DUNNING: Mr. Chairman, having listened to the leader of the opposition say with his usual dexterity what the Minister of Railways said, may I now repeat what the Minister of Railways actually did say? He was answering the question addressed to him by the hon. member for Peace River, who had stated that the item 40's and finer included thread as used by the consumer, and I explained that the item 40's and finer did not include thread as used by the consumer, but that it included the materials from which such threads are made. Then I referred him to the next item in the tariff, which does include the thread as used by the consumer, and in connection with that item there is a reduction in the tariff. That was my statement, and by that statement I will stand. My hon. friend, of course, with his great ability and dexterity, can make it appear that I said something entirely different, but that is what I said. When the manufacturer's item is increased in duty, and the item which the consumer purchases from that manufacturer is reduced in duty, then the effect is a reduction so far as the consumer is concerned. My hon. friend well knows that. If it were not so, why all the complaint about ruining the manufacturers? We are not ruining them by that process.

[Mr. Dunning.]

Mr. KENNEDY: I am quite willing to admit, Mr. Chairman, that I made a slip there. But it does not affect my point that the other manufacturers are the consumers of that article, and they are so described in the Wabasso company's application. But it has the effect of increasing the price to the ultimate consumer.

Mr. DUNNING: No, it does not.

Mr. ROBB: Following the argument of my hon. friend from Peace River (Mr. Kennedy), first, let me say that any changes which I have brought down to-night by way of amendments are either only a change in wording or a reduction in the rate.

Mr. STEVENS: Oh, no.

Mr. ROBB: Yes, on the cotton schedule.

Mr. STEVENS: Absolutely no.

Mr. ROBB: As to this cotton yarn item under consideration, we had in the old tariff the anomaly of the 40's and coarser being protected, while the 40's and finer—the more expensive to produce—were free. Forties and finer are the raw material for the finished products that enjoy duty. A good part of it goes into thread, and the proof that it will not increase the cost to the user of thread is that we are reducing the thread item under the British preference. This item under consideration, of which my hon. friends have taken advantage, is practically the only instance of a material increase in the cotton schedule. It is a bit of a rest for me this evening to hear my hon. friends on both sides of the house saying that the manufacturers are going to profit by these tariff changes. Since the budget was brought down last February I have listened to nothing but tales of woe from manufacturers who claimed that they were ruined, and particularly the cotton manufacturers. I know where the complaint comes from over here and down there; it comes from the lobbying manufacturers of the cotton mills.

Mr. BENNETT: They certainly have not seen me.

Mr. ROBB: I admit that only one mill will be materially benefited by this change. All the other mills are against that mill; they are just as much free-traders as anybody else when it is an advantage to themselves. They have asked: Why should you make this change? We have looked this over very carefully and we think it is a very fair adjustment.

Mr. BENNETT: For this one company.

Mr. ROBB: That one company has not been enjoying whatever protection there was. Whether protection is right or wrong, let us use the barnyard phrase and say, the other fellows were "hogging" it.

Mr. BENNETT: Thirty-nine per cent of the product of the Wabasso Company consisted of counts 40 and over.

Mr. ROBB: Let me put this proposition to my hon. friends and ask if they will suport me. Suppose we refer this whole thing back to the tariff board—

Some hon. MEMBERS: Hear, hear.

Mr. ROBB: Wait a moment. Suppose we refer this whole thing back to the tariff board, and get a recommendation for a straight reduction all along the cotton schedule, will they support that?

Mr. CHAPLIN: We have not any confidence in that bunch.

Mr. ROBB: I do not claim that these readjustments are perfect, by any means. But I do claim they are a great improvement on the old customs tariff as we find it for administrative purposes, and that the general trend is a reduction in the items that go to the consumer. I am supported in that view by the manufacturers of cotton, and they should know something about their business.

Mr. SIMPSON: The minister states that one of the chief reasons for this increase in duty is that the yarn is being sold to manufacturers who enjoy a substantial degree of protection. Will he apply that principle to the iron and steel industry with respect to spring and axle steel used by the automobile manufacturers?

Mr. ROBB: I do not think we will have the iron and steel schedule before us this year; it is not completed yet. But when I do bring it before the house I wonder if I will receive unanimous support from hon. gentlemen opposite.

Mr. STEVENS: We will look it over first.

Mr. GUTHRIE: Will the minister apply the same principle with regard to worsted yarns? That item appears a little lower down. I understand the minister to say that he believes the manufacturers of these cotton yarns should have a certain degree of protection because other manufacturers of cotton goods have protection on their output. I want him to bear that statement in mind—I do not object to it—

Mr. ROBB: I know what my hon. friend is coming to.

Mr. GUTHRIE: —when he comes to worsted yarns. I emphasize it now so that he will not forget it.

Mr. McGIBBON: I think the minister should give us a little more information as to why he is protecting this one manufacturer. It does strike me that there are a number of things in this budget pretty hard to explain. Looking over the woollen schedule, for example, I am informed there is one manufacturer who has two mills, one working on domestic material, the other on imported; and that there is protection added to the one and taken off the other. That is he gets protection twice. Then in the lumber schedule we find there is $1.50 protection on fir doors, but there is no protection on pine, hemlock or any other kind of doors. I am informed that there are only two firms in the Dominion making that particular class of door. Of course, I have been informed what are their political affiliations. Then we come to the drawback of duty on coal for the manufacture of salt. I wonder how many members know the number of manufacturers that are engaged in that industry, and their political affiliations. I say, Mr. Chairman, this budget has all the earmarks of a political budget for the friends of the government.

Mr. POWER: Let us hope so.

Mr. McGIBBON: Well, that is frank. But, after all, are we not here to legislate for the good of the Dominion?

Mr. POWER: To a limited degree.

Mr. McGIBBON: I am very thankful for the information, so frankly given; we are learning. I think we should have a little more definite information as to why the Wabasso plant is to be protected and protection taken away from the other plants. Of course, the Minister of Railways argued very glibly to-night—and he can argue just as well on one side as the other—that when you increase the cost of the raw material you do not increase the cost of the finished product. That is something new from the Minister of Railways.

Mr. DUNNING: No, I did not argue that at all.

Mr. McGIBBON: That is the effect of his argument.

Mr. STEVENS: Absolutely, the whole burden of it.

Mr. McGIBBON: The effect of the whole argument from the ministerial side is to blind the country to the fact that this is a budget

to give protection to the friends of the government; all the rest of the people are to suffer. That has been acknowledged very frankly from the other side, and I am glad.

Mr. ADSHEAD: When the duty on a manufactured article is reduced, is it possible for the manufacturer to increase the price of the article, beyond the duty price, no matter what his raw material costs?

Mr. ROBB: That is answered by the law of supply and demand.

Mr. KENNEDY: The minister made some statement about members being lobbied. I have not been lobbied by anybody—neither by manufacturers nor by anyone else.

Mr. ROBB: I wish I could say the same.

Mr. KENNEDY: In the next item, 522c, we have some information regarding the consumers. There are five items in regard to which a reduction is asked for to protect the consumer against the increase which would otherwise accrue to the finished product as a result of the increase in forties and finer. Item 534, cotton yarns, which was free under the three classifications, has become dutiable to the extent of 15 per cent, 22 per cent, and 25 per cent. Item 520 cotton yarns, was 15 per cent, 22½ per cent and 25 per cent under the old item; there is no change. Item 536, cotton thread, was 17½ per cent, 22½ per cent and 25 per cent, and there is a reduction of 2½ per cent under the British preference, the others being the same as before. Item 721, tinsel thread, was 5 per cent, 7½ per cent and 10 per cent; it is now 15 per cent, 22½ per cent and 25 per cent. Item 734, yarn for mantles, was free under the three classifications and is now 15 per cent, 22½ per cent and 25 per cent. So that on the average there is no reduction, unless the imports are greatly out of proportion taking the different items affected. There is only one case in which there is a reduction, that of cotton thread, 2½ per cent under the British preference, while in three of the items there is a jump from 3 or 5 per cent to 10 per cent, 15 per cent and 25 per cent. I fail to see that the consumer is protected against an increase in forties and finer.

Mr. SPOTTON: We on this side have been charged with having met some peculiar type of human being called a lobbyist. When I left my constituency to come here my friends told me to be careful of lobbyists. Now I have met a lot of fine people in this Washington of the north and I have been keeping a lookout around the corner for those hideous monsters called lobbyists. The Minister of Finance says that we on this side have been lobbying. I have not; at least, if I have done so I have not known it. I would ask the Minister of Finance to be good enough to describe to me in words if he can, and if not by means of a picture, just what a lobbyist is. In the meantime, I deny the charge. One objection I have to make is that the tariff is being used, in my opinion, as a club for political purposes. It was so used in North Huron in the town of Goderich. Every industry was visited by various members of the cabinet, who intimidated, or coaxed, or cajoled, or promised. The bludgeon was held over the heads of those engaged in industry, so much so that the Liberal paper, a copy of which I have in my desk, came out with the statement that all the captains of industry in the town of Goderich were supporting the Liberal candidate. The farmers of North Huron resented this and rallied to my support. You cannot kid the people all the time; you cannot run with the hare and hunt with the hounds any longer, Mr. Chairman. I wish to advise your minister accordingly. Why, sir, on one platform the Liberal candidate, who holds the same doctrine as the member for South Huron, gave a free trade speech in Goderich in the presence of the Prime Minister and all the cabinet with the exception of one of two—I see only one or two new faces. He gave a right royal, old time free trade speech, going back to Cobden and all the others. But when the Minister of Trade and Commerce rose—and many hon. members opposite will bear me out—the first thing he did was to declare himself thus: "I am not a free trader; I am not a high protectionist. I believe in a moderate protection which will keep the industries of Canada running and give employment". That is where we stand, Mr. Chairman. But hon. gentlemen like the member for South Huron and the member for South Perth will stand up and address this little group here, giving them free trade speeches, and only occasionally a cabinet minister from the west will accord them a little applause. Once again I would ask the Minister of Finance to tell me, as a new member, what this Consumers' League is about which I hear so much. I went to school with Mr. Deachman, who is at the head of the league.

An hon. MEMBER: He is it.

Mr. SPOTTON: Furthermore, I went to school to his father, one of the old pioneer school teachers. I met Mr. Deachman in the corridor the other night and I said to him, "Bob, what is the Consumers' League? Are there three or four in it besides the government?" He replied, "Oh, there are perhaps

one or two hundred". But before Bob could tell me anything more about it a couple of gentlemen close to the front benches put their arms about him and remarked, "Come on, you are positively a good Liberal". And he is a good Liberal. He writes letters to the Liberal papers in my riding every week contributing propaganda. I should like to know, therefore, what his real connection is with this government, and who brought him to this beautiful Washington of the north to live. You cannot kid Huron county so far as the Consumers' League is concerned. The Minister of Finance, the Minister of Trade and Commerce and other cabinet ministers kidded them once, but these gentlemen cannot kid them again. As an infant, so to speak, who is just groping about in the dark, fearful of various hidden dangers, I beseech the minister to tell me what a lobbyist is. If he cannot give a verbal description of one I would ask him in all kindness to draw me a picture of the chairman of his tariff board, who has been the most expert lobbyist and who brought the railway situation into the mess it was once in. At least, the minister might give me his picture. At any rate, I deny the charge that I have been met by lobbyists, so far as I know what the word means.

The CHAIRMAN: Shall the item carry?

Mr. BENNETT: Before the item is carried I want to add that I have not been lobbied by anyone in respect of these matters. One gentleman who met me did say, "I cannot talk these matters over with you because they are entirely in the hands of the government and I am apprehensive that if it became known that I had anything to say to you on the subject I might be punished for so doing." That is the attitude of industry in this country towards the government in this regard, as in relation to the Rideau retaining wall and everything else that is conducted in that way. And I shall have occasion to refer to this before the session is over. I want it clearly understood that no one lobbies me in my present position; no one lobbies me or anyone else connected with this party. We are going to do our duty fearlessly.

Mr. HANSON: For the benefit of the Minister of Finance I want to say that the cotton industry has not lobbied me. I will tell you what the attitude of the cotton industry is. The cotton industry are so afraid of the club the Minister of Finance is holding over them to-day that they will not come to my office about these matters. They are afraid they will either have to put up money for this government or be clubbed again. I have a very strong suspicion that some of them have already come across and that we see some of the effects of it in these very schedules to-night. I cannot prove that statement, but I believe it.

Mr. DUNNING: You bet you cannot. Take it back.

Mr. HANSON: I have every reason to believe that my suspicions are true.

Mr. DUNNING: My hon. friend has just made the charge that certain men have paid this government money.

Some hon. MEMBERS: He did not say that.

Mr. DUNNING: I will leave it to the record of Hansard, and I hope it will not be changed. I ask for your ruling, Mr. Chairman; my hon. friend should either make a charge and give those men a chance to defend themselves or withdraw the statement. He says he cannot prove it.

The CHAIRMAN: I did not understand the hon. member to make that statement. However, if my hon. friend did have that understanding, the hon. member now says he did not say so.

Mr. DUNNING: Do I understand my hon. friend from York-Sunbury (Mr. Hanson) to say that this government have been paid money?

Mr. HANSON: I said I had every reason to believe that a club was being held over the manufacturers by this government, by the Liberal party.

Mr. DUNNING: My hon. friend distinctly mentioned money and the receipt of money by this government.

Mr. HANSON: If I said the government themselves were receiving money I did not mean anything of the sort; I meant the Liberal party.

Mr. DUNNING: That is so vague that no one can make my hon. friend prove his statement; it is sufficiently vague to be safe.

Mr. HANSON: The Minister of Railways need not be so touchy about campaign funds. Any man who was at the head of the Liberal machine in the province of Saskatchewan as long as he was should know something about campaign funds.

Mr. DUNNING: I am proud of coming from the province of Saskatchewan. No charge was ever made reflecting upon my honour as a public man in relation to campaign

funds or money of any sort, and it ill becomes a New Brunswick Tory like my hon. friend, with his public record and with the public disgrace which was visited on him by the courts of his province, to say what he has said. Now I come back to this other question. There is some liberty in this parliament and it is not confined to one side of this house. I have not made a charge or a reflection of the kind the hon. member for York-Sunbury has just made regarding myself, in or out of this house, and I would not now reflect upon him if he had not been guilty of the ungentlemanly action which he has just performed. I think I have the right to say, however, that he is the last man in this house to cast a reflection on the honour of any man.

Mr. HANSON: Mr. Chairman, I would not have risen had it not been for a personal reference to myself which was made by the Minister of Railways.

Mr. DUNNING: I made no such reference.

Mr. HANSON: My answer is this, that as far as my personal honour is concerned, it was vindicated before a jury of my peers, and as far as my public honour is concerned it has been twice vindicated by the electors of York-Sunbury by majorities which have never been exceeded in that constituency. The people of my city and of my riding, who know me far better than I am known by any man in this house, have recorded their confidence in me in such a marked degree as to give every man the answer to any calumnies which may be hurled against me.

Mr. MALONEY: Mr. Chairman, it seems to me there is so much bad in the best of us and so much good in the worst of us that it hardly behooves any of us to talk about the rest of us.

The CHAIRMAN: Shall item 522 carry?

Some hon. MEMBERS: No.

Mr. BENNETT: The Minister of Railways has made some observations touching on a member of this house, and he has endeavoured to show that his hands and the hands of the government are clear with respect to campaign funds, about which some discussion took place. It was said that this legislation is being held as a club over the manufacturers. I leave this for the moment with the Minister of Finance: Is it a new thing in this house to have legislation introduced by the government of which he was a member, retroactive in its character, that was used as a club with which to extract money from people?

[Mr. Dunning.]

Mr. ROBB: I think my hon. friend has either said too much or not enough. If he has anything more to say I am willing to have him say it now.

Mr. BENNETT: Answer that question.

The CHAIRMAN: Shall item 522 carry?

Some hon. MEMBERS: Answer.

Mr. ROBB: I have answered it.

Mr. STEVENS: The minister has not answered it, as he knows very well. I might as well say to the minister that colleagues of his are not going to be permitted to indulge in any such talk as that uttered by the Minister of Railways to-night, while we keep eternally silent—

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. STEVENS: —while we keep eternally silent on matters which he himself knows are no credit to any party or any group of business men or to the public and political record of this country. Now, I believe, we are on item 522.

Mr. CANNON: Mr. Chairman, I rise to a point of order. I do not think any member of this house can be allowed to make the remarks which my hon. friend has just uttered. They are a reflection on the honour of the house. If my hon. friend wishes to lay a charge let him do so, but I do not think any member can get up and speak in such an indeterminate and indefinite way in order to leave a general accusation against the whole of this side of the house, and in fact against both sides of the house. I may only add that if my hon. friend will reflect I think he will come to the conclusion that not much good will come from any such statements. We had them two years ago.

Mr. STEVENS: What is the point of order?

Mr. CANNON: My point of order is that my hon. friend should not be allowed to make statements such as those he has made. He has no right to make them.

Mr. STEVENS: In regard to the point of order—

Mr. CANNON: The rule is well known; if he wishes to lay a charge let him do so, but if he does not wish to lay a charge he has no right to make such statements.

Mr. STEVENS: I think the Solicitor General should wait until he knows just what preceded my statement before raising his point of order. A good deal has been said in this committee in the last fifteen minutes.

Mr. CANNON: I was here, and I do not think much good will come out of it.

Mr. STEVENS: Possibly not, but I have nothing to withdraw and nothing to change in what I said. The item which we have been discussing, and from which we have digressed rather considerably, is item 522, and the point at issue between the Minister of Finance and ourselves is this: The cotton schedule has been divided up and changed. With the general change of the cotton schedule we are not so much concerned, but we do complain that the government, on their responsibility as the government of this country, have broadcast throughout the country the statement that they have lowered the tariff generally, and particularly on the cotton schedule.

Mr. ROBB: May I inform my hon. friend that the amendment of the opposition practically said so, as well as all the speeches that we have listened to from February 16th up to to-night.

Mr. STEVENS: Very good; never mind that. That is one of the minister's peculiarly specious methods of dealing with this question, suggesting that because we happen to be protectionists we should not raise any question when the duties are raised. We are not complaining about the raising of the duties. What we do complain about is that the government holding office is seeking support throughout the country among what they call the consumers, if you like, on the ground that they are lowering taxation, lowering the cost of goods to the consumer. On the other hand, and I do not say this is any offensive sense but as a statement of fact, they are making arrangements with manufacturers to raise the tariff, which will have the effect of keeping them in a position of status quo at least, if not in a better position than they were before. We are not saying it is wrong to protect the manufacturers, but we do say it is wrong to do that and then go out and tell the public that they are lowering the duty in the interest, they say, of the consumer. That is what we complain about. Now in regard to these items, we have discussed them and there has been every conceivable effort made, particularly by the Minister of Railways, to becloud and evade the issue.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: There is no "oh, oh" about it; it is a fact. We know it and the house knows it. I say it is to the credit of the minister as a tactician that he does it with considerable skill, and I have not any doubt that he will repeat the performance when he gets out west, with a fair degree of political success. But that does not prevent us from exposing it as far as we are able to do so. The fact remains that in the case of the largest item of cotton imports, from being free the tariff has been raised to rates of 15 per cent, 22½ per cent, and 25 per cent. That is a fact. Now, a moment ago, just because my hon. friend from Peace River (Mr. Kennedy) happened to make one little slip, which did not affect his argument to any degree at all, regarding thread used in stitching, which was confused for the moment with cotton yarns, both the Minister of Railways and the Minister of Finance said: Oh, we will deal with that when we come to threads; then we will show you what a great reduction we have made. I ask the minister if he will be good enough to give me the rates in the old item on threads used for stitching and the rates in the new item.

Mr. ROBB: Well, the rates have been reduced. They come in under 522c, on which the rates have been reduced from 17½ per cent to 15 per cent under the British preference. The other rates remain the same.

Mr. STEVENS: Now then we have—

Mr. ROBB: It may help my hon. friend with his argument if I make a statement. If he is right in what he has said, then the representations made by the textile people are all wrong, because I have a very clear recollection that the Dominion Textiles, for instance, say that these reductions mean a a loss to them of $600,000. I think I have their letters on the subject, but at any rate that is my recollection.

Mr. STEVENS: Possibly.

Mr. ROBB: And Canadian Cottons say the reductions to them will mean pretty nearly a million dollars. I do not say they are right, but these are the representations that have been made to me.

Mr. STEVENS: That may be; but what we are complaining about is the presentation of these things to the house, not the fact that there is a reduction or an increase. We believe that industries should be adequately and fully protected as far as is necessary for their welfare in the community, but we are not going to allow the government to make

changes and shiftings in the tariff and then come before the public and claim certain virtues. As a matter of fact, on this boasted item of reduction to the consumer here is what has happened: Under item No. 536 in the old schedule, cotton or linen thread was dutiable at 17½ per cent, 22½ per cent and 25 per cent, and in the new schedule the rates that are so much boasted about are 15 per cent, 22½ per cent, and 25 per cent, a reduction of 2½ per cent in the British preferential rate. The reduction is so infinitesimal as not to warrant any claim to credit on the part of the government that under this item they are reducing the taxation to the consumers.

Mr. MANION: The Minister of Finance a moment ago said that to a certain cotton company—he named the company, but I have forgotten the name; I was not lobbied so I do not remember it—this change meant a million dollars. In the case of another company I think he said $750,000.

Mr. ROBB: No, $600,000.

Mr. MANION: In view of these statements, in view of the fact that the Minister of Finance says he is making this change to relieve the cotton manufacturers, why does the Minister of Railways argue that the government are trying to relieve the consumer?

Mr. DUNNING: Representations were made to the Minister of Finance that there was a loss of $1,000,000 in one case and of $600,000 in the other. Then the consumer gains because these losses are on the sales to the consumer.

Mr. MANION: That is not the way the minister explained it when he got up.

Mr. STEVENS: The minister says the consumers have been saved in one case $600,000.

Mr. DUNNING: Oh no, they say that.

Mr. STEVENS: They say it? The minister cannot get up as a responsible minister and quote certain business men as his authority for placing certain figures on Hansard, letting them go out to the public as figures from this house, and then assert, "Oh, well, I am not saying it." The minister made the statement as though there had been a saving to the consumer in one case of $600,000. I ask the Minister of Finance what were the importations?

[Mr. Stevens.]

Mr. ROBB: I did not say anything of the kind. I said that representations had been made that the changes in the tariff had caused a loss to two different companies, but I added that I was not prepared to admit that their statement was correct.

Mr. STEVENS: Then the suggestion of the Minister of Railways was wholly beside the mark, absolutely beside the mark. Let us make it clear. Will the minister tell us what were the importations under item 536 of the tariff last year?

Mr. ROBB: I am not sure that I have that information.

Mr. DUNNING: While the minister is looking the information up, may I state in all kindness to my hon. friend from Vancouver Centre that when he asserted that this item was the largest one in the cotton schedule, he evidently overlooked the fact that there was another item represented by $9,500,000 of imports.

Mr. STEVENS: I was referring to the item upon which a higher duty has been placed, where the importations amounted to two millions and some odd thousands of dollars.

Mr. DUNNING: I understood my hon. friend to say that it represented the largest importation in the cotton schedule. If he did not say that I am mistaken.

Mr. STEVENS: The sum of $2,700,000 is a substantial item.

Mr. DUNNING: Substantial, but not equal to $9,500,000 of cotton fabrics.

Mr. STEVENS: That may be.

Mr. DUNNING: I draw attention to it just in the interests of accuracy.

Mr. BENNETT: I venture to direct attention to the fact that in the presentation of the case by the applicants for an increase of duties, it was alleged that this cotton mill was interested favourably in the application to increase the duties on cotton yarns. I find at page 652 of the record, volume 3, 14th December, 1927, the following:

To the Chairman and members of the
Advisory Board on Tariff and Taxation,
Ottawa, Ontario.

Gentlemen:

We, The Canadian Spool Cotton Company, of Montreal, are interested in the application of the Wabasso Cotton Company, Limited, for a duty on cotton yarns 40 and finer, because,—

(a) We are importers of such yarns on a large scale, for use in the manufacture of cotton sewing thread;—

They are a branch of the Coates people.

(b) Special reference is made to our business in the brief of the applicants.

We refer at once to the statement made in the Wabasso Cotton Company's brief, as follows:

"The Canadian Spool Cotton Company, which is a branch of Coates, bring their yarn in under a special clause 535" Thread, cotton, sewing in hanks, 7½ per cent, "so that this class of work will apparently not be affected by our request."

This statement is, in large part, incorrect, and to the important extent in which it is incorrect it is gravely misleading. As a matter of fact, although we import thread in hanks, the bulk of our raw material consists of single yarn 40 and finer, which we entirely import under clause 532, free of duty, and convert into thread at our factory, undergoing the processes of twisting, bleaching, dyeing, polishing and spooling. In addition there are the allied processes of paper box making and spool turning.

The effect of putting a duty on yarns 40 and finer would be to increase the cost of our production of thread, and consequently our selling price without benefit to the Wabasso Company, because we would be obliged to continue to import such yarns to maintain, with regularity and uniformity, the high standard of quality, upon which, more perhaps than upon any other factor, the successful operation of our business depends. It will be seen, therefore, that our business would be seriously affected if the request of the Wabasso Company were acceded to without qualification.

It is our respectful and deferential submission that the manufacture of these fine cotton yarns for thread making purposes, necessitating, as it does, intensive training of operatives, and the highest supervisory skill, can only be done successfully by people who specialize in such manufacture, and it is very questionable, indeed, whether the volume of consumption in Canada at present—having in mind very especially the considerable number of counts called for—would admit of specialization on an economic basis, even with a fair degree of protection, to compete with the enormous specialized production of Great Britain and the United States.

Up to that point this is a letter written by the Coates people saying that the consumers would have to pay increased prices if a duty were placed on the finer yarns. As reported on page 654 they say further:

During the past six years we have on different occasions tried samples of the Wabasso Company's yarns, but these did not come up to the standard deemed necessary for our trade.

The statement made in the Wabasso Company's case that much of the fine yarns we produce forms a very small part of the cost of the material into which they go, obviously does not apply to thread, and was not, we believe, intended to apply. The cost of yarns used in making thread constitutes at least 40 per cent of the cost of the thread.

I read that to the minister because I am certain he had not read it in view of the observations that he has just made. This is the closing paragraph:

For these reasons, we submit that we, in common with the other thread manufacturers in Canada, should be allowed to import free of duty, as we have been for over thirty years, cotton yarns, single stand, in counts 40 and finer, for use exclusivley for the manufacture of thread in our own factories.

I take it that the amendment proposed by my hon. friend is to meet that situation.

Mr. ROBB: It is to help them, but there is still a protection.

Mr. BENNETT: I am not talking about that.

Mr. ROBB: They have a protection on thread of 15 per cent, 22½ per cent, and 25 per cent.

Mr. BENNETT: I am not talking about thread. I am talking about the application, to which I referred in the early part of the evening, to increase the duties on counts 40's and finer, and I referred to the statements made on the record with respect to it. I now turn up the case made by the very people, the thread manufacturers, showing what they said the result would be, and they close by saying:

For these reasons, we submit that we, in common with the other thread manufacturers in Canada, should be allowed to import free of duty, as we have been for over thirty years, cotton yarns, single strand, in counts 40 and finer, for use exclusively for the manufacture of thread in our own factories.

I am pointing out that the effect will be to increase the price of thread to the consumer. I am not talking for the moment about the thread, what the Minister of Railways calls the consumers' side of it. I am talking about the application of this company for a duty and the answer given by the thread company as I find it at pages 652 and 654 of the record. That is the case with which I desire the minister to deal.

Mr. STEVENS: I have not had an answer to my question.

Mr. ROBB: I think my hon. friend asked as to the importations under item 536. The figures are as follows:

Imports for 1927, cotton sewing thread, crochet and knitting cotton	$1,321,583
Duty paid on the above	194,978
Home production	3,905,297

So that the Canadian industry has a pretty fair share of the business.

Mr. STEVENS: How much of that came from the old country?

Mr. ROBB: It comes in under different divisions, as follows:

	Total	British preferential	Treaty	General
Sewing thread in hanks	$626,628	$357,093	.....	$269,545
Sewing thread in spools	99,625	14,991	$ 5,528	79,106
All other cotton thread n.o.p.	274,397	171,213	5,382	97,802
Crochet and knitting cottons	320,933	11,445	288,317	21,171

Mr. STEVENS: According to these figures the total reduction in taxation is about $1,250.

Mr. ROBB: I do not know about that.

Mr. CAHAN: Has the minister made any investigation to ascertain whether articles coming in from abroad really pay the tax, or whether the consumer pays it? In other words, has any study been made as to the comparative prices for articles of the same grade in Canada, in Great Britain for export plus transportation and in the United States for export plus transportation? I am instructed that in many of these items the cotton factories of Canada have not within hundreds of thousands of dollars taken advantage of the duty; that the sole advantage they have taken of the duty has been at certain odd seasons of the year to prevent dumping: but that if these tariff reductions, in so far as they are reductions, are made, you simply force them to take as high a price in Canada as they can under the tariff at all seasons of the year, even when dumping is not indulged in by their foreign competitors. It seems to me that in order that the house may have an adequate idea of the situation, a study should be made of the various prices at different times of the year as between the Canadian product sold in Canada and the products of other countries which are imported in competition with it.

Mr. ROBB: I have been in parliament since 1908, and I have heard it argued on both sides as to who pays the customs duty. I admit frankly that I did not read all the evidence because I did not have time, and my hon. friend will not read it all; but I found from having run over the evidence and if my hon. friend reads part of it he also will find, about the same division of opinion before the tariff board as there is in this parliament as to who pays the customs duty.

Mr. CAHAN: I am not dealing with it generally, because no matter how wide the knowledge of the minister and of his assistants may be, I do not think he can say in any general way that the consumer pays or that the foreign manufacturer and exporter pays the duty. But I do say that a careful investigation of any item, noting the sales in Canada of the same grades, and the wholesale price in Canada as compared with the prices at which these same grades are sold for export to Canada, would divulge very, very important and relevant information, namely, whether the Canadian manufacturer is taking advantage of the tariff to exact undue prices in Canada. I do not pretend to be an expert, but I have given some attention to the matter, and I am firmly convinced that the Canadian manufacturer in three cases out of four is not making use of the tariff to exact from the Canadian consumer the prices which he might exact if he took full advantage of the tariff. I think that is the most important investigation that the Department of National Revenue or the Department of Finance could make. If the Finance minister on any occasion can show to me any item of the tariff which is being unduly taken advantage of to increase the price in Canada, then speaking for myself, I will vote with him either for an excise tax or a reduction of the customs tax which will prevent that abuse. Before these items are presented—the Finance minister himself may not have had time to read the evidence, I admit that; I suppose in the administration of his department his time is taken up with many things other than this—but through the officials of his department the minister should be able to read that evidence and to ascertain its real purport, so that we may know with regard to these items whether, when increases are made, they are really necessary for the encouragement and protection of the Canadian industry concerned, or, when they are reduced, whether the reduction means or is likely to mean any reduction in price to the Canadian consumer. There is not an item on which, with the machinery the hon. gentleman and his colleagues command, they could not ascertain and present a fair analysis of these facts. I believe we on this side of the house are just as serious as the hon. minister himself in our opposition to abuse of the tariff for the purpose of profiteering,and therefore when reductions are made we wish to know whether the tariff as it stands is being made use of for that purpose, or whether it simply stands as an element of protection against foreign competition and against the foreign dumping to which this market is subject.

Mr. ROBB: I may repeat that my hon. friend will find some evidence in the reports tabled indicating the prices in the different countries and the cost of production. I have not very much objection to the statement of my hon. friend. He has convinced me of something that I had in my own mind, and I think he will agree with me, that if the Canadian manufacturers of textiles and cottons have not been taking full advantage of the tariff, the reductions we have made will not do them any harm.

Mr. CAHAN: I submit that they will do them harm, and do the great bulk of the consuming population in Canada no good. In order to ascertain the facts as far as I could, I went to a manufacturer—I am not going into details as to names and all that—and his reply was that he was prepared to show me that his factory or factories had never taken advantage of the tariff in all these years, except on two or three occasions when dumping was attempted against them; or the dumping may have been due to depreciation of foreign currency, which amounts to exactly the same thing. But, he said, if you do not give us protection against the dumping during two or three months of the year by the foreign producer with a surplus on hand in his own market which he will put into the Canadian market as any price, giving a temporary price advantage for a few days or weeks in the Canadian market—if you do not protect us against that, we are bound for our own protection to take full advantage of the reduced tariff in order that we may make up during the nine or ten months of the year the loss which we sustain due to the large dumping which takes place in those two or three months. I am convinced that the person talking to me was absolutely sincere: as a matter of fact, I have reason to believe he is a supporter of the hon. gentleman and of his party. But I was talking to him as a serious man in order that I might get a fair understanding of the case of the manufacturer, and I think it is due to us as members of this house that we should have the data placed before us. If the hon. gentleman has not had time in the weeks and months—

Mr. ROBB: I have placed the evidence on the table.

Mr. CAHAN: I know it is on the table, and I make no reflection on the minister because I know that as head of the Finance department it is absolutely impossible for him to read it. But he has ample assistance; he has eyes to read for him and brains to think for him, and how can I as a private member of this house digest a typewritten document of this extent which is placed on the table only two or three weeks ago? It is absolutely impossible for me to study it. Before this budget was brought down, before it was attempted, a statement ought to have been laid before us with regard to these more important items which would enable us to elucidate the facts and to ascertain whether the manufacturers affected are abusing the tariff for their own profiteering, or whether this action is really necessary to protect them against foreign dumping and foreign currency depreciation at a time when they are not using the tariff for any improper purposes but are giving the consumer during nine to eleven months of the year the full advantage that can be given him in the price of the staple products that are placed on this market.

Mr. SPEAKMAN: Mr. Chairman, the question raised by the hon. member for St. Lawrence-St. George whether a reduction in duty actually reduces the cost of the article to the consumer, is rather important. One thing, however, that may throw some light upon the subject is the obvious anxiety of many manufacturers to have their imports of raw materials placed upon the free list. It is evident that when they in their turn become importers, they believe, whether rightly or wrongly, that the reduction of the duty does reduce the cost of the article.

Mr. STEVENS: The point raised by my hon. friend (Mr. Cahan) is, as has been intimated, a very important one indeed. The charge is very commonly made that one reason why we should not have a protective tariff at all is that the Canadian manufacturer takes full advantage of the duty imposed, and therefore the consumer must pay that duty in addition to the normal price of the manufactured article. When this subject was under discussion about three years ago I went to several of our representative industries and asked then to give me the privilege of examining their cost records and other books to ascertain for myself whether or not such a practice was being carried on. They were important firms, and were kind enough to give me free access to the information that I desired. I found on examination of the cost sheets and books of, I think, six or seven firms that the duty never entered into their process of price fixing. The factors entering into it, of course, are overhead, rentals, cost of material, wages, and so on—the usual charges against the manufactured article. Then a certain profit was charged according to the

class of goods manufactured, for instance, with a boot and shoe factory it was 7½ per cent, with another concern it was 5 per cent, with another 11 per cent; but in no instance did the manufacturer take into consideration the tariff duty in fixing the price of his commodity. And that is exactly what ought to be done in all these cases. There should be no inclusion of the amount of protection in fixing the price of the commodity manufactured. I am citing this—and I am very glad the hon. member brought the question to the attention of the committee—because I think a very excellent service could be rendered to the public in the first instance, and to the honest manufacturer and dealer in the second, if the tariff advisory board would make it a point to examine the records of companies with this point in view. For instance, if a company appeared before them either to defend a proposed reduction or to ask for an increase of duty, and it was found that such company took full advantage of the tariff schedules, then I say it would deserve very little consideration, if any. As a matter of fact I think the tariff advisory board should make a finding according to the facts. The result would be that such concerns or groups of industries as abuse the privilege of the tariff could be disciplined either by a reduction of the tariff or the imposition of an excise tax. That is the proper way to deal with it. On the other hand the honest Canadian industrialist, carrying on his business according to the sound and well known principles of economics, is entitled from this country to a fair deal and reasonable tariff protection.

Mr. ROBB: Who in the last analysis would pay that excise tax?

Mr. STEVENS: The manufacturer or group of industries offending. After all, our industries are pretty well organized to-day. For instance, we have the automobile industry, the cotton industry, the woollen industry all grouped; in fact all the major industries are grouped. If it were found that, say, the cotton industry was abusing the privileges of the tariff by adding the full amount of the duty to their commodity price, then the imposition of the excise tax would be on the manufacturers in that industry.

Mr. ROBB: Would not they pass it on to the consumer?

Mr. STEVENS: Not necessarily at all. That when you impose a tax it alone goes to the consumer is the most utter fallacy that can be maintained. Rent goes to the consumer, also insurance, in fact anything that is a charge against the cost of the material in the course of its manufacture goes to the consumer.

Mr. ROBB: I am interested in this, and as my hon. friend has made a study of the subject he may be able to clear up the point. Does he argue that we should place an excise tax upon a domestic manufacturer and allow imports to come in without that excise tax?

Mr. STEVENS: Not at all. If a group of industries are found to be abusing the privileges of the tariff, that is, adding the full amount of duty when it is not necessary for their welfare, then I say impose an excise tax, or, if you prefer, lower the duty—either one or the other. I am inclined to think that the best way would be to impose an excise tax, because then the exchequer would be benefited.

Mr. ROBB: But let us clear this up so that it will go out right to the country. Then the policy would be to impose an excise tax only on the domestic manufacturer?

Mr. STEVENS: No, the minister cannot corner me in that way.

Mr. ROBB: I am not trying to.

Mr. STEVENS: It appears to me that he is. The point I am making is this. If a Canadian industry having a protection, we will say, of 15 per cent is able to manufacture its article just as cheaply as it is manufactured abroad, and the industry be healthy, we will say that 10 per cent is a fair profit; but the manufacturer adds 15 per cent, thus abusing the privileges of the tariff. Then I say, either reduce the tariff to 10 per cent, or impose an excise tax of 5 per cent, whichever you think will more effectively cure the abuse. That is where the tariff advisory board would function.

Mr. ROBB: I can follow my hon. friend when he urges for a reduction of the tariff; but when he favours putting an excise tax not only on the domestic but on the imported article, I do not understand how he would change the price.

Mr. STEVENS: I did not say that. I want to be clear on this; I do not want it to be hurled at me later that I made a statement which as a matter of fact I did not make. Mark you, where an industry is acting fairly with the Canadian public nothing should be done. Let us make that clear.

Mr. ROBB: Yes.

Mr. STEVENS: But where an industry is abusing its tariff protection, taking full advantage of the duty, although it does not need it, then I say impose upon that industry an excise tax or reduce the tariff.

Mr. CAHAN: Mr. Chairman—

Mr. CAHILL: I rise to a point of order, Mr. Chairman. It is well understood in this house that an hon. member may discuss almost anything during the budget debate. The budget debate is concluded, and I do not know that we have any rule to permit a member discussing everything under the sun when a tariff item is under consideration by the committee. I did not wish to call my hon. friend (Mr. Stevens) to order because he had not an opportunity of speaking on the budget, but I do think that this house has wandered far from the rules both during the budget debate and in committee. Hon. members should stick to the item under discussion or we shall never get through.

The Acting CHAIRMAN (Mr. Power): The point is well taken, and I would ask the committee to confine itself more closely to the subject under discussion, namely, item 522.

Mr. CAHAN: I have been dealing with item 522 right straight along. My point is that before any reduction is made in that item we should have a specific comparison of prices abroad, either in England or in the United States, with the prices which are exacted in Canada. When the Minister of Finance says an excise tax would not prevent abuse and undue profits, I tell him that such a tax placed on Canadian production would take away undue profits. And the excise tax upon the foreign product has no relation to the question in dealing with cotton yarn. It has no relation to it whatsoever, because if the tariff is so high as to enable the domestic manufacturer to take undue advantage of it and to profiteer on his sales, then it is so high that no excise tax imposed upon the foreign exporter into Canada will help the situation at all. If we look into the facts and find a factory or a group of factories unduly profiteering in cotton yarns then there is intelligence enough in the Finance department as well as in the Department of National Revenue to ascertain where a reduction in the duty is necessary, or whether the imposition of a form of excise tax, taking away the undue profits made by that factory or group of factories, would result to the advantage of the Canadian consumer. You cannot convince me that a factory or group of factories manufacturing cotton yarns will indulge unduly in profiteering except to secure a profit to that factory or group of factories. According to my suggestion you take away the excess profit and every incentive to deal unfairly and unjustly with the Canadian consumer.

Mr. ROBB: My hon. friend a moment ago inquired as to investigating costs in other countries. I find this memorandum from the board to the minister:

> Almost every reference to the board has contained statements regarding conditions in foreign countries, and especially wages and labour costs. In many instances the sources of information thus presented have not been clearly defined, in others the information furnished has not been up to date. Not infrequently both applicants and opponents have contended that the duty of determining conditions at the origin of export fell upon the board. Unfortunately the board has had neither the time nor the financial resources for conducting detailed investigations abroad in all the matters referred to it, and it must be admitted, in several of the applications, has not yet been able to secure satisfying information.

I take it, therefore, that the board has that question under consideration. I do not wish to precipitate a longer debate, but in one particular case—I am not saying that it was sound tactics—one of the textile industries of another country came voluntarily before the board and presented evidence as to costs in that country. My hon. friends opposite have found much fault with that procedure.

Mr. BENNETT: Not with their presentation as to wages, but with their observations respecting the applications themselves and the examination of witnesses, which is an entirely different thing. I have taken the trouble to read carefully what they did say and if the minister will do the same he will see the pertinence of my remarks in this respect.

Mr. ROBB: I admit that it was not the best of manners.

Mr. CAHAN: The tariff board in the United States has a number of experts who make investigations abroad regarding prices, costs of production and so forth, so that they have, in respect of any tariff item, all the material which I am now suggesting should be available to the Minister of Finance. It seems to me that, so far as production in foreign countries is concerned, advantage might be taken to a certain extent of such researches. In competition between us and the United States I consider it the duty of the tariff board to make these investigations by expert assistance. Means should be placed at the disposal of the board for this

purpose, so that when these items come down we may have salient facts on which to base our opinion and decision.

Mr. BENNETT: We should bear in mind also the fact that our membership in the League of Nations gives us access to that large body of information, to which I ventured to refer the other day, regarding wages. The International Labour Bureau, maintained in connection with the league, makes available for us all that information with respect to wages and the relation of wages in foreign countries to our own. The trade commissioners are also in a position to furnish the same information. The index figure, according to an article in the National Magazine of last month in connection with British industry, showed that when it was 100 in England it was 153 in Ottawa and 175 in Philadelphia. The various countries in the world were given, and especially low were the figures in some of the Balkan states and in Belgium. I cannot see why the tariff board should not avail itself of information thus secured by the International Labour Bureau.

Mr. ROBB: I think they do use such information to a considerable extent.

Mr. KENNEDY: I understand that the minister has put on record some figures regarding the production of various yarns in Canada.

Mr. ROBB: Yes; they will be in Hansard to-morrow.

Mr. GEARY: Do these figures enable us to say whether item 522, cotton yarns, not exceeding 20's single, 10 per cent, 15 per cent and 20 per cent, constitutes an increase or a reduction in the tariff?

Mr. ROBB: A number of the items are obsolete. It is chiefly a reduction.

Mr. GEARY: I am directing my attention to No. 522.

Mr. ROBB: If my hon. friend picks out 522 alone—

Mr. GEARY: That is the one we are discussing, according to the chairman.

Mr. ROBB: We have been discussing the items generally. I do not know whether my hon. friend wants to get on the record at this late hour all the facts bearing on the matter. In this particular item alone there is an increase.

Mr. GUTHRIE: There is an increase in item 522?

[Mr. Cahan.]

Mr. ROBB: Yes, but taking them altogether there is a very considerable decrease.

Mr. GEARY: I thought we would take them one at a time. The minister has referred to the assistance he received from the tariff board, which it was stated earlier in the evening was a fact-finding body. It is advisory, apparently, in connection with the fixing of the tariff schedules.

Mr. ROBB: Yes.

Mr. GEARY: I should be very glad if the minister could recollect those recommendations made by the tariff board, not in writing but at those conferences of which he told us, which extended into the late hours of the night. What was the basis upon which the tariff board made a recommendation for the increase of any duty? Was it on the basis of taking care of or protecting, if you like, the particular industry under discussion? If so, was that communicated to the minister and was it used by him in arriving at the schedule rate?

Mr. ROBB: Not in any particular industry. If my hon. friend will say the industries throughout Canada I will repeat what I said this afternoon, that in the case of some industries, some particular items, the government did not go as far as the tariff board thought they might go. The tariff board, having heard all the evidence both from the manufacturers and from the other side, thought there might be an increase in some cases, but the government determined differently.

Mr. BENNETT: Because that was not the business of the tariff board.

Mr. GEARY: I am afraid I am not quite answered yet. I am anxious to know the principle upon which advice was given by the tariff board. In making their recommendations or reports, whatever you call them, did they indicate that they were proceeding on the principle of protecting industry generally? Did they indicate that some particular industry required for its protection from competition from abroad, or for various reasons, some increase in the tariff schedule, or is the report or advice of the tariff board a hit and miss affair? Do they say, "We think this industry can stand a little and this other industry cannot stand it so well"? If there is no principle at all behind the recommendations of that board, what possible system have the government in arriving at a definite figure?

Mr. ROBB: The system of common sense, as far as we understand it; the same system hon. members opposite would follow if they had the responsibility of office. The idea is to do what we believe is in the best general interests of the people of Canada.

Mr. GEARY: All I can say to that statement is that I am very grateful for the implied compliment that because we did it it is right, but the point I am making in regard to this or any other item is this: If you are going on the advice of the tariff board, that advice to be valid and worth acting upon must be founded on some principle, otherwise it is a hit and miss affair. In the hands of a government which wanted to make use of it the tariff could be very readily used, under these circumstances, as an instrument for imposing upon industries and getting money from them, if you will. I am not suggesting for a moment that that has been done, but the tariff board, constituted with no definite principles upon which to make these recommendations, can be more readily made a toll gate than a tariff board. I am not speaking of the personnel now. So I say that the temptation to any government of having an instrument such as this ready to its hand is too strong, unless the recommendations of that instrument are to be based upon some definite principle. I should like to know if they have been so based.

Mr. ROBB: I do not like these insinuations, which come up from time to time, that the tariff board might be a toll gate. If my hon. friend advances that argument he might as well say that the government he supported when they were in office carried on a toll gate, and I do not believe they did. They used their best judgment at the time.

Mr. GEARY: No, I particularly said that I was not speaking of the personnel of the tariff board or of the government at all. I am only speaking of the uselessness of a tariff board which is constituted with no definite principle. A tariff board was set up in India and another in the United States; I prefer to speak of the one set up in India, which was constituted on the definite principle of protection as the guide to the recommendations they should make. They knew where they were; they knew what facts they wanted to get and the government had a finding based on some policy upon which to act. Now I say that as long as our tariff board is not properly constituted in that regard, there is the danger that it may be made just what I have indicated. I am making no insinuations; at the moment I am just trying to discuss the functions of the tariff board which brought in a report favouring an increase of the duty on this particular item 522.

Mr. ROBB: I did not say they advocated it in this particular item; I do not recall whether or not they did, but I think I have caught my hon. friend's point now. He says that the United States board received instructions and was created as a method of protection. Am I right in that?

Mr. GEARY: The board in India.

Mr. ROBB: Our board is different; it is a fact-finding body. In this large country there is a wide difference of opinion, some people believe in absolute free trade, at least one of whom sits over yonder. Other gentlemen are here, representing different constituencies, who advocate higher tariff. We have had two or three elections in this country on the tariff issue alone.

Mr. BENNETT: All of them, you say.

Mr. ROBB: Perhaps all of them. We created the tariff board so that those who advocated a higher tariff and those who advocated a lower tariff could go before that board and submit to it all the facts they could produce in support of their position. The board reports to the government, and the government must take the responsibility for the policy adopted.

Mr. STEWART (Leeds): I should like to ask the Minister of Finance one question. He says the tariff board is a fact finding body. If that is so we should have a report of the facts which have been found.

Mr. ROBB: You have the evidence.

Mr. BENNETT: But not the findings of the board.

Mr. STEWART (Leeds): The evidence is brought in here perhaps a ton at a time.

Progress reported.

Mr. POWER: Mr. Speaker, I rise to a point of order, simply to obtain an interpretation of the new rules. May I ask if it is not competent for the chairman of the committee simply to call it eleven o'clock?

Mr. SPEAKER: The committee must report progress and the Speaker must adjourn the house.

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

Friday, March 16, 1928

The house met at three o'clock.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Customs tariff—522. Rovings, yarns and warps wholly of cotton not exceeding number twenty, not more advanced than singles: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. STEWART (Leeds): When the house adjourned last evening I was endeavouring to address myself to this item and a statement of the Minister of Finance in connection with the tariff advisory board which he described as a fact-finding board. That is exactly what I think every hon. member would like to have. We would like to have the facts in connection with this and the other items that are associated with it. The minister said: "The evidence is on the table." That is quite correct, but it is very bulky and I am sure no hon. member could undertake to read it. When we have a fact-finding commission, surely it ought not to be the duty of hon. members to find the facts from a perusal of the evidence. The commission should discharge that duty, and particularly in connection with these controversial items we should have from the commission a sort of precis or review of the evidence and the proceedings taken before it, and a statement of what has been found, as a result of that investigation, to be the fact. Imagine a commissioner or a judge being asked to investigate and find facts and then coming into court or this parliament and putting the evidence on the table, asking us to assume that he had discharged his duties! For the minister's own protection and for the benefit of hon. members he ought to ask the board to make a short review or precis of the evidence and a statement of facts found in connection with each one of these cases.

We have established this board at great expense; it has set up machinery; it should be well equipped to discharge this duty, and if it does not do so, then we have set up a piece of machinery that is very expensive, that is to a large extent useless, and, worse still, that is dangerous, because these investigations may go on and all the information that the house is to have in connection with them is a statement of the Minister of Finance that he met the tariff board some time about two o'clock in the morning and discussed these items with them. Apparently when these items come before the house we can get very little information in regard to them. This board was not intended to be a smoke-screen behind which the minister could hide, or behind which there could be private discussions and manipulations in connection with the tariff. What we expected was that we were to be furnished with findings of facts as ascertained by the commission, and if the commission fails in that respect, then it fails entirely in the discharge of its duty. I know every hon. member desires to know the fact, and if we had the fact we would be relieved of a great deal of discussion, a great deal of this suspicion would be cleared up and we would be able to discuss these items intelligently. I suggest to the Minister of Finance that he allow these items to stand and ask the tariff board, even at this late date, to make a finding of fact for the information of the members of this house, as it was intended they should do in connection with all these items. This resolution covers many items. Some of them are not controversial; some of them, I believe, in no way change the existing tariff, and perhaps therefore we can dispose of them; but I do suggest that as to these important items which are undoubtedly controversial, and upon which the house desires information, the minister should procure a finding of fact and a report on the facts from the tariff board.

Mr. GUTHRIE: Following on the suggestion of my hon. friend from Leeds, I confess my inability to appreciate the full significance of the changes in regard to the cotton schedules which the minister proposes in his present budget. I tried diligently last night for over three hours to gather from the discussion in this chamber just what the changes really were and just what they involved. I think I have a fair understanding of the matter now, but I may misapprehend the full significance of some of the changes. It is evident that in his effort to revise these cotton schedules the minister has not followed any principle; he has followed neither the principle of free trade, nor that of tariff for revenue, nor that of protection. He has operated on a happy-go-lucky, hit-or-miss, absolutely haphazard system, and when he stated in this chamber that criticism proceeding from the opposition and from the Progressive sections of the house was not uniform, the answer is that it would be hard to offer any uniform criticism or make any uniform suggestions in regard to proposals which have no uniformity about them, and which are not based on any principle. If I am wrong in the conclusions which I have reached in regard to this matter, the minister will correct me.

The new items 522, 522a and 522b all relate to the importation of cotton yarns into this country, and my conclusion is that on these three items the tariff is increased. There is no doubt whatever that there is an increase in item 522, because the minister so stated in so many words last night. Item 522 covers "cotton yarns not exceeding 20's, single," and the new rates proposed are 10, 15 and 20 per cent.

Mr. ROBB: What were the old rates?

Mr. GUTHRIE: I do not know.

Mr. ROBB: I will tell my hon. friend so that the country will have the record correct. My hon. friend has just stated that the new rates are 10, 15 and 20 per cent, and he does not know what the old rates were. The old rates were 15, 22½ and 25 per cent.

Mr. GUTHRIE: Then the answer made last night by my hon. friend the Minister of Finance was incorrect.

Mr. ROBB: No, I told my hon. friend that there were some items that were practically obsolete.

Mr. GUTHRIE: The minister was asked if the duties in regard to item 522 were increased or decreased, and he said there was an increase. I take it that, having regard to the importations, there is an actual increase in the duty on that item.

Now I pass on to item 522a, which covers "cotton yarns exceeding 20's but not exceeding 40's, single," on which the new rates proposed are 12½, 15 and 22½ per cent. Now I ask the minister, does that involve an increase or a decrease as compared with the former rates?

Mr. ROBB: The old rates were 15, 22½ and 25 per cent.

Mr. GUTHRIE: What was the number of the old item?

Mr. GARLAND (Bow River): There is another item, 534, which came in free.

Mr. ROBB: Answering one at a time, the old item was 520, and that has been split into two or three items.

Mr. GUTHRIE: Apparently there is a reduction of 2½ per cent on that, although my view is, on consulting the former tariff, that cotton yarns exceeding 20's and not exceeding 40's came in free. The minister tells me that the old rates were 15, 22½ and 25 per cent, and the new rates proposed are 12½, 15 and 22½ per cent. Apparently on that item there is a 2½ per cent reduction.

Then item 522b, which is the large item, covers "cotton yarns exceeding 40's, single," on which the new rates proposed are 7½, 10 and 15 per cent, while the former rate was free, free, free. The importations under item 522b are so far beyond the importations under the other items that one must conclude that there has been an increase in the protection afforded under these three items. I do not think there is any doubt about it; you can prove it to a mathematical nicety; you can demonstrate it absolutely. I think we may take it for granted that the object of the minister in granting increased tariff protection under these three items was, as he said last night, to give the manufacturers of cotton yarns some of the protection which the cotton trade enjoys. That, he says, was the government's reason for making these changes. I do not take issue with him on that point. I think it is a proper principle, and I hope he will continue to follow that principle in regard to the other items in the tariff schedules. He has already adopted the protective principle in regard to cotton yarns so that the manufacturers of these yarns in Canada may have some benefit from tariff protection, and he is giving this protection, he says, in order that the other manufacturers of cotton will not hog all the advantage of the tariff. I think we now understand the situation in regard to these three items. It is clear that an actual tariff increase is taking place. I hope my hon. friends from Manitoba and Saskatchewan who sit on the other side of the house, and who are pronounced free-traders in their views, will realize the full meaning of the tariff changes in respect to these three items, and that is increased protection to give the producers of cotton yarns some benefit of the tariff.

I listened with great pleasure to the explanation volunteered last night by the Minister of Railways (Mr. Dunning). He realizes full well, perhaps better than any other member of this house, that these three items involve increased protection, and that it becomes necessary for him to offer some explanation to his people in Saskatchewan. Accordingly he enters upon a thoroughly ingenious and artificial argument, endeavouring to show that there is some distinction between manufacturer's items and consumer's items in the present tariff. After labouring considerably with his argument, he announced that the consumer would be benefited because the duty on the thread manufactured from these yarns was reduced in the present proposals of the government. Now, how does that work out? Cotton yarns up to 40 and finer are now subject to a duty, when im-

ported from Great Britain, of 7½ per cent; up to the present time they have come in free. In the manufacture of thread these yarns constitute 40 per cent of the cost. There is an increase in the protection of 7½ per cent on 40 per cent of that thread, which, according to my calculation, is exactly 3 per cent increase on the thread. Then we turn to the subsequent item in the tariff and find that the government has reduced the duty on the thread by 2½ per cent, with the net result that the consumer of thread will have to pay one-half of one per cent more in duty than he did the day before this tariff was brought down to the house. If there is anything wrong in my figures or in my argument or in my presentation of this matter to the attention of the government and the Minister of Finance, let the minister correct me now. Let me repeat. The duty on the raw cotton imported—and it is a large item of $2,500,000—is increased by a stroke of the pen from free to 7½ per cent. From that raw material is manufactured the cotton thread. Seven and a half per cent increased duty on the raw material, and the raw material representing 40 per cent of the finished product, a reduction of 2½ per cent of the duty on the thread, leaves a net increase of duty to the consumers of this country of one-half of one per cent. If I am wrong I shall be glad to be corrected now.

I point this out again for the benefit of my hon. friend the Minister of Immigration and Colonization (Mr. Forke) and his colleagues from the province of Manitoba, and for the benefit of hon. gentlemen from the province of Saskatchewan who give to this government a slavish support on trade and fiscal matters. The truth is, this proposal has not been clearly laid before parliament. The government is not making readjustments upon any principle whatever. The criticism levelled against us that in one corner of the house we discuss this as a higher tariff and in the other as a lower tariff has some justification in fact. It is a tariff proposed I believe, simply with the idea of helping a particular industry here, or a particular industry there, upon no fiscal principle whatever, and at the same time intended to hoodwink that large body of supporters of the present government who live in the prairie provinces.

There is no doubt from the discussion last night, in fact we learned it from the lips of the Finance Minister himself, that this change in regard to item 522b was made at the instance of a single cotton company in this country. He says so. The Wabasso Company made the application. He stated last night that that was the only company that he knew—

Mr. ROBB: No, I said that company made application before the tariff board.

Mr. GUTHRIE: I will read the minister's exact words.

Mr. ROBB: That will be better.

Mr. GUTHRIE: At page 1388 will be found this statement by the minister:

I admit that only one mill will be materially benefited by this change.

Mr. ROBB: Materially.

Mr. GUTHRIE: Yes, dwell on the word if you like. Mine was a correct statement; there will be only one mill in Canada benefited. It is at the instance of a single mill in this country that a duty of 7½ per cent is imposed on $2,500,000 of our imports. That is done for the benefit of a single industrial institution, and at the same time the minister is penalizing every other manufacturing institution in this country in the cotton line—unless he is consistent and raises his tariff on the manufactured products of the other industries. That would be the adoption of a principle in regard to fiscal legislation. But in this case the government picks out a single friendly institution, and for the sake of that one industry it penalizes the whole trade and the whole population of the Dominion to the extent of 7½ per cent on $2,500,000 worth of imports. And then the Minister of Railways says: "Oh, that is only the manufacturer's item; wait till you turn to the consumers' item. Why," he said, "that raw yarn is made into cotton thread which is used all over Canada. For the consumers we have cut the duty on the thread 2½ per cent." In reality they have raised the duty from 2½ to 3 per cent.

Now, this is tariff tinkering with a vengeance. I agree with my hon. friend from Leeds (Mr. Stewart) that the house has not before it information sufficient to deal intelligently with this question. It would be far better if the tariff board had made an intelligent report, stating the facts which they had found. They returned a mass of documents and a mass of evidence, which the minister has candidly stated he has not had time to read, and no one would expect that he would have time to read it unless he did so very, very casually. The information which was derived from these investigations is therefore not before the house. Very few hon. members have digested that evidence, and still we are asked to make a fairly radical change in regard to the cotton schedule with-

out the minister having the facts at his finger ends or having the information which the tariff board gathered. I do not think it is a proper way of legislating. To my mind there is great force in the remarks of my hon. friend from Leeds, and those items should stand until the minister has given them further consideration. I do not think he knew until the last five minutes of my remarks that in the result he was going to increase the duty on thread. I am sure when the Minister of Railways spoke last night he did not realize it. But that is what the Minister of Finance has done. I ask the friends of the Minister of Railways from Saskatchewan, to take him apart and talk to him and see if they cannot straighten this matter out. It is as plain as can be; it can be demonstrated to a conclusion. I have no objection to the increase of 7½ per cent on the raw material; I think that is proper; but I say to the minister and the government, if they adopt that principle of protection they must carry it through as a principle and give the other manufacturers their fair share of the protection in accordance with the increase of duty on the raw materials.

Mr. ROBB: Mr. Chairman, listening to the observations of my hon. friend from Leeds and my hon. friend from South Wellington, I observe that they have had some of the same advice and from the same sources, maybe not directly, but indirectly, that has been pounded into me since the 16th of February.

Mr. GUTHRIE: Mr. Chairman, that is an insinuation. It was repudiated in this house last night. I never read the schedule and I never considered the matter before. All I know about it is from what I heard from the minister and his colleague last night.

Mr. STEWART (Leeds): I wish to state also, Mr. Chairman, that my information has been gained entirely from discussions in this house. All that I know about the matter I have learned in the course of this debate. Nobody has spoken to me on the subject.

Mr. ROBB: I will accept unreservedly the statement of my hon. friends and say that they have presented excellently the representations that have already been made to me by these different industries. Now my hon. friends have told the house what they think of the reclassification. I believe that both hon. gentlemen who have spoken have laid down the principle that the tariff board should present the facts and that upon those facts the tariff should be framed. If that means anything it means that we are taking away from parliament, comprising 245 members—

Some hon. MEMBERS: No.

Mr. ROBB: —and from the government of the day, responsible to the country, the right to frame the fiscal policy upon the lines submitted to the people in the campaign.

Mr. GUTHRIE: No.

Mr. ROBB: Well, that is my opinion.

Mr. GUTHRIE: It is far from the case; let us have the facts.

Mr. ROBB: I will place on Hansard a statement from the tariff board in regard to the items under consideration.

Mr. BENNETT: Was this statement submitted to the minister before yesterday or has he received it since? If it was submitted prior to the discussion yesterday we should have had it for our information in return to the motion we made for papers.

Mr. ROBB: In the light of yesterday's debate I asked the officer to go into the records and give me a statement, and this is it. They informed us some days ago that there had been presented to them a report from representatives of the textile industry, but I did not deem it necessary at the time to have that statement; I did not think it was urgent to take up the time of the house reading it. This afternoon, hon. gentlemen having indicated what they think of the reclassification, I propose to disclose to the committee the feeling of the trade in this matter, so that the country may judge as between my hon. friends and the representatives of the trade.

Mr. GUTHRIE: I am not an advocate of the trade; I am speaking for the people of Canada.

Mr. ROBB: I did not say you were. Now this is the memorandum to which I refer:

> Under the old tariff cotton yarns entered, mainly, under two items (520 and 532), but came in also under some six or eight vagrant items scattered throughout the schedules. There was no scientific structure, and practically no regard for "counts". Under the new tariff, all cotton yarn items, seven in number, are grouped in a series, based entirely upon counts. It is almost impossible to compare any single item of the former tariff with any single item of the new. For instance, yarns entering formerly under the general item 520 may now enter, according to their fineness, under several new items; contrariwise, yarns that entered formerly under several items may now enter under one item. Thus, individual items are not comparable. The new yarn schedule must be treated as an entity, a series.
>
> There were formerly three free yarn items; in the new tariff there is one. Of the two which have disappeared, one was practically obsolete, and the other was being misused.

Customs appraisal based on "counts" was desired by the entire cotton industry, since all cotton yarns are bought and sold on that basis.

My hon. friends will find that in the evidence.

The "count" system is one thoroughly understood by government appraisers, and every item in the new schedule has been approved by the Department of National Revenue. The new tariff is now in operation, giving remarkably little difficulty, even in outlying ports.

That is the memorandum. What does the textile trade itself think of the reclassification? I quote now from the Textile Journal of February 23, 1928:

This is the first general revision that has taken place since 1907 and in principle the proposed new schedule meets the changed conditions in the textile trade developed through these years. . . . There is no question that the division of the textile schedule according to materials is substantially correct and while we take very strenuous objection to the adjustment made in tariff rates, we believe that the reclassification will assist materially in efficient appraisal and administration of the tariff.

Mr. GUTHRIE: We agree.

Mr. ROBB: This is another item from the same journal, of February 23:

The outstanding feature of the new textile tariff schedule proposed by the Hon. James A. Robb, Minister of Finance, in his budget speech last week is a very thorough reclassification of tariff items to conform with the present day conditions in the textile manufacturing industry in Canada and the textile importing trade. To this extent the minister has succeeded in no small degree. It is unquestionably the result of deliberations of the tariff board in collaboration with the customs appraisal staff in an attempt to facilitate the proper appraisal of textile imports. To this end the proposed schedule should be a decided improvement on the old.

Mr. GUTHRIE: The reclassification is all right.

Mr. ROBB: A duty has been imposed upon fine cotton yarns in order to remove the obvious anomaly in the former tariff whereby the coarse and inexpensive yarns were quite heavily protected, while the very expensive, fine yarns bore no duty whatever. In devising a new scientific structure, it was obviously impossible to perpetuate this anomaly, hence the duty on the fine counts. The whole matter was thoroughly investigated at the public sittings held by the tariff board, with all branches of the cotton industry represented. It will be observed that very low rates are maintained in the new tariff on fine cotton yarns, either single or ply, which enter into the making of particularly specified textile commodities, since such commodities are manufactured from fine yarn of a type which it may be difficult to secure in Canada. The increase that is brought about by the imposition of duty on the very fine yarns is partially offset by the reduction in the duty on the coarser yarns, while all fine mercerized yarns remain free as at present. All the yarns above referred to are manufacturers' yarns, and in the ordinary way are not purchased by the consumer at all.

So much for that. Now what do the men who are really in the business think of the proposition? I have in my hand a letter from the Dominion Textile Company dated February 27:

Dear Mr. ROBB:

Your recent tariff changes in so far as cotton goods are concerned apparently will be considered quite popular. I wonder whether you are aware that few of these changes are in accordance with the facts put before the tariff advisory board.

These gentlemen object to some of the changes.

The net results are that there is little reduction to the general public, but a very serious one to this company, amounting to something in excess of $600,000 annually.

That is what they say about it. The letter is signed by Mr. Daniels, the managing director.

I have another letter, I said yesterday that one company had complained that the result was a million dollar loss to them. I had that in mind, and I confess—

Mr. GUTHRIE: Before my hon. friend goes on to a reference to the million dollar loss, I would ask a question regarding the company that complain of the $600,000 reduction. Do the company who write him mean that it will cost them that amount by reason of the imposition of higher duties on raw materials?

Mr. ROBB: I imagine that is what they are driving at.

Mr. GUTHRIE: It looks like a serious rise then, does it not?

Mr. ROBB: I presume they are also referring to the result on the finished product.

Mr. GUTHRIE: We are speaking in relation to yarns.

Mr. ROBB: My hon. friends have been arguing that the public is not benefited. Taking the two together, the company estimate a loss of $600,000.

Mr. GUTHRIE: They do not say so.

Mr. ROBB: And it is largely on the fabrics. Now I have a letter from another concern and I want to say frankly at once that the letter of transmission is marked

"personal", so that I am not in a position to table it nor to disclose the name. However, I shall have no objection to showing the letter to the official leader of the opposition.

Mr. BENNETT: I prefer not to see it, thank you.

Mr. ROBB: This gentleman points out that the changes in the tariff—

Mr. STEVENS: If the minister is going to read extracts from the letter he should read the whole letter, because as in the previous case the inference may be that there is a loss. The minister is at liberty to place that loss where he thinks it should go, but as a matter of fact, while I do not know what is in the letter, if it is to be read in part it should be read in toto.

Mr. ROBB: I think I will just read it all, then, but I cannot give you the name.

Mr. STEVENS: You are bound to give the name if we ask for it.

Mr. ROBB: It is marked private and confidential.

Mr. BENNETT: Then you should not read it.

Mr. ROBB: From the information contained in the letter it seems that the Dominion Textile Company will lose $650,000, Montreal Cottons $250,000 and Canadian Cottons $245,000. Those losses are made up as follows: Yarns, $14,000; woven fabrics, lumped together, $245,000. Now, having said that much I am bound to go a little further.

Mr. GARLAND (Bow River): The minister has not completed the statement. He says $650,000 will be lost by one company, $250,000 by another and $245,000 by a third, and in giving the details of that loss he has mentioned $14,000 on yarn and $245,000 on woven fabrics. That is a small fraction of the entire loss.

Mr. ROBB: That is for one company.

Mr. GARLAND (Bow River): Which company was that?

Mr. ROBB: Canadian Cottons, I think. Now I have another letter which is not marked personal and which I will place on record, although it will take some time.

Mr. GARLAND (Bow River): Will it give us this information?

Mr. ROBB: My hon. friend will observe that as we go along. This letter is from the office of the managing director of the Dominion Textile Company, and is dated February 27:

Dear Mr. ROBB:

Your recent tariff changes, in so far as cotton goods are concerned, apparently will be considered quite popular. I wonder whether you are aware that few of these changes are in accordance with the facts put before the Tariff Advisory Board?

Apparently this gentleman thought he was the only man to place any facts before that board.

The net results are that there is little reduction to the general public, but a very serious one to this company, amounting to something in excess of $600,000 annually, which amount you propose to distribute through the medium of increased protection to seven other cotton companies, five of whom are producing coarse gray cotton goods, previously more fully protected than the lines of gray cottons produced by this company, when considered in the light of labour and cost of production.

Based on this year's production to date, we will, at the end of our year (March 31), have produced approximately 41,500,000 pounds of gray cloth and yarn. Of this quantity, approximately 4,600,000 pounds of yarn, averaging coarser than 20's and sold as single, will receive a reduction of four and a fraction per cent, equivalent to about $64,000. Approximately 750,000 pounds, sold in ply yarns, are unaffected.

The bleachery processed 16,256,000 yards, weighing 4,889,000 pounds, approximately one million pounds of which receive a reduction of 3 per cent under the preferential, from which its competition mainly comes. The balance of the bleachery production is unaffected in this tariff, but it has been seriously affected for many years, as this department has not averaged four days' operation per week owing to the already utterly inadequate protection of 15 per cent under the preferential tariff.

The remaining 31,000,000 pounds of gray cloth production is cut 2½ per cent under the general tariff, and has only 12½ per cent protection under the preferential.

In addition to this some 32,000,000 yards of printed cloths will receive a further reduction of 2½ per cent. As the margin for printing is to-day barely sufficient to cover costs, this reduction will affect the print works to the extent of making it impossible for it to meet its comparatively small proportion (allotted to it) of the common and preferred dividend requirements.

What appears to be, and is most unfair, is the fact that prints receive a protection of 2½ per cent less than yarn and raw stock dyed fabrics, notwithstanding the fact that to produce the above quantity of prints will require buildings and machinery in excess of $2,500,000 more than will be needed to produce a similar yardage and value of yarn and raw stock dyed fabrics, and, at the same time, requires a much larger number of operatives with skill and technical knowledge not needed in the other plant.

We have recently spent rather more than one million dollars, and will not have completed changes and additions to the program, started last summer at the print works, before the end of this year, solely with the view of giving

service to the public as, owing to the altered conditions of trade in the method of buying, forward purchasing is almost a thing of the past, and we do not expect, owing to the extremely small runs or yardage processed at any one time, to be able, on the twenty-four printing machines, to produce as great a quantity as we processed on twelve machines five years ago.

The reason for this is that the quantity ordered at one time is so small that a much greater time is occupied in setting up a machine to print a design, than is required in the actual printing.

By comparison with England, in our basic rate for printing we ask a customer to give us an order for 3,600 yards to be coloured in three different sets of colours, or 1,200 yards per colouring, whereas in England the basic rate is for 12,000 yards, or 4,000 yards per colour.

Approximately two hours and fifteen minutes is required to set up a printing machine and make the two changes in the colour boxes, and one hour and thirty minutes running time, or a total of three hours and forty-five minutes to print 3,600 yards. To print 12,000 yards a total of five hours and fifteen minutes is required. We can produce only about 10,000 yards daily against 24,000 yards in an English works. Our labour and overhead cost is more than doubled. A great many of our orders are for 200 yards.

This reduction of 5 per cent in the general and 2½ per cent in the preferential, bringing the British prints to an 18 per cent rate, will have a most serious effect on the print works and the town of Magog with its population of over 5,000 depending entirely upon this company. In addition to this a large farming community finds a very satisfactory home market for its products in this district.

As shirts and clothing are sold at set prices, it is most unlikely that the $1.50 shirts, for instance, will be sold at $1.47, the difference represented by the reduction in duty.

Coming to the companies that have been benefited, the three tire duck companies and the two duck companies, producing more than 20,000,000 pounds, receive a straight increase of 2½ per cent upon their entire production, and no reductions.

The Wabasso Cotton Company, at Three Rivers, which was started after fine yarns were put on the free list, receives 7½ per cent preference and 15 per cent general protection on single fine yarns, and 15 per cent preference and 25 per cent general on fine ply yarns, all of which is an increase. They also receive an increase under the preference of 5 per cent on such cloths as they fabricate in which artificial silk is used, and which, I understand, represents about one-fifth of their looms.

They receive no reductions with the exception of 3 per cent under the preference on the negligible quantity of made-up sheets and slips which they produce.

In their Shawinigan yarn plant at Shawinigan Falls, Quebec, spinning yarns, they will receive the same reduction as we do, but Mr. Whitehead made the statement to Mr. Moore and myself that he had never made a cent in the Shawinigan plant, and that if he got a protection on fine yarns he would convert this plant to spin fine yarns. The Hamilton Cotton Company receive reductions and increases that offset one another.

[Mr. Robb.]

On the face of things, it would appear that the tariff in very unfortunately framed against the company that has been honestly, efficiently, and economically operated, and should receive greater consideration.

Under proposed conditions, there is no question but that this company, and its more than seven thousand operatives will be seriously affected, and the latter, at least, are worth your reconsidering the proposed schedule.

Hon. gentlemen opposite will observe this:

Nearly one hundred million lineal yards of cotton cloths were exported to this country last year, in almost equal quantities, by Great Britain and the United States, plus imports under French and intermediate rates. At least sixty per cent of these imports directly affected this company.

We have also to accept orders for large quantities of cloths, subject to drawback rates, in order to keep occupied.

There are a great many points not touched upon in this letter that I would be glad of an opportunity to discuss with you if you will be good enough to give me an appointment.

Sincerely yours,

F. G. DANIELS,
Managing Director,
Dominion Textile Company.

Mr. STEVENS: Would the minister just at this point answer a question, if he will be so kind: Taking this as a presentation of one side of the case, what other facts influenced the minister to disregard all this and make these reductions which are complained of?

Mr. ROBB: I will answer my hon. friend in a moment. The hon. member for Bow River (Mr. Garland) asked for some information. I quoted some changes in the duties on yarns where they are going to experience a loss of $14,000. In woollen and woven fabrics there is a reduction of 2½ per cent, and they say the loss will be $167,500; on woollen blankets, where there is a reduction of 7½ per cent, they say the loss will be $63,750. That is where their total of $245,000 comes in.

Now, answering my hon. friend from Vancouver Centre (Mr. Stevens), I am going to take the house into my confidence at once. Hon. gentlemen opposite urged that we should accept the recommendations of the tariff board. I brought the recommendations of the tariff board practically to the house and the house has rejected them. Now I am going back to my own judgment in this matter and so keep out of trouble. But before announcing what I propose to submit to the house I wish to say this. Hon. gentlemen have argued that these tariff changes mean increased protection. Now I have here a statement of what is involved by the changes, and the decreases in question amount

to $1,119,560. My hon. friends have centred their attack on item 522b and they allege that we are making the change for one company which they contend is a friend of the government. Well, I am going to prove my friendship to this company by announcing that when we come to that item I shall move that we make these articles free under the preferential tariff.

Mr. STEVENS: The minister has not given the explanation he promised. He said he was going to take the house into his confidence and tell hon. members what facts induced him to disregard the other set of facts which he has so ably read, but he has not done so. Now he says that we rejected the advice of the tariff board. Why the tariff board has given no advice whatever.

Mr. ROBB: Yes, the advice of the tariff board in relation to these particular items is coming to the house through the minister. This is what they suggested as a fair reclassification of these items so that the yarn people would enjoy a share of the protection. I realized at the time just what we were running into and that there would be some opposition, and I am going to keep out of trouble hereafter.

Mr. STEVENS: The minister said a moment ago: I have tendered to the house the findings of the tariff board and my hon. friends opposite—meaning us—have rejected their advice. We are not rejecting it, because there is nothing to reject. Here is what we find in this remarkable report. I shall not read it all but they start with about two pages of a dissertation, upon the tremendous load that has been placed on their shoulders. For instance the report says this:

> It is probably safe to say that a greater mass of work has never fallen, within the same space of time, upon a commission.

They are looking for sympathy. Then the report goes on to say:

> The board may be regarded as still in process of organization.

That statement has been made although the board has been organized for over two years. Then further the report goes on to point out that the board thinks there should be a change in the method of procedure. A change in the method of procedure referred to came about through the dependence of one reference upon another. It has taken them two years to find out that the tariff is an interrelated structure which every schoolboy knows from the time he can write. Everybody knows that the whole tariff structure is interrelated. Then follows about a page intimating that, to the amazement and surprise of the board, they found that when they came to the rubber schedule it affected the cotton schedule, as if it was not known that cotton went into the manufacture of rubber goods. And so it goes on, and the recital takes two or three pages. Then the report says this:

> There is just a question whether the present method of making applications is suited to thorough efficiency in enquiry.

They doubt whether the methods of procedure are suited to a proper kind of enquiry. Then they go on to say further that the board have no power to compel the production of financial statements and documents, but they do not ask for the power because they say they have been accorded all the courtesy that is necessary from the various manufacturing concerns. Then after two or three pages more of just such stuff as that, we come down to the last couple of pages of the report wherein they make their findings. These are their findings. They recite the reference and they go on to say:

> Little difficulty has been experienced as to the duty of enquiry.

That is they do realize that they must make enquiry; that part is clear to them:

> Possibly we might have succeeded better proceeding under a set of questions stated by you—

That is addressed to the Minister of Finance:

> —outlining the scope of the investigation, but we believe that on the whole our duty of enquiry has been discharged with reasonable satisfaction.

They say that although the minister confesses that there is not a single fact found. He says that he has repudiated the whole thing and will depend upon his own judgment. Then the report goes on to say this:

> Difficulty, however, exists as to determining the nature of the advice we are presumed by order in council to tender to the minister.

They do not even know what they should advise the minister upon. They have not the faintest idea of the nature of the advice they should return to the minister after operating for two years and after hearing over one hundred cases. I think there are 98 recited in the report and there are doubtless a good many more. Then the report goes on:

> Reports of the enquiry into the major references, and some of the minor as well, are lengthy, and at times somewhat involved, usually containing valuable statistical matter. To present the evidence in precis form, possesses the advantage of brevity—and the disadvantage of incompleteness.

They do not attempt to prepare a precis of the evidence or even to summarize it. The least they could have done was to summarize the evidence and to submit it to us for judgment. The report goes on to say that there would be a hearing at great length and then someone would appear before them whose evidence would disturb the quasi decisions already made, making it necessary to reopen the case and call back the witnesses again. Yet the minister constantly twits us with negligence on our part in not going through this involved mass of evidence and sifting one part from another, although he admits that he has not done so himself. They say:

> Reports of the inquiry into the major references, and some of the minor as well, are lengthy, and at times somewhat involved.

They say, as I have already stated, that there is a disadvantage in preparing a precis and therefore they prepared no precis. Then we have some further observations:

> The transcripts contain the arguments of the applicants and their opponents, which, in our opinion, cannot be satisfactorily summarized.

Thus we have Mr. Moore and his board, a board that has been organized for two years, telling us that the arguments of the applicants and their opponents cannot be satisfactorily summarized, and yet we members of this house are asked to take this half ton of evidence and understand it fully without the assistance of even a single expert. This is not a haphazard decision on their part. They say:

> After mature deliberation we have concluded that to attempt a summary would be not only unfair to those who have argued before the board, but as well would render to you—

The Minister of Finance.

—and to parliament an incomplete service.

Therefore they attempt no summary. After reading this report I am inclined to agree with the minister that his decision was perhaps the right one, namely, to kick them out lock, stock and barrel and go on his own.

Mr. ROBB: I did not say that.

Mr. STEVENS: That is virtually what he said. I was rather inclined to compliment him on his decision.

Mr. ROBB: I did not say that. I cannot accept the compliment.

Mr. STEVENS: He said that he was going to use common sense instead of the advice of the tariff advisory board. This is another statement by the board that is worth considering:

> —but as well would render to you and to parliament an incomplete service. The obvious

intent of argument is to influence those who have authority over the matter under discussion.

Therefore they should make no summary, make no finding for fear they would influence those who had to decide the matter, that is parliament or the minister. This board was set up and heralded throughout the country as a solution of the great question of the tariff that had been bothering the government for years. They said: We, the great Liberal government, have now set up an advisory board and the whole question is solved. Yet this board, through the Minister of Finance, tells parliament that because argument which is made before it, is intended to influence those who have authority to judge the matter, therefore they refrain from summarizing, finding on, or even making a precis of the argument.

Mr. ADSHEAD: Was the tariff advisory board not inaugurated with the consent of both parties?

Mr. STEVENS: Not this one.

Mr. ROBB: It is the personnel of the board my hon. friend objects to, I imagine.

Mr. BENNETT: No, it is what the board does.

Mr. STEVENS: I have always believed a board of experts, acting under the leadership of the government for the purpose of investigating and assembling facts in a properly organized form, would be of inestimable value to the government and to parliament. A business man or any person having to make a decision on any subject can certainly make that decision very much better if all the facts are assembled, properly organized and placed before him in sequence. In the presentation of a case on the tariff there must necessarily be involved arguments and an array of facts brought forward in an unorganized form. Any group of individuals can sit and listen; but what a tariff board is for—and there is not one atom of reason for their existence if they do not do this—is to winnow out of what they hear some of the kernels of wheat of argument and present those to the house, and to disperse the chaff, leaving the chaff for us to winnow through if we want to, and if we suspect the wheat has not all been winnowed out. That is the secret of success in connection with any tribunal. This is the way in which the board think they have discharged their function. They say:

> We have deemed it our duty to pass on to you the transcripts containing the records of our public proceedings with only explanatory comment.

As a matter of fact there is not even explanatory comment. Let us not forget what they said a moment ago, that so involved was the hearing that they did not dare to make a precis. Yet they have the temerity to come to parliament and say:

> We have deemed it our duty to pass on to you the transcripts containing the records of our public proceedings with only explanatory comment.
>
> We realize that in so doing we may not be rendering all the service you expect from us, but it has seemed to us that the precise way in which we may be most helpful will in course of time be developed by experience.

Can anyone imagine a report of that kind being presented to parliament? It is an insult to the intelligence of this parliament, and I do not blame the minister for casting it aside and using, as he said a moment ago, his common sense in the formation of this tariff. It is perfectly clear from this report why it is that we have before us a tariff revision which the minister finds difficulty in explaining. There is in the realm of economics nothing more complicated than a tariff, nothing that requires more accurate and detailed knowledge, and the minister should not be saddled with the responsibility of presenting this tariff in all its details to the house. What they should have done, for the benefit not only of the minister but of the members, was to make a precis of these revisions with an explanation based upon the facts presented to the board and the reasons for the changes. Let us take, for instance, the letter which the minister has just read, a letter from Mr. Daniels of the Dominion Textiles. I am just recalling the contents of it, having heard the minister read it. In that letter this company, a large company with a very big investment in Canada, makes the statement that as a result of this revision it is going to be penalized in certain respects and there will be a serious loss to its business. The company points out that it is in competition along certain lines with other firms which in some measure are receiving assistance whereas this company is suffering a reduction. It does not matter what we may think of the principle of protection or free trade, the fact remains that the country owes it to our business men and organizations to deal with them equitably. I would appeal to my hon. friends who may stand for a principle of no tariff, or low tariff, or whatever you like; at least let us stand on the principle of equitable treatment to all parties alike. It would be infinitely better to put in a flat reduction than to pick out one firm here for special, favourable treatment and another firm there to be penalized.

As I intimated in my question which the minister has very great difficulty in answering—and I understand the difficulty now that I have read over this report—in view of the facts presented by the Dominion Textiles in that letter, what other set of facts warranted the changes that the minister has made? I am not saying that these changes are wrong. It may be that the case of the Dominion Textiles is not really a case, but we are not in a position to judge. We have one side of it presented by the Minister of Finance, and the other side is in half a ton of evidence which we are invited to go and look over. So I say to the Minister of Finance that the revision presented to us to-day is one that we cannot with confidence support; and not only that, we cannot with confidence pass it through this house without the most careful scrutiny and without a great deal of anxiety for fear that industry will be injured.

I met a gentleman down at the hotel this morning who, while not in the cotton business, is in the textile business and knows a good deal about it, and I asked him this question. Let me say first that it was not a question of lobbying; I am not afraid of this talk about lobbying, because I believe that any respectable and responsible business man has a perfect right to come to a member of parliament and tell him his case, if he so desires. I know nothing about the cotton industry myself; I am not supposed to know anything about it; it is not my business; and how am I going to learn anything about it if I do not get the information from these various sources? I met this gentleman and asked him, "what about the cotton schedule? Is it a satisfactory schedule? How do you view it? What criticism do you make of it?" He replied, "I venture this statement, that there is not a man in Canada, in the business or out of it, who understands that cotton schedule—not one." And, Mr. Chairman, I venture this statement, that there is not a member of the minister's staff who understands it, and we in this parliament are going blind on this question right at this hour. I predict without the slightest hesitancy that within the next three or six months the minister will be faced with incontrovertible evidence calling for some changes in the tariff that he is presenting to us to-day, or else of allowing serious hardship and loss to ensue to business in this country. We are asked to approve of this tariff, which is not a tariff that has been carefully thought out and prepared. It is true the minister may have slaved as he said yesterday, and spent sleepless nights worrying about it until the small hours of the morning. It is utterly absurd

to ask the Minister of Finance to sit up night after night revising the tariff of Canada or of any other country. The thing is preposterous; it cannot be done, that is all. There is not a minister of finance either in past history or now living in any country who could do that work. He may, over a period of two or three years, but by the end of that time the whole thing would be obsolete.

The thing I am complaining of, and it is something which the house ought to resent and condemn, is the presentation to the house of a report such as this from the tariff board. There was only one possible alternative for the tariff board, if they were to escape the just condemnation of this house and of public opinion, and that would have been to remain silent, simply saying: We are unable to report.

Mr. RYCKMAN: And send in their resignations.

Mr. STEVENS: Yes, send in their resignations. My point is that there is no responsible body of citizens, tariff board or any other group, that has any right after two years service to present a report like that to parliament.

An hon. MEMBER: What is the date of the report?

Mr. STEVENS: The letter addressed to the Minister of Finance accompanying this report, which is sessional paper 132A, is signed by Mr. W. H. Moore, chairman of the board, and dated January 5, 1928.

I repeat, this thing is more serious than merely the question of a difference of opinion over the tariff, because when we find this on a few cotton yarns, just one little item in the tariff, what are we likely to find in the rest of it? I gave an illustration last night, a most striking illustration. I do not know whether it is corrected in the schedule or not; I am waiting to see. A couple of years ago a designing individual, looking for the advantage of an American firm that he represented, by subtlety or suggestion or in some way or other secured the introduction into a tariff item of certain words, and the words were simply "when imported by the manufacturer." They sound very harmless, but what was the effect of those words? Their effect was to penalize the British exporter over five per cent as against the American exporter. The item dealt with cotton manufacturing machinery, and it ran into a large amount. The insertion of those words made all the difference between the British firm continuing business or not. It actually drove them out of the market, and in a most unfair way, as I will show. The British manufacturer desired to supply parts in Canada for his machines that had been purchased in this country, and he opened a warehouse in Montreal, where he kept his parts. That was a desirable thing, but because he did that, he was penalized 5 per cent customs duty more than his American competitor who kept his plant in Boston, and shipped his parts into this country one at a time. I mention that only to illustrate how words can be introduced into a tariff item that may not only penalize but jeopardize the very existence of an industry in Canada in favour of a foreign competitor. So we speak with some degree of warmth, and I think we are justified in saying indignation, when we are asked as an opposition, and when the house is asked as a representative body of men, to deal with a revision of the tariff based upon a report such as that presented by Mr. Moore and his colleagues.

Mr. EVANS: Having listened to the discussion yesterday and again to-day, I do not think the house is yet seized of the importance of these new duties in the cotton schedules, particularly items 522a and 522b. The cotton industry has been amply protected in the past. The hon. member for Vancouver Centre said that all tariffs constitute argument. It seems to me that this one constitutes much more; it constitutes bargaining, simply bargaining. Here is a new tax imposed by the Liberal government, which professes to be against tariffs altogether.

Mr. CANNON: The government never claimed that at all.

Mr. EVANS: Many of its supporters were elected on a free trade platform. I would simply remind the hon. gentlemen of the free trade propaganda that was sent out throughout Saskatchewan at the last election. Why does not the minister take us into his confidence and tell us the reason for these changes? I am going to give a reason of my own, and I shall not be blamed whether my inference is right or not. It is certainly bad enough when privilege is given to one class at the expense of others, but under item 522b it divides even the Canadian manufacturers one against the other. Why? A certain company make their own yarns, and the minister said plainly yesterday that this change is made in the interest of that company, because certain other companies were hogging all the protection already given. Now let us see what is the effect on this certain company which will benefit, and which make their own yarns presumably. Those that

cannot make their own yarns are penalized up to 15 per cent on their raw material. They will have to pass that on to the consumer; there is nothing else for it. What, then, is the effect on the company that can manufacture their own yarns? It simply means that they are placed in the position where they can add to their profits the whole of the trade penalty which the other companies have got to pay. The Minister of Finance was very much amused yesterday at having, as he thought, set this free trade party against the protectionist party in this house. To-day it has been amusing to me to see the row among the protectionists themselves, and to my mind it has established the fact for once before the people of this country that parliament is one great system of group government. Both the government and the opposition are to-day serving one group. There is no other conclusion to be drawn from the facts we heard yesterday and to-day. I repeat, they simply serve one group, and although they have described it as such an evil, we are in the midst of it. All this free trade party is trying to do is to counterbalance the power and influence of that one group which stands behind the whole protectionist element in this house to-day. I cannot help thinking that this change in the cotton tariff is one of the most barefaced bargains that any one government favorite has ever been able to make.

Mr. ROBB: Mr. Chairman, when my hon. friend gets through his speech we are going to show our appreciation of that company by reducing the British preference item to free.

Mr. STEVENS: Which item is that?

Mr. ROBB: That is the item my hon. friends complain about.

Mr. EVANS: It will depend then from what country they import this cotton yarn. But this measure is certainly calculated to concentrate the cotton industry of Canada in the hands of a closer combine. The argument to-day has been from the viewpoint of the cotton manufacturers. Let us see what is the effect on the consumers. The public will have to shoulder the burden of this 7½, 10, or 15 per cent; to that the jobber or wholesaler will add his 10 or 15 per cent, and on this extra cost the retailer will pryamid his 40 per cent. What does this duty become before the garment reaches the ultimate consumer? The duty on cotton clothing under 532 probably is lowered, but this reduction is not going to cover the cost of the extra duty under this bargain. If it is the case that only one company makes its own yarns, I say again, it certainly constitutes a bargain. The other companies are placed at the mercy of this one company. I should like the minister for once to take us into his confidence and tell us why this change has been made.

Mr. CAMPBELL: Do I understand the minister to say that he proposes to eliminate the tariff under the British preference on this item we are discussing?

Mr. ROBB: No. The complaint of my hon. friends opposite, particularly the official opposition, has been directed against the change in the tariff item 522b, yarns and warps wholly of cotton exceeding No. 40, not more advanced than singles. Under that there were reductions on the coarser. When we come to that item I propose to move that "7½ per cent" be struck out and the word "free" inserted under the British preferential tariff, thus enlarging the policy of the British preference and diverting the business to the mother country. I hope all sides will agree with that announcement, because I understood that that is what all my hon. friends opposite were arguing for yesterday.

Mr. CLARK: How is that enlarging the British preference if there was no duty before?

Mr. ROBB: Because there will be a tariff against other countries of 10 per cent intermediate and 15 per cent general, while formerly it was free in all schedules. Does my hon. friend understand that?

Mr. CLARK: I must confess I cannot understand how, if you apply a tariff where none existed before, and then remove it, it makes any difference or enlarges the British preference.

Mr. ROBB: Let me repeat, formerly it was free under all schedules, now it will be free under the British preference only.

Mr. BENNETT: If they bought their yarn in England before, and buy it there still, there will be no change.

Mr. ROBB: I should like to have my hon. friend's opinion of that when we get to the item.

Mr. GUTHRIE: Mr. Chairman, in any remarks I made in regard to 522b I did not oppose the imposition of the 7½ per cent. I approved it, provided the principle of protection were adopted all along the line, as it should be. But what concerns me at the moment is item 522. Within a moment of time the minister said that the new item was a reduction from the old item. That is quite different from what he stated in this house last night. Just before the sitting closed

the hon. member for South Toronto (Mr. Geary) was addressing the committee. I am quoting from page 1400 of Hansard. He said:

Do these figures enable us to say whether item 522, cotton yarns, not exceeding 20's single, 10 per cent, 15 per cent and 20 per cent, constitutes an increase or a reduction in the tariff?

Mr. Robb: A number of the items are obsolete. It is chiefly a reduction.

Mr. Geary: I am directing my attention to No. 522.

Mr. Robb: If my hon. friend picks out 522 alone—

Mr. Geary: That is the one we are discussing, according to the chairman.

Mr. Robb: We have been discussing the items generally. I do not know whether my hon. friend wants to get on the record at this late hour all the facts bearing on the matter. In this particular item alone there is an increase.

Mr. Guthrie: There is an increase in item 522?

Mr. ROBB: In the noise I must have thought it was 522b. That is where it comes in.

Mr. GUTHRIE: As I read it there was an increase, whether there was any noise or not.

Mr. ROBB: No.

Mr. GUTHRIE: Formerly all goods under 522 came in under item 534, under which yarns were free, free, free. Now they come in under item 522 subject to a tariff of 10, 15 and 20 per cent. The statement of the minister last night was correct; it is an increase. At the time he made it I marked in the margin of my copy "increase in this item." Last night he was correct; I submit that to-day he is incorrect. Let him take time to consider it, and I think he will come to the conclusion that he should change his statement and say that 522 constitutes an increase over what it has been hitherto.

Mr. CAMPBELL: Mr. Chairman, I congratulate the minister on making the slight change in 522b, but I think it would have been better appreciated had he done it before the effect was pointed out from this side of the house. As to whether it is an increase or not, I wish to quote an article from the Financial Times. At page 24 of that journal appears the following:

Some relief has been given the Canadian linen industry under the new Robb budget. The Financial Times is advised prior to February 17th yarns for the manufacture of linens were free of duty no matter what the source. Under the budget effective February 17th yarns imported from countries subject to British preferential rates only, are free, the intermediate tariff now being 10 per cent and the general tariff 15 per cent. Recognition has been given the much larger wage costs incidental to linen manufacturing as compared with cotton and some additional protection given accordingly.

I understand that the yarns covered by 522b are used in the linen industry, so presumably that is the item to which The Financial Times refers.

Mr. ROBB: We are discussing cottons now. We will discuss linens when we come to the item.

Mr. KENNEDY: The minister read a few letters, and while I did not catch all they conveyed I understood that the communication from the Dominion Textile Company intimated that the reductions would not mean much to the consumer but did mean a good deal as between the various manufacturers using yarns.

Mr. ROBB: Not yarns, no. They claimed that they would lose $600,000 per annum of which about $64,000 would embrace yarns. The rest represented a loss in protection on their product.

Mr. KENNEDY: We shall see in Hansard just what the letter says. Has the minister received a letter from the Wabasso Company complaining about these changes?

Mr. ROBB: No.

Mr. KENNEDY: My objections yesterday were based largely on the added protection given the Wabasso Company. I also stressed the argument in regard to forties and finer which previously were on the free list and are now made dutiable in the rates the minister proposes. I believe they were to be 10 per cent under the intermediate and 15 per cent under the general.

Mr. ROBB: And free under the preference.

Mr. KENNEDY: The proposal now before us is to have these rates 7½ per cent, 10 per cent and 15 per cent respectively. Now I do not think that Wabasso needs any special protection. These people were doing very well before as things were. Yesterday I read their application in which they claimed that they were losing on the manufacture of yarns of forty and finer and my deduction was that they were bound to take full advantage of the tariff. I have here the Annual Financial Review, Canadian, 1927, and I will quote about ten lines from page 872, giving a brief history of the Wabasso Cotton Company, Limited:

In 1908 the Wabasso Cotton Company was organized for the purpose of securing for Canada part of the trade in fine white cotton, lawns, nainsooks and cambrics, heretofore entirely imported from abroad. In pursuance

of this policy buildings were constructed on the lines of the most modern Lancashire mills, and this plant is the only one on the American continent furnished throughout with machinery made by the firm of Messrs. Platt Brothers & Company of Oldham, England, who are recognized as the standard cotton machine builders of the world. The hopes of the promoters of this company have been more than realized. Their goods have steadily gained ground and favour in the market.

I will now refer to the statement of the highest and lowest prices of stocks and bonds over a period of years, taking the month of January in each case. I take January because, while there is a slight variation here and there, the difference is not sufficient to render the quotation unbiased or untrue in a general way.

	High	Low
1923..	74	74
1924..	71	66
1925..	58	56
1926..	65	65
1927..	110½	100½

Now I give the figures in regard to bonds, taking the month January again:

	High	Low
1923..	91½	90¾
1924..	90	90
1925..	92	92
1926..	99	98½
1927..	100⅜	100⅜

Now I want to quote from an article appearing in the Financial Post of January 20, 1928, which has something further to say regarding these stocks and bonds:

Wabasso Cotton Issue Of Stock Shows Progress

Rights on present shares worth $13; management is regarded highly

The able management and steady progress enjoyed by the Wabasso Cotton Company is reflected in a new stock issue of 17,500 shares which are being offered to the present shareholders at $80 per share on the basis of one share of new stock for every three shares outstanding. Shareholders on record as at February 1 next will be entitled to participate in the offering. The subscription price of the new stock will be payable in eight monthly instalments of $10 each commencing March 1.

The recent sales of Wabasso shares have been at about 135. At this level, the offer of new stock at 80 confers rights which are worth over $13 per share. Early in 1927 an offering of 17,500 shares was made at $60 bringing the outstanding capital up to 52,500 shares. The present issue will increase the outstanding stock to 70,000 shares and will leave 35,000 shares in the treasury still to be issued.

Wabasso has done well for its shareholders in recent years. The company's management sticks closely to its business of manufacturing cotton at Three Rivers. Additions have been made to the plants and new lines have been added. It is understood that successful results have been achieved in the new lines and by the expansion of the property.

It seems to me that to give additional protection—and that is what they ask for—to a company enjoying such prosperity as the foregoing figures indicate is unfair to the people of this Dominion who are obliged to get along without protection at all whether times are good or bad. Nor is it fair to give to a large concern like this, as appears to be intimated in the letter to which reference has been made—if I understood it rightly as read by the minister—advantages under the tariff such as constitute disadvantages to others using their product.

Mr. ADSHEAD: As one who was a new member last year and who was under what was perhaps a delusion, that the tariff was going to be taken out of politics and that the tariff advisory board would bring in something concrete and definite whereby we might arrive at some conclusion, I must say that I am disappointed in the work of that body. I have a great deal of sympathy with the minister in his attempt to do all over again the work which the board has done or ought to have done, and I have much more sympathy with myself and others who are trying to wade through the mass of evidence which has been taken and to do over again for ourselves what the tariff board should have done. Last year when the tariff board was under discussion I suggested that we should have a sort of Hansard of the board's proceedings. The hon. member for Weyburn (Mr. Young) supported that suggestion—and he belongs to the party opposite. The Minister of Finance said that this could not be done, but he did promise that if any hon. member wished to have a copy of the evidence submitted regarding any particular item or application it should be available. A number of us applied for the evidence and we waited patiently in the expectation that between sessions we might study it so as to be able to come to some conclusion as to what should be done in relation to the tariff. One objection to the proposal I made was lack of money, and for that reason we could not get a satisfactory report of the work of the tariff board. It seems to me that the suggestion made by my hon. friend (Mr. Stevens) is a reasonable one, that at least a precis or synopsis of the proceedings of the board should be given to members of the house, even if we have not a statement of the board's conclusions. This, I think, is due the house, and I trust the minister will take the matter into serious consideration. Such a synopsis would enable us to consider the question intelligently, as we cannot do at present. I am sure I cannot now arrive at a very definite conclusion without wading

through all this evidence, even after following the example of the Minister of Finance and sitting up until eleven o'clock at night for weeks as he sat up until two o'clock in the morning for months.

Mr. ROBB: Mr. Chairman, yesterday the hon. gentleman opposed these items from two different angles. The item as submitted to parliament was what might be termed the fact finding of the board; it was their suggestion that this change should be made in the tariff, on the ground that these finer counts were a good deal more expensive to manufacture and that they should be placed in a position equal to that of the less expensive yarns.

Mr. STEVENS: Where are we to find that recommendation?

Mr. ROBB: I am telling my hon. friend now as a member of parliament, on my responsibility as a member. After having consulted officers of the department, that was the representation made to me. I passed that representation on to my colleagues and have their authority to present it to parliament.

Mr. STEVENS: I am asking the question because there is no record of it. I am not questioning my hon. friend's word at all.

Mr. ROBB: My hon. friend is quite right; there is nothing in print concerning it. There were some three hearings held in connection with this cotton inquiry, covering several weeks; witnesses from all sides came before the board, those who advocated higher protection as well as others. Hon. gentlemen must remember that the mills all asked for more protection; I think I make no mistake in saying that. If you look at the evidence you will see that most of the mills urged that they should have more protection. There were also those who thought they should not have more protection, and indeed representations were made that the protection already existing should be reduced. At the conclusion of that inquiry a statement was made by Mr. Daniels, whose letter I read in which he stated that his company will lose over $600,000 yearly largely through the reduction of the duty on the finished fabric. On November 22, Mr. Daniels made this statement, which may be found at page 964 of the evidence taken before the board at the November hearing:

> I appreciate very much the way in which you have received our application, and the very fair-minded way in which your criticisms have been handed out. . . . we will be very glad to let you have any information of any kind that will help you reach an equitable decision.

[Mr. Adshead.]

On that point we have every confidence in the board, and you can count on our whole-hearted support.

Hon. gentlemen yonder protest against this increased protection, but the rates under consideration are all reductions. The very rate we are now considering, item 522, is a reduction; item 522a is a reduction also. After listening to my hon. friend the leader of the official opposition yesterday I saw the difficulty in connection with item 522b, and he more than any person else protested against this protection. When we reach that item I am going to move that this be made free under the British preference, so why are we delaying?

Mr. GUTHRIE: Can the minister tell me where the importation comes from?

Mr. ROBB: I am told that in the past about one-third has come from Great Britain and under the proposed change it is reasonable to assume that most of it will come from the mother country.

Mr. KENNEDY: I have here the figures of the importations of yarns number 40 and finer, up to March 31, 1926, and I find that we imported in that year from the United Kingdom 789,393 pounds of this material, while from the United States in the same period of time we imported 1,942,456 pounds.

Mr. ROBB: That is nearly half.

Mr. BOIVIN: What was the value in dollars and cents?

Mr. KENNEDY: We will take the year 1922. In that year we imported from Great Britain 1,125,451 pounds of this material valued at $1,115,769, and from the United States 1,240,100 pounds valued at $1,266,305. From 1922 to 1926 there is a steady increase in the importation from the United States with a corresponding decrease from the United Kingdom.

Mr. ROBB: While my hon. friend is on his feet I would remind him that during that period they were all on the same basis, and now it is proposed to make it free under the British preference to give the business to the United Kingdom.

Mr. KENNEDY: Does the minister suggest that the importations will not be practically all from the United Kingdom to the exclusion of the United States?

Mr. ROBB: I contend that very naturally that result will follow, because Great Britain will have a preference.

Mr. KENNEDY: I cannot understand why the tendency should be towards a gradual increase in the importation from the United States. There must be something else in addition to the tariff.

Mr. ROBB: There is the question of the proximity of the United States. A small concern using these yarns and receiving a rush order might telegraph to the New England states and have the goods in their shop in twenty-four or forty-eight hours, if they were sent by express.

Mr. KENNEDY: Of course the United States will still have the advantage of proximity.

Mr. BENNETT: I understand the Minister of Finance now says he proposes to withdraw the duty of 7½ per cent on one item and that he is doing so because of certain observations I made yesterday. Am I correctly informed?

Mr. ROBB: My hon. friend convinced me yesterday that that was a reasonable thing to do.

Mr. BENNETT: I am so glad the minister is amenable to reason, and particularly to that form of reason which deals with his own argument rather than the log-rolling of interested individuals, because certainly I am not one of those. I merely took the case as I found it on the books and presented it to the minister, and I hope that hereafter neither he nor those who support him in the country will say that there was any merit either on his own behalf or on behalf of those who surround him which induced this change.

Mr. GARLAND (Bow River): The difficulty I still find in determining to whom should be given the credit for the reduction is this: The hon. member for West Calgary (Mr. Bennett) now takes credit to himself—

Mr. BENNETT: No, no.

Mr. GARLAND (Bow River): —while the hon. member for South Wellington (Mr. Guthrie) said just a moment ago that he was not in favour of such a reduction and wanted the protection maintained.

Mr. GUTHRIE: I agreed with the argument which was advanced by the minister yesterday and which will be found at page 1417 of Hansard. There he stated:

> Now, it is reasonable to suppose that this product was imported and used to manufacture a fabric that had protection; and it is also reasonable to suppose that whoever produces the yarn should share in that protection.

That was the language of the Minister of Finance twenty-four hours ago. He was correct in this attitude yesterday. What has caused him to change? Has he been called down by a supporter from Saskatchewan? Because he certainly has climbed down. It is not a change of principle at all. It is only a change to suit some of his followers who will not stand for the declaration of policy he made in this house twenty-four hours ago.

Mr. FANSHER (East Lambton): Is there not a possibility that the application of the British preferential tariff to goods containing not less than 50 per cent of empire labour and materials will at certain times preclude importations from Great Britain at the preferential rate and that importations will then fall under the general tariff?

Mr. ROBB: We will deal with that provision when we come to it. I am not sure that there is anything in the resolution referred to which will affect the items we are considering. The provision in question was a notice to the world that we intended to proceed on that basis. For some years it has been represented to us by our sister dominions, Australia, New Zealand and South Africa, that there should be a change in regard to the material and the labour to qualify for the British preference, and it was suggested that the figure should be 75 per cent instead of 25 per cent. Canada took the position that 50 per cent would be fair. When the change is made it will be made by order in council, and we will make the same reservation that now exists so as to enable these products to come in from the mother country. We had the officers of the department inquire very carefully into the matter and we concluded that if we adopted the larger figure, our own industries using imported yarns might not be able to qualify. I hope my hon. friends will give us credit for possessing sufficient intelligence to be able to look after our own industries.

Item agreed to.

Customs tariff—522a. Yarns and warps wholly of cotton exceeding number twenty, but not exceeding number forty, not more advanced than singles: British preferential tariff, 12½ per cent; intermediate tariff, 15 per cent; general tariff, 22½ per cent.

Mr. GUTHRIE: Is this an increase or a decrease? Let us get it straight this time.

Mr. ROBB: The rates proposed under the budget are 12½, 15 and 22½. The former rates were 15, 22½ and 25.

Mr. GUTHRIE: I am informed that formerly these items all came in under 534 and were free of duty under all tariffs. Am I correct in that?

Mr. ROBB: I am informed not.

Mr. GUTHRIE: Under what item did they come?

Mr. ROBB: 520.

Mr. KENNEDY: There is something wrong with the printed list of comparative rates if the statement which the minister has now made is correct. In 522a there are really two items, 534 and 520. In the old item 534, cotton yarns were free in every case. Under the old 520, cotton yarns, etc., n.o.p., the rates were 15, 22½ and 25. In coming to a determination as to what the effect of the change is, we should be given the importations under the three previous dutiable items, so as to determine whether there has been a reduction or an increase of duty. I should like the minister to read into Hansard the figures showing what the imports were of cotton yarns under item 534 which previously came in free and are now dutiable, and the imports under 520 where the rates previously were 15, 22½ and 25.

Mr. ROBB: I cannot give my hon. friend the importations under those items. In the item 522 which we have just had there is a reduction. In 522a there is a reduction, and when we come to 522b I will move for a reduction there.

Mr. GARLAND (Bow River): The minister is simply making a statement that there is a reduction and the figures I hold in my hand do not support him in that. If he could give us a statement as to the loss of revenue that would be entailed as a result of the application of the new schedule, we should be able to form an accurate opinion. I cannot agree with the minister that there is a reduction in this item.

Mr. ROBB: These particular items were spread over three items formerly. In the one case the importations amount to $149,627, and in the other to $141,212, or a total of $290,839. But the second item, yarns for shoelaces, was taken advantage of.

Mr. GARLAND (Bow River): The fact still remains that there is an increase in duties.

Mr. ROBB: There is no increase in duty for that business. An item is being included which was 534 under the old schedule and under which these articles came in free under all tariffs. Now there are rates of 12½, 15 and 22½.

An hon. MEMBER: Shoelaces.

Mr. KENNEDY: It is not shoelaces. They come in under item 522.

[Mr. Guthrie.]

Mr. STEVENS: The difficulty is this: The minister is in a sort of corner which he naturally finds it not easy to get out of, and it is not one that he voluntarily got into.

Mr. ROBB: Oh, no.

Mr. STEVENS: Certain importers entered their goods under item 534 of the tariff where yarns were imported for shoelaces, and he has just read to us the statement that there were importations to the amount of $141,000 under that heading when there were no yarns imported for shoe laces.

Mr. ROBB: I made that statement.

Mr. STEVENS: Therefore it must be that the class of yarns we are now talking of here have been coming in under that item improperly.

Mr. ROBB: I made that statement.

Mr. STEVENS: They came in free under item 534 and now they are dutiable.

Mr. VENIOT: Because they are imported for another purpose.

Mr. STEVENS: It does not matter. The long and the short of it is the importers ought to be penalized or the officers of the department ought to be fired, one or the other. That is the situation. They made false entries, if you like to use such a strong expression—that is a term used in the department—these goods coming in under 534 whereas they should have entered under 520. The point is that they have been coming in free and now they are dutiable. What the minister should have done, to accomplish what he is professing to do, was to have carried the items forward in the way in which they appear in the old tariff.

Mr. ROBB: Itemized.

Mr. KENNEDY: I find by the Trade of Canada for the year ended March 31, 1926, page 168, that the imports of "yarn, cotton, polished or glazed when imported by manufacturers of shoe laces for use exclusively in the manufacture of such articles in their own factories," were 66,702 pounds valued at $52,764. I understood the minister to say there were no imports under that item.

Mr. ROBB: That was placed under that item but there was no importation of glazed or polished.

Mr. KENNEDY: In view of this printed list of proposed changes in the tariff there is an increase. You have one item free becoming dutiable at 12½ per cent, 15 per cent and 22½ per cent.

Mr. ROBB: Will my hon. friend add to this item the letters "n.o.p."?

Mr. STEVENS: I am always sceptical about adding these words without an explanation. The addition of "n.o.p." makes an absolute change in the item and I want to know why that change is made. It cannot be put in without its being moved.

Mr. MALCOLM: It distinguishes between 522d which is mercerized and is already provided for.

Mr. STEVENS: The Minister of Trade and Commerce will appreciate this. I know exactly what it means but I do not know what the effect is. It may mean that a dozen other articles are affected.

Mr. ROBB: No.

Mr. STEVENS: Let us know exactly what it means.

Mr. MALCOLM: Item 522d provides for mercerized yarn, but it takes the place of the yarn for the shoe manufacturer who formerly imported a cotton yarn free under item 534. Item 522 is the exception.

Mr. STEVENS: I am usually inclined to agree with the Minister of Trade and Commerce in matters of this kind because he knows the business perhaps better than I do, but 522b specifies a certain yarn:

Exceeding number forty, not more advanced than singles.

That is a specific article. Therefore "n.o.p." is out of place and should not be added, because "n.o.p." is used when you are describing a general article covering a miscellaneous group of items, and "n.o.p." means simply to eliminate from that others which are already provided for. This is a specific item and should not have "n.o.p." added to it at all.

Mr. BENNETT: The minister is adding it to 522a.

Mr. STEVENS: The same thing applies.

Mr. GUTHRIE: To which item is it proposed to add "n.o.p."?

The CHAIRMAN: Item 522a.

Item as amended agreed to.

Customs tariff—522b. Yarns and warps wholly of cotton exceeding number forty, not more advanced than singles: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 522b.

Customs tariff—522b. Yarns and warps wholly of cotton exceeding number forty, not more advanced than singles: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. GARLAND (Bow River): The old item reads:

Cotton yarns not exceeding forty, singles.

The minister has a number of new words inserted. What does it mean?

Mr. ROBB: Not more advanced than singles. This is for administrative purposes. The present item includes all counts over forty, singles.

Mr. GUTHRIE: The proposed item does not include forties, does it?

Mr. ROBB: No.

Mr. MALCOLM: But they used to import two-twenties in evasion.

Mr. BENNETT: The minister was good enough to say a moment ago, in connection with the amendment he proposed by which, under the preferential tariff, this item will be free, that he had been convinced by the reasons that had been urged. No reasons were urged why it should be changed. His attention was directed to what the facts were and it is a great compliment to the minister's perspicacity that when he once sees the facts, he makes the change. There are those who recall the words of the hon. member for South Huron (Mr. McMillan) last night who said he was going to see that something was done, and I judge by the complacent look upon his face this morning that he is like the cat that has just returned; he is very happy and he feels he has accomplished his purpose.

May I venture also to point out that on the 13th March last the Daily News Record of New York, which is the authoritative journal in connection with textiles in the United States, carried an article under this heading:

Change in Canadian tariff might make that country better customer.

This possibility stimulates investigation of goods market conditions in United States by importers from Dominion—operations more speedily accomplished here than abroad.

It states that the effect of the tariff changes will be against buying from Great Britain and towards buying in increased quantities from the United States. That is the purport of that article which, I doubt not, the minister has had his attention directed to.

Mr. ROBB: The change will rather check that.

Mr. BENNETT: I am coming to that point. He may have in mind that perhaps this will do something towards accomplishing that end, but how far will depend on the

extent to which we are now purchasing from Great Britain and the United States. I think the minister was incorrect in his statement as to the relative quantities purchased from Great Britain and the United States.

Mr. ROBB: I was.

Mr. BENNETT: What are the figures as the minister makes them now?

Mr. ROBB: They are as follows for the year ended 31st March, 1927:

Country	Imports
United Kingdom	$ 662,113
Switzerland	71
United States	1,573,735

Mr. BENNETT: Is that the duty paid or the value of the goods?

Mr. ROBB: The value of the goods. There was no duty on them then, but under the change we are switching that business to another item.

Mr. GEARY: I have no idea who Wabasso is, but I was interested in the figures that the hon. member for Peace River put on Hansard a few minutes ago as to the position of that company and was curious enough to look at the book from which he was reading. I do not think a company which is paying four dollars a share on its common stock—

Mr. BENNETT: They are split shares. This means eight per cent.

Mr. GEARY: —and is setting aside, out of net profits after paying dividends, only $36,000 a year, should be a mark for any particular attack. It does not seem to me that the company is doing so well as to be an imposition on the community. You might pick out other cotton companies that would be a good deal more striking in their profits.

Mr. ROBB: I quite agree with my hon. friend that the Wabasso Company is a good and well-managed company. In their pioneer days they have had some hard sledding. I have a memorandum before me which indicates that they are not the only company affected, but I think I have already placed that on Hansard.

Mr. BENNETT: They said they were the only company materially affected.

Mr. ROBB: They make a specialty of this line of goods.

Amendment agreed to.

Mr. KENNEDY: Is the minister going to lay down the principle that any company that has had tough sledding in the past is going to have his most favourable consideration when it appeals for assistance? There are very few individuals or companies who cannot establish a case of that kind, and I do not think it is any justification for this company to say that it must have this assistance just because it has had tough sledding in the past. We have all had that.

Mr. MALCOLM: I think my hon. friend wants to be fair, but he may have left a false impression with regard to the statement he read as to Wabasso. I do not know the company particularly well; I never owned a dollar of stock in it, and I do not know its principals. It is in the province of Quebec; I would know more about it if it were in Ontario. My hon. friend must remember this general condition which may obtain in a company. The common stock of Wabasso went down for several years; there was no rise in Wabasso common stock during 1922, 1923 and 1924. It is a low interest-paying stock, and its price fairly represented its value. When a company is able to pay 4 per cent, its stock will float around 60 or 70; an increase of 1 per cent will raise the price of the stock to between 80 and 90; another 1 per cent will drive it above 100; and if the company can make 7 per cent, its stock is liable to jump to 135 or 140; so an increase of about 75 points in a company's stock may only represent an increase of 3 per cent in its earnings, and it is hardly fair to assume that the company has doubled its total value because its common stock has doubled in value. When a company after years of successful operation retires its bond issue and its senior or junior securities, and stands in a comfortable position, and pays dividends on its common stock, the common stock becomes valuable, but that is not necessarily an indication that the company has made a tremendous profit, which is the impression I think my hon. friend left on the house. I do not think he wants to be unfair.

Mr. KENNEDY: I do not want to be unfair, but I am representing people who do not get this kind of consideration from this government or any other government.

Mr. MALCOLM: They do indeed.

Mr. KENNEDY: I was up against a Liberal candidate who in the last election had this to say:

> Tariff reduction: I can see no advantage whatsoever to anyone in western Canada in having a protective tariff. By it you pay more for everything you or your family wear or consume, yet in everything we sell we meet the world in open competition. Is it fair to us?

That was the statement of Mr. Clarke to the electorate of Peace River in the last election. If the party across the way has come to the conclusion that they must protect this industry, they have men in that party throughout Canada who are capable of defending that position clearly before the electors, and they ought to do it. It should be impossible to go to the country on a platform that practically calls for the annihilation of all tariffs, and then come to the House of Commons and bring down a budget that, so far as I can see, is very largely framed on a protective basis. It is so with this item, and that is the reason I am protesting. I want to revise my opinion if I find that it is wrong on the facts and figures as presented to the house by the Minister of Finance. If I do not revise my opinion, I shall go throughout my constituency next summer and present to my electors the facts, but if the minister can convince me that I am wrong I shall be just as earnest in presenting the facts to my constituency. I have never advocated the complete wiping out of all tariffs; I have never advocated free trade as a practical policy for the Dominion.

Mr. ROBB: There is not much difference, then, between my hon. friend and myself. I am not a high protectionist; I have never advocated the wiping out of all tariffs. But I have been attacked—I am case-hardened now because the attacks have been coming every year since 1924—on the ground that I am ruining industry; I was attacked in the budget debate this session for ruining industry, and the only fault I find with my hon. friend is that he lines up with the men who are attacking me.

Mr. GARLAND (Bow River): The minister's last statement shows that he has the peculiar political point of view that other parties have expressed on a question of this kind. We were not lined up with our friends to the right. We were opposing the principle in the budget this year, the principle of the reduction in the income tax chiefly, and also the principle of protection in the fiscal policy of the country. We were not lined up with hon. gentlemen to our right. It just happened that on that occasion we voted with them against the budget, but we might just as well be voting with hon. gentlemen opposite to-morrow or to-day on another proposition; we do not know yet. But when we do vote with hon. gentlemen opposite, we shall not be voting for the party of my hon. friend the minister; we shall be voting for the particular point of view which the particular case represents.

Mr. EVANS: I should like to ask the Minister of Trade and Commerce if he really meant that the paying of dividends depends upon the amount of tariff protection that a company engaged in the cotton industry receives.

Mr. MALCOLM: Not at all.

Mr. EVANS: The minister left that impression.

Mr. MALCOLM: The impression I was trying to leave was this: The Wabasso Company has been discussed under this item, and my hon. friend from Peace River went on to show that that company was doing rather well, and that they probably did not need an increase in the tariff. The impression he left on the house as to the company's position was in my opinion rather extravagant. I only pointed out in a general way that the Wabasso Company, which I am not interested in at all, has not had such remarkable success as the price of its common stock would indicate. I am not discussing the principle of protection, but this company is the chief manufacturer of this line of goods, and is very much interested in this item. The minister has changed the item, making it free so far as Great Britain is concerned, and dutiable from the United States, which would transfer a lot of the business to England.

Mr. FANSHER (Lambton): A great many companies in Canada have a lot of water in their stock. Is this one?

Mr. MALCOLM: I do not think so.

Mr. GARLAND (Bow River): The statement just read by the hon. member for Peace River shows that the new stock issued by this company this spring was issued on a bonus basis of $13 per share.

Mr. MALCOLM: I do not know about that.

Mr. GARLAND (Bow River): It is all in the Financial Post.

Mr. EVANS: Returning to the statement of the Minister of Trade and Commerce, he said that they not only needed protection to pay dividends—

Mr. MALCOLM: No, I did not.

Mr. EVANS: —but that they deserved protection because of the hard sledding they had had in the past. We have all had hard sledding, and I would ask if this house exists to give protection to industries by the sweated labour of men, women and children on the farms of Canada and the consuming public in general.

Mr. BENNETT: It would be very unfortunate if the observations of the Minister of Trade and Commerce (Mr. Malcolm) were allowed to go unchallenged. The fact is that the Wabasso Cotton Company made an application to the tariff board to increase the tariff. That application was heard by the board. The board made no statement of facts at all upon which this house could arrive at a conclusion; but it did make a report to the minister, which has been traversed by my friend from Vancouver, and which was very generally referred to the other day. Now, it is incorrect to say that objection was made in this house to one feature of it or the other. It is true that an application was made to increase the tariff.

Mr. ROBB: Or to create one.

Mr. BENNETT: To create a tariff where there was no tariff. It is true the minister created a tariff of 7½ per cent against Great Britain, and higher against treaty and non-treaty countries. Now he has withdrawn that 7½ per cent duty, and he says he did so because of the facts presented to him in this house by the groups that sit to the left of the Speaker. Surely he does not mean that.

Mr. ROBB: I did not say facts were presented. I said my hon. friends convinced me.

Mr. GARLAND (Bow River): No, no.

Mr. BENNETT: Does the minister mean that he proceeded without facts?

Mr. GARLAND (Bow River): Mr. Chairman, may I interrupt? The hon. member for West Calgary is absolutely correct. The minister did say that he was convinced by the arguments of the groups to the left of the chairman.

Mr. ROBB: Particularly my hon. friend.

Mr. GARLAND (Bow River): The hon. minister included the groups on this side of the house.

Mr. ROBB: I wanted to give my hon. friend some credit for it.

Mr. BENNETT: Now, Mr. Chairman, we are getting to what really might be called the Machiavellian hand of the Minister of Finance. He is not a very great diplomat, but, on the other hand, he is not unskilled, and the Machiavellian touches that he sometimes reveals in this house are such as to assure us that he is not quite as innocent as he would sometimes have us believe. Those of us who have watched him in his handling of tariff items in particular are not unaware of that fine touch which would do credit to the great Italian writer's description of his Prince.

[Mr. Evans.]

Let me go a step further in relation to it, if I may. Last evening the hon. gentleman was very very strong in his position; to-day he has changed that position. Last evening he asserted that these gentlemen affected were not his friends; now he says he is going to change this item—thereby, we assume, to have revenge upon those who are not his friends. Is that the inference?

Mr. ROBB: Oh no.

Mr. BENNETT: Is that the fine Italian touch?

Mr. ROBB: No.

Mr. BENNETT: That is the only inference that can be justified.

Mr. CANNON: Are they friends of my hon. friend?

Mr. BENNETT: I said that I had not the privilege of knowing them. But they seem to have been great friends of the chairman of the board. At least one of them, a director of the company, seemed to be very well known in political circles and has a splendid reputation as a very generous supporter of the cause of Liberalism—for which he is to be much admired among those who accept that brand of politics.

Mr. ROBB: This is the first I have heard of it. He has managed to keep it a secret from our followers in that part of the province.

Mr. BENNETT: Now then we have the reason why the change has been made to-day.

Mr. ROBB: No.

Mr. BENNETT: Oh yes. I am glad we have it, because last evening the minister desired to evade giving information by asserting that the gentlemen concerned were friends of ours, not his; and he said he was almost provoked to exclaim, Save me from my friends! Those were his friends. I said that I could quite readily understand the minister so exclaiming having regard to his sometime associations. This afternoon he comes in and says: Ah! well, we will drop that altogether and put the item on the free list, because these groups to the left of the speaker have convinced me. But his conviction arises from the fact that after investigation he has discovered that their supporter in the locality finds this gentleman not friendly to him. He tells us that to-day for the first time.

Mr. ROBB: I only heard that after the item was put through. I am told the member for that county is quite satisfied.

Mr. BENNETT: Meaning, that not to have accorded him the protection recently promised satisfies his supporter. That is all. Now the minister has certainly put himself in a rather embarrassing position. I find it rather difficult to believe that one with his sense of equity and fairness, with his desire to use his common sense against the technical knowledge imposed by his tariff board, would adopt such a course. In Winnipeg he spoke so learnedly about that technical knowledge; to-day so slightingly. He is now going to pit his common sense against their technical knowledge; and his common sense tells him this fact—Three Rivers was not favourably disposed towards him politically. Am I to gather then that, if the item had remained as it was, they had assurances that Three Rivers would be favourably disposed towards him politically? Is that the inference?

Mr. ROBB: Not at all.

Mr. BENNETT: Now, knowing as we do the little pilgrimage into Huron by the Minister of Trade and Commerce (Mr. Malcolm), and his interviews with the manufacturers there, and the certain promises made that free coal would take the place of dutiable coal—

Mr. MALCOLM: My hon. friend knows better than that.

Mr. BENNETT: I know promises were given.

Mr. MALCOLM: No, they were not.

Mr. BENNETT: Well, we will not say "promises". He did not sign any document. Let me put it this way: He told them that this time his request of the Minister of Finance would not be as fruitless as in all those lean years gone by.

Mr. MALCOLM: It was never even discussed.

Mr. BENNETT: Perhaps my hon. friend talks in his sleep in view of what took place in Huron, because certainly there must have been some ground for the extensive advertising in the riding that all the industrial leaders were supporting the Liberal candidate. Then we remember with what haste the minister was rushed from the ship's side to the constituency to indicate how much free trade would do for this languishing land. He recalls the circumstance. Now the Minister of Trade and Commerce tells us that for years he was trying with the former Minister of Finance, Mr. Fielding,—

Mr. MALCOLM: And the present one.

Mr. BENNETT: As well as the present Minister of Finance, but unavailingly. But all of a sudden the other evening new light had come to the Minister of Finance.

Mr. MALCOLM: Not all of a sudden; it was pretty hard work. He had a good representative to support him.

Mr. BENNETT: From the way in which the minister looks to his colleague in the Department of Agriculture, apparently he thought there was a necessity for free salt, or the salt had lost its savour.

Mr. MALCOLM: There is free salt for fishermen and farmers.

Mr. BENNETT: I put this to the Minister of Finance: Does he offer his observations this afternoon to this house as to why he dropped the 7½ per cent tariff and substituted the word "free" in the British preferential tariff as a fair and proper statement?

Mr. ROBB: I thought I was meeting the wishes of my hon. friend. Surely he is not going to chastise me now for having done what he advocated yesterday.

Mr. MOTHERWELL: What does my hon. friend object to?

Mr. BENNETT: What is this distant rumbling? It is said of the volcanoes on the coast of South America that they are not extinct, but that now and again there may be a sudden outburst and a flowing of lava down the crater sides. I think I hear a little rumbling that makes me believe the Minister of Agriculture still lives.

Mr. MOTHERWELL: Two hours and a half to put through a British preference item!

Mr. BENNETT: How delightful! Two hours and a half to put through a British preference item.

Mr. MOTHERWELL: And one hour yesterday makes three and a half hours. A real nice story to tell back home. Make it another hour; it will help us.

Mr. BENNETT: Three hours and a half —and the Minister of Agriculture is as innocent of what we have been talking about as when the discussion commenced; even now he is not certain whether we have been speaking of flax, cotton or butter. But I do not think the Minister of Finance is fair to himself or to this house when, having asserted that the industry affected was unfriendly to him politically, thus inducing the house to believe that he was thereby doing a great and generous favour, he now comes back, after his own friends have indicated

what their attitude was in respect of the increased duty of 7½ per cent, and says: The responsibility must rest with you for having done this, and these are your friends. That, Mr. Chairman, I think is ungenerous and unkind.

Mr. ROBB: Yesterday my hon. friend in an eloquent speech, not only once but a number of times, stated that this change was made solely in the interests of political friends of mine. I repudiated that statement; I said they were not political friends. My hon. friend insisted that they were and I said, "The Lord deliver us from our friends".

Mr. BENNETT: That is right.

Item as amended agreed to.

Customs tariff—522c. Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns not more advanced than singles, wholly or partially covered with metallic strip, generally known as tinsel thread: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. STEVENS: This item covers ordinary sewing thread, does it not?

Mr. ROBB: Some of it would come in under that classification.

Mr. STEVENS: It is used for sewing, stitching, packaging and other purposes. That would include common sewing thread used in every household. Is that correct?

Mr. ROBB: As my hon. friend knows, a good deal of thread comes in hanks. The present rates are 17½ per cent, 22½ per cent and 25 per cent. A small proportion of imports comes under a classification with duties of 5 per cent, 7½ per cent and 10 per cent, while some is free. The total importations for the year ended March 31, 1927, were $745,055. Of that amount $20,000 came under 734 which is free, and $30,000 under 721.

Mr. FRASER: What was collected in duty under the old item?

Mr. ROBB: Five thousand dollars.

Mr. FRASER: That was the amount collected?

Mr. ROBB: The estimated reduction; it breaks about even in the reclassification.

Mr. STEVENS: What I want to know is whether this item includes sewing thread used for household purposes.

Mr. ROBB: Yes, and sewing thread shows a reduction.

[Mr. Bennett.]

Mr. GARLAND (Bow River): This is the item to which the Minister of Railways (Mr. Dunning) referred yesterday as the consumers' item.

Mr. ROBB: This is one of them.

Mr. GARLAND (Bow River): The Minister of Railways spoke of this as the sewing thread item.

Mr. ROBB: Spool thread.

Mr. GARLAND (Bow River): Spool thread, if you will, under which the consumers were to get an advantage. Now I gather that the minister says there is no advantage; the situation is as it was before. The hon. member for Vancouver Centre and the leader of the opposition now tell me also that the duty is doubled. Will the minister be good enough to make it perfectly clear just what has happened to the consumer of spool thread?

Mr. ROBB: Will my hon. friend tell me how he figures out that the duty is now doubled?

Mr. GARLAND (Bow River): Two hon. gentlemen who have made a study of the question and who have been listening to the minister so informed me. I did not understand it that way. As a matter of fact I do not know what has happened and I should be glad if the minister would tell me.

Mr. ROBB: I did not hear the hon. gentlemen make that statement. If they did they are misinformed. The principal importations came under the rate of 17½ per cent, 22½ per cent and 25.

Mr. GARLAND (Bow River): There has been a reduction of 2½ per cent under the British preference.

Mr. ROBB: The proposed rates are 15 per cent, 22½ per cent and 25 per cent.

Mr. BENNETT: In the Wabasso Cotton hearing the Coates company appeared and stated that they got their material free. They gave the item under which their material was brought in and which I read last night.

Mr. ROBB: This is another item. The Coates people manufacture in Scotland.

Mr. BENNETT: Here is the statement; at page 631:

Mr. Bain: Mr. MacKay, our understanding of this paragraph in your brief is that you do not intend your application to interfere or be in conflict with the interests of the thread makers. You produce letters approving the quality of Wabasso yarns. They were from knitters and other users and none was from thread-making concerns. If that under-

standing is correct, we have no quarrel, but I find it necessary to direct attention to a misapprehension on the part of the Wabasso company making that statement. It is true we import cotton thread in hanks under tariff item No. 535.

The Chairman: At what rate of duty? 7½, 10 and 10?

That is the evidence given—7½, 10 and 10.

Mr. ROBB: That is not under consideration now.

Mr. BENNETT: The report continues:

Mr. Bain: Yes, but we would emphasize the fact that the bulk of our materials consists of single yarns, 40's and finer, which are free of duty. If therefore the provision for the general free entry of these yarns be removed from clause 532, it will be necessary, in the maintenance of our existing tariff position and situation, to make special provision for the free admission of these yarns for thread-making purposes.

The Chairman: What is your protection now?

Mr. Bain: We have 7½ per cent protection.

That is exactly where this tariff is going to be left, and that is what I desire to bring to the attention of the minister:

The Chairman: Under item No. 536?

Mr. Bain: No. 536—17½ per cent less 10 per cent discount.

The Chairman: When you say "less 10 per cent", why did you not remind me that No. 535 was also less 10 per cent?

Mr. Bain: No sir. The 10 per cent discount applies only to items rated over 15 per cent.

The Chairman: It applies on the valuation.

Mr. Bain: That is our position.

Mr. GARLAND (Bow River): That would indicate that most of the material coming in now comes in at 7½ per cent, and the minister is putting it up to 15 per cent.

Mr. ROBB: No.

Mr. BOIVIN: Item 535 remains as it was.

Mr. GARLAND (Bow River): Item 522c is raised to 15 per cent.

Mr. BENNETT: Once more I refer to page 631. Mr. Mackay was speaking for the Wabasso Company, together with Mr. Aird:

The Chairman: You have no competition from the southern states?

Mr. MacKay: Just on the coarse.

Mr. Aird: The 40's, 50's and 60's mentioned a little while ago are coming from the southern states also.

The Chairman: But mainly from the northern states?

Mr. Aird: They are going into the spinning of the finer counts. . . .

The Chairman: Yes, that is true.

Mr. MacKay: The Canadian Spool Cotton Company, which is a branch of Coates, bring their yarn in under a special clause, 535 "Thread, cotton, sewing in hanks", 7½ per cent, so that this class of work will apparently not be affected by our request.

Mr. Bain: May I speak at this stage? I just want to put a question to Mr. MacKay.

The Chairman: Speaking for the board, I would like to have Mr. Bain's statement at this point if you have no objection.

Then I turn to page 652, to which I referred last night, where the Canadian Spool Cotton Company made their answer to the application of the Wabasso Company. I do not want to read that at any great length, but they submitted that there should be no change.

Mr. ROBB: The position of the Canadian Spool Cotton Company is that they will still get their finer than 40's in free under item 522d, and they will still have their hanks come in at 7½ per cent under item 522e.

Mr. BENNETT: But that was 7½ per cent before.

Mr. ROBB: Why should we change it?

Mr. BENNETT: There has been no change in it.

Mr. ROBB: What does my hon. friend advocate?

Mr. BENNETT: Here is what Mr. Bain says on that point, at page 658:

Mr. Bain: Our position to-day is this: We have free yarn in respect of probably over two-thirds of our business. We pay 7½ per cent duty on the rest of our raw material. There is a duty under the preferential tariff of 15 per cent on cotton yarns coarser than 40's. We have protection under the preferential tariff from Great Britain of 15¾ per cent on our total output—17½ less 10 per cent.

What is that 10 per cent? Does that prevail here?

Mr. ROBB: Only over 15 per cent.

Mr. BENNETT: I continue reading:

We also have a protection as against the United States of 25 per cent under the general tariff. May I say that when the preferential tariff was introduced I happened to be in the government service and had something to do with it officially, and the argument of the government of the day was, as I recollect it, that the preferential rate dominated the price. That was the argument of the Minister of Finance of the day, and my former and very much respected chief, Hon. William Paterson, Minister of Customs. This was the argument: Two manufacturers come into Canada, the one an American and the other a Britisher. The American, realizing that the Englishman had a preference in the rate of duty, felt he was handicapped and had to reduce his price to the extent of the difference between the preferential and the general tariff. . . . .

That was the position, and if that be so there has been no change in the duty with

respect to one of these items. Assuming the thread comes in unmanufactured to some extent, the duty is still 7½ per cent?

Mr. ROBB: Yes.

Mr. BENNETT: If manufactured, what change is there?

Mr. ROBB: In spools; it will be 15 per cent, 22½ per cent and 25 per cent, where formerly it was 17½ per cent, 22½ per cent and 25 per cent.

Mr. BENNETT: Item 522c reads:

Plied yarns and threads, n.o.p., 15 per cent, 22½ per cent, 25 per cent.

Is there not an item with respect to spool cotton?

Mr. ROBB: No, this is the item.

Mr. BENNETT: Is my hon. friend sure of that?

Mr. ROBB: Yes, the officers of my department assure me of that. This has been very carefully checked by the officers of the department, working with the Customs department.

Mr. GARLAND (Bow River): If there is any change at all it is a change of 2½ per cent in the British preference on item 536. There is an increase in everything else which comes in under item 522c now, and which formerly came in under items 534, 520, 721 and 734. The only place in which there is any reduction at all is in the British preference under item 536; that was formerly 17½ per cent and is now 15 per cent.

Mr. ROBB: The department suggested that for administrative purposes these be made into one item, and I will repeat that the total importation under these five items amounted to $745,055. Of that $695,055 came in under item 536, where there is the reduction in the British preference.

Mr. GARLAND (Bow River): Out of that $695,000 which came in, how much will now come under item 522c and how much under items 522d and 522e? There is where we get into a tangle on this whole business. The Minister of Finance says that the total importation amounted to about $745,000, and of that some $600,000 came in under item 536.

Mr. STEVENS: How was that composed?

Mr. GARLAND (Bow River): That is exactly what I want to know; how much was mercerized, how much was hanks and how much was spool thread? If we find out how much was spool thread we will find out if there is a reduction or an increase.

[Mr. Bennett.]

Mr. ROBB: I do not think I can give you that information, but I can tell you that all the spool thread comes in under this item.

Mr. BENNETT: I think my hon. friend from Bow River was misled, as we were, by the fact that in the original tariff items as submitted there was no item 522e, which is now being added. If my hon. friend will observe what the hon. member for Vancouver Centre (Mr. Stevens) and myself were looking at, this comparative rate statement on page 5 shows that cotton sewing thread in hanks came in under a duty of 7½ per cent, 10 per cent and 10 per cent, while the new rate is 15 per cent, 22½ per cent and 25 per cent, or twice the old rate. I do say, however, that you cannot properly claim a reduction in the tariff on spool cotton unless you have some knowledge of the quantity which came in, how it came in and the effect this new tariff will have upon those importations.

Mr. GARLAND (Bow River): In other words, the minister is unable to tell us whether the householders, my wife and his wife and the women of this country generally, will obtain a reduction in the duty or an increase. He cannot tell us that until he can tell us how much spool thread came in last year under item 536.

Item agreed to.

Customs tariff—522d. Yarns and warps wholly of cotton, mercerized, number forty and finer, imported by manufacturers for use exclusively in their own factories: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. BENNETT: That is a new item, is it not?

Mr. ROBB: I intend to move an amendment to the item. I beg to move that the following be substituted for item 522d:

Customs tariff—522d. Yarns and warps wholly of cotton, mercerized, number forty and finer, imported by manufacturers to be further manufactured in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: What is the change here?

Mr. ROBB: The rates as brought down in the budget were: Free, 10 per cent, 5 per cent. Now they are to be free under all three tariffs.

Mr. BENNETT: There is a change in the British preferential rate.

Mr. ROBB: As compared with the budget resolution.

Mr. STEVENS: Does the minister propose to make all three tariffs free?

Mr. ROBB: Yes, when these materials are imported to be further manufactured.

Mr. STEVENS: As I understand it, the majority of that material comes in from the United States. That will mean that the United States will get an advantage over the British preference.

Mr. KENNEDY: What is the difference between item 522d, reading:

Yarns and warps wholly of cotton, mercerized, number forty and finer, imported by manufacturers for use exclusively in their own factories.

And item 522b, which reads:

Yarns and warps wholly of cotton exceeding number forty, not more advanced than singles.

Mr. ROBB: These are mercerized goods.

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

After Recess

The house resumed at eight o'clock.

BUSINESS OF THE HOUSE

Hon. LUCIEN CANNON (Solicitor General): I would suggest, with the unanimous consent of the house, in order to expedite business, that before considering the private bills in committee we might take up the bills starting from order No. 34 to the end of the list and have them read a second time so as to provide work for the private bills committee next week.

Mr. BENNETT: I should think that would be highly desirable in the public interest.

Mr. CANNON: I beg to move:

That the house do now proceed with order No. 34 and following.

Motion agreed to.

PRIVATE BILLS

ST. JOHN RIVER STORAGE COMPANY

Sir EUGENE FISET (Rimouski) moved the second reading of Bill No. 17, respecting the St. John River Storage Company.

Hon. R. B. BENNETT (Leader of the Opposition): Explain.

Sir EUGENE FISET: The object of this bill is to secure the approval of parliament to two enactments passed by the Quebec legislature and known as chapter 117 of the provincial statutes assented to on April 3, 1925, and chapter 100, assented to on April 1, 1927. These two enactments are contained in schedules A and B, which form part and parcel of this bill. Chapter 117 authorizes the government of New Brunswick to purchase or construct certain dams or other works in the counties of Kamouraska, Temiscouata and Rimouski in order to regulate the flow of the St. Francis and Madawaska rivers and their tributaries. Chapter 100 authorizes the government of New Brunswick to transfer to the St. John River Power Company all the right vested in the government of New Brunswick in accordance with chapter 117 of the provincial statutes. The St. Francis and Madawaska rivers fall into the St. John river, which is an international stream, and the only purpose of this bill is to eliminate any doubt that may exist as to the validity of these two acts. The hon. member for Temiscouata (Mr. Pouliot) has agreed to postpone any remarks he has to make on the bill until it comes before the private bills committee.

Mr. BENNETT: It was for that purpose that I desired the hon. member to make the explanation. I assume that the attorneys general of Quebec and New Brunswick are satisfied that this legislation should be enacted, because primarily it concerns New Brunswick.

Hon. P. J. VENIOT (Postmaster General): I was the one who asked the government of Quebec to pass the legislation in 1925, and I know that the present attorney general of New Brunswick is in full accord with this enactment because it is for the hydro development in that province.

Hon. C. A. DUNNING (Minister of Railways and Canals): There is a point in connection with this—I am sorry I have not the documents with me—that might be considered when the bill is before whatever committee it goes to. I understand that certain expropriation powers are contained in it, and some question was raised by the railways as to whether in such a bill power should be given to expropriate railway property.

Sir EUGENE FISET: I understand this question is to be debated when the bill is before the private bills committee.

Mr. DUNNING: All right.

Mr. POULIOT: Then we shall be able to discuss the matter when the bill comes up for third reading.

Motion agreed to and bill read the second time.

BRITISH EMPIRE ASSURANCE COMPANY

Mr. W. T. GOODISON (for Mr. Edwards, Ottawa), moved the second reading of Bill No. 40, respecting the British Empire Assurance Company.

Mr. SPENCER: May we have some explanation of this?

Mr. GOODISON: The applicants in this matter are officials of the British America and Western Assurance companies. These two companies have their head offices in Toronto and are two of the oldest companies in Canada. The purpose of the bill is to incorporate a new and subsidiary insurance company. It contains all the provisions of, and is subject to, the Insurance Act. It has been approved in its entirety by the insurance department.

Motion agreed to and bill read the second time.

SECOND READINGS

Bill No. 48, respecting the Calgary and Fernie Railway Company.—Mr. Gershaw.

Bill No. 50, to incorporate the United Theological College, Montreal.—Mr. Cahan.

Bill No. 57, respecting the Edmonton Dunvegan and British Columbia Railway Company.—Mr. Kennedy.

Bill No. 58, to incorporate the London and Port Burwell Railway Company.—Mr. Taylor.

Bill No. 59, to incorporate the Federal Loan Company.—Mr. Lang.

Bill No. 60, respecting the Canadian Surety Company.—Mr. Hocken.

Bill No. 65, respecting the Canadian Pacific Railway Company.—Mr. Jelliff.

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY OF CANADA

Mr. W. T. GOODISON (for Mr. Edwards, Ottawa) moved the second reading of Bill No. 41, respecting the Imperial Guarantee and Accident Insurance Company of Canada.

Motion agreed to and bill read the second time.

On the motion of Mr. Goodison to refer the said bill to the committee on banking and commerce:

Mr. CANNON: With all deference, I think these insurance bills are generally referred to the private bills committee.

Mr. BENNETT: No.

Mr. CANNON: They were last year. I remember the Sun Life Insurance bill was considered by the private bills committee.

Mr. CASGRAIN: It went to the banking and commerce committee.

Mr. BENNETT: They sometimes go to both committees, but it seems to me the banking and commerce committee would be the proper place for this bill.

[Mr. Goodison.]

Mr. CANNON: It does not make any difference.

Mr. SPEAKER: I must say that the Chair was advised by that old and experienced officer, Mr. Todd, who has been fifty years looking after these bills, that primarily they must go to the banking and commerce committee, and if necessary they may later be referred to the committee on private bills.

Motion agreed to, and bill referred to the committee on banking and commerce.

CANADIAN CREDIT INSTITUTE

Mr. F. W. GERSHAW (for Mr. Thorson) moved the second reading of Bill No. 49, to incorporate the Canadian Credit Institute.

Mr. BENNETT: Perhaps the hon. member would give us an explanation.

Mr. GERSHAW: In the absence of the hon. member for Winnipeg South Centre (Mr. Thorson), I might explain that this is a bill to enable the Canadian Credit men to carry on their work in regard to standards of skill and competency, and to put them in about the same position as chartered accountants.

Mr. BENNETT: This raises a question of some importance, as doubtless the hon. Solicitor General (Mr. Cannon) has observed. The question of the parliament of Canada exercising this jurisdiction as distinguished from the provincial legislatures is a matter of very considerable importance. The provinces have exercised this jurisdiction in most instances, especially the western provinces, to create various organizations, that of accountants, for instance, and one other which does not occur to me at the moment; and I think the effect of this bill would be very greatly to limit, if not entirely to destroy, the usefulness of these associations. The bill should be looked into very carefully before it is passed by the house, and if the Solicitor General or the law officers of the crown have not had an opportunity of doing so, I should like them to do it before we give the bill its second reading.

Mr. CANNON: I suggest to my hon. friend that we allow the bill to go before the committee, where I can assure him that that point will be looked into carefully. When the bill is considered in committee we shall endeavour to safeguard the rights of the provinces.

Motion agreed to and bill read the second time.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. ALFRED SPEAKMAN (Red Deer) moved the second reading of Bill No. 52, respecting the Canadian Pacific Railway company.

Some hon. MEMBERS: Explain.

Mr. SPEAKMAN: The object of this bill is to empower the Canadian Pacific Railway Company to construct two lines in Alberta. With regard to the line mentioned in paragraph (a), this is to construct a branch of the Canadian Pacific railway from a point at or near Acme, and running thence in a northerly and northwesterly direction towards the town of Red Deer. The territory to be traversed lies between the Calgary and Edmonton, a branch of the Canadian Pacific railway, and a branch of the Canadian National. The distance between these two lines is about thirty-five miles, and from an examination of the map I find that the proposed line will fairly divide that territory without encroaching upon the territory already occupied. The construction of this line has been urged for a great many years by the settlers. The district is very closely settled, and will produce a good deal of freight.. The line will provide a very much needed service.

Motion agreed to and bill read the second time.

MANITOBA AND NORTH WESTERN RAILWAY COMPANY OF CANADA

Mr. MALCOLM McLEAN (Melfort) moved the second reading of Bill No. 53, respecting the Manitoba and Northwestern Railway Company of Canada.

Mr. HEAPS: Mr. Speaker, may we have an explanation in reference to this bill?

Mr. PARENT: Generally questions are asked on the first reading; we are now on the second reading of this bill. I have no particular objection, of course, but an explanation should have been asked for before.

Mr. CANNON: I understand that the bill seeks an extension of time; otherwise the charter would lapse.

Motion agreed to and bill read the second time.

SUN LIFE ASSURANCE COMPANY OF CANADA

Sir EUGENE FISET (Rimouski) moved the second reading of Bill No. 56, respecting the Sun Life Assurance Company of Canada.

Mr. SPENCER: I was not in the house when this bill was read the first time. Will the hon. gentleman explain its purpose?

Sir EUGENE FISET: Mr. Speaker, there are three objects sought by this bill: One, to amend the present act respecting the Sun Life Assurance Company of Canada so as to bring it more into conformity with the Consolidated Insurance Act, 1917; second, to increase the capitalization from $2,000,000 to $5,000,000; third, to reduce the par value of the stock to $10. May I say that since a similar bill to this was introduced last session there have been numerous conferences, and a great deal of correspondence has been exchanged, between the officials of the company and the Department of Insurance with a view to adjusting the differences existing between the two parties. They have succeeded to such an extent that at present there are only two points at issue: one the amount of increased capitalization, and the other, the proportion of subscribed value to be paid per share of the new restricted class B shares to be issued. The whole of the correspondence exchanged between the company and the Department of Insurance, as well as further evidence sufficient to prove the case, will be submitted to the committee on banking and commerce.

Motion agreed to and bill read the second time.

PEACE RIVER AND MACKENZIE DISTRICT RAILWAY COMPANY

Mr. P. F. CASGRAIN (for Mr. Hay) moved the second reading of Bill No. 67, to incorporate the Peace River and Mackenzie District Railway Company.

Mr. BENNETT: Mr. Speaker, in view of the fact that the Edmonton, Dunvegan and British Columbia Railway operates through a considerable territory in northern Alberta, I think something should be said with respect to this bill. An additional railway charter might add to the railway difficulties already existing there and might not be in the interests of the Canadian National Railways or the Edmonton, Dunvegan and British Columbia Railway. I do not know whether the Minister of Railways (Mr. Dunning) has looked into this bill.

Mr. DUNNING: I have looked into the bill, but I was reserving my comments—which are similar to those my hon. friend has just made—until the bill is before the railway committee. I did not understand that we were accepting the bill by allowing it to go to the committee. Other bills have been similarly referred without our being committed to their adoption.

Mr. BENNETT: That is what I thought.

Motion agreed to and bill read the second time.

NORTHWEST CANADA CONFERENCE EVANGELICAL CHURCH

Mr. J. L. BROWN (Lisgar) moved the second reading of Bill No. 68, to incorporate the Northwest Canada Conference Evangelical Church.

Mr. GUTHRIE: Is this bill printed, Mr. Speaker?

Mr. SPEAKER: I am informed by the clerk that it was printed this afternoon.

Mr. GUTHRIE: We have not had a chance to look at it.

Mr. SPENCER: Explain.

Mr. BROWN: This is an ordinary church bill sought by a company of people who desire to secure legal sanction for carrying on the business that is incidental to every church.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: Mr. Speaker, it is only a question of order. Is it not a rule of this house that unless a bill has been marked "E. F." it is not proper to read it a second time? This bill was only circulated relatively a few hours ago, and my hon. friend from South Wellington (Mr. Guthrie) has not his copy of it. I only mention that, not for the purpose of interposing any difficulty, but on the question of order.

Mr. SPEAKER: Certainly; the objection is well taken. No bill should be read to the house a second time unless it is printed in both languages.

Mr. CANNON: In this particular case I understand that my hon. friend is not pressing his point. It is quite true that on the order paper it does not appear as if the bill were printed in both languages, but we have it on our file.

Mr. SPEAKER: In both languages?

Mr. CANNON: It is printed; it is here. In order to expedite matters, and seeing that it is printed, I think it might be sent to the committee. There would be no harm in doing so.

Mr. BENNETT: I am not rising to interpose any difficulty.

Mr. SPEAKER: The point is well taken.

[Mr. Dunning.]

Mr. BENNETT: What I say is that the bill should not be called at all, not having been marked "E.F." on the order paper. Some day some important bill not so marked may be called and the same situation may arise. My point is that the clerk should not call the bill unless it is so marked.

Mr. SPEAKER: I am responsible; I called it myself. The matter stands.

Motion stands.

INTERPROVINCIAL AND JAMES BAY RAILWAY COMPANY

Mr. GEORGES PARENT (Quebec West) moved the second reading of Bill No. 69, respecting the Interprovincial and James Bay Railway Company.

Mr. BRADETTE: Will the hon. member explain the bill?

Mr. PARENT: The bill merely seeks an extension of time for the construction of a certain line. It is familiar to hon. members, having had its first reading, and the only explanation I could give would be to read the bill itself. I do not think it necessary to do so unless it is the pleasure of the house.

Mr. BRADETTE: This bill affects a part of my constituency and I believe a similar measure was before the railway committee last year.

Mr. PARENT: I have no objection to the hon. member reading the bill himself.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

An hon. MEMBER: It is not on the file.

Mr. PARENT: It is on the file; I have the bill.

Mr. RYCKMAN: There are at least twenty members who have not the bill on their file. There is no objection to offer for the simple reason that there is no bill before us to object to.

Mr. SPEAKER: Stands.

Motion stands.

BELL TELEPHONE COMPANY OF CANADA

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, before we proceed to the consideration of other bills I would ask, by leave of the house, to revert to Order No. 38 for the purpose of moving the second reading of Bill No. 43, respecting the Bell Telephone Company of Canada. When this order was called I should have moved it, as I in-

tended to do in the absence of the hon. member for St. Hyacinthe-Rouville (Mr. Morin), but my attention was withdrawn to other matters and the order escaped my notice. The hon. member who has charge of the bill is away at present, and on his behalf I may explain it. It is very simple. The purpose is to authorize the company to increase its capital, provided:

That the total capital of the said company, including the present authorized stock, shall not exceed one hundred and fifty million dollars ($150,000,000).

Another section of the bill repeals certain legislation. In order that the matter may be given proper consideration I move that it be referred immediately to the committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

PATENT OF WILLIAM H. MILLSPAUGH

The house in committee on Bill No. 15, respecting a certain patent application of William H. Millspaugh—Mr. Jacobs— Mr. Johnston in the chair.

On the preamble.

Mr. BENNETT: Were any changes made in the private bills committee?

Mr. CASGRAIN: I may explain that the hon. member in charge of this bill, my hon. friend from Cartier (Mr. Jacobs), has been ill for some time and as he has been obliged to go away he has asked me to take charge of it for him. A change was made at the suggestion of the commissioner of patents, amending section 1, as originally printed, to read:

The commissioner of patents may, upon payment of the fees prescribed by section forty-three of the Patent Act within three months from the date of the passing of this act, restore the said forfeited application of William H. Millspaugh, and provided the provisions of the said act are otherwise complied with, grant a patent upon the said application, the said patent to date from the nineteenth day of November, 1925.

The commissioner's idea was to bring the bill into conformity with the act so that the rights of present applicant persons should not be greater than they would otherwise have been at the time to first application was made.

Mr. BENNETT: I have had occasion to deal with matters of this kind and I submit that it is highly improper to date a patent back three years ago, for under our system applications of other persons may have been filed with the commissioner of patents, and they will not be dealt with except in the order in which they are received. If there be any application similar to this that should be dealt with it follows that that applicant should secure his rights without reference to a party who has neglected his and forfeited his claim. In other words, the statute should read, in my judgment, when renewing an application of this character, "Subject to any rights that may have accrued to other persons in the meantime". The patent should be dated as of present and not of the previous date, because by so doing you may work great injustice to those who have filed claims for patents in the meantime. In some instances they may have received their patents and now find a patent dated back over-riding their own. That is improper, and I submit we should not lightly place the imprimatur of approval of this parliament upon an application which was made three years ago, thereby granting a patent so antedated. We should make it subject to such rights as may have accrued to other persons in the meantime with respect to the same subject matter.

Mr. PARENT: This matter was very fully discussed before the private bills committee and the views just now advanced by the leader of the opposition then prevailed. Such rights as he has mentioned should be protected and I for one would support any amendment to that effect.

Mr. STEVENS: They are not protected.

Mr. PARENT: I believe that was the idea.

Mr. STEVENS: I think it is clear that they are not protected, because the bill says:

. . . . restore the said forfeited application. . .

Subject to further explanation by my hon. friend who is chairman of the committee, the bill as it now stands would by an act of parliament restore the full rights of this patentee.

Mr. RINFRET: I should like to explain that the Department of State, which now has control over patents, is not over-anxious to allow any of these bills to pass; they are imposed upon us first by a private member introducing them and then by the committee on private bills which considers them, so we are in the hands of parliament. In this case the patent was granted in 1925, but the patentee failed to pay the fee. He is now offering to pay that fee, and that is why it is proposed to restore his patent. I may say that the commissioner of patents appeared before the committee, and I understand he makes it a practice to ascertain whether, in the inter-

vening period during which the patent was suspended, other similar applications have been received. The reason for dating the restoration of the patent back to May 19, 1925, is because the duration of a patent is eighteen years. If we grant the patent dating this year the patentee would then have had the patent for a greater number of years than the act allowed.

Mr. BENNETT: I agree with what the minister has said, but it should be subject to the rights, if any, which have been established by other persons in the meantime.

Mr. RINFRET: If we reach the other bill my hon. friend will find that we have inserted a clause covering that point, but in this bill that danger would not arise.

Mr. CANNON: If my hon. friend will allow me to say so, this bill does not restore the patent. When the bill came before the committee the objections taken by my hon. friends also arose in our minds, so the only right we granted was permission to renew the application before the commissioner, and the commissioner is at liberty either to grant or to refuse the application.

Mr. BENNETT: If there is no doubt about that, it is all right.

Mr. CANNON: Should the application be granted when the commissioner has looked into the particulars of the case, then my colleague the Secretary of State has given the reason why the patent will be dated from 1925, to expire in eighteen years. The bill itself does not grant the patent, but simply restores to the interested people the right to go before the commissioner and explain their case.

Mr. RYCKMAN: Will the Solicitor General or the Secretary of State tell us the excuse offered for the failure to pay?

Mr. PARENT: The fact of not having paid the fee in time. That was all we had in view when the committee considered the bill.

Mr. RYCKMAN: If that is the situation I believe that under the former practice of the patent office, if it still obtains, the applicant would not be entitled to very much consideration. Mere neglect to pay is not an excuse for not paying. I can quite understand that if an applicant for a patent has not received advice, or if he has received incorrect advice; if he has been advised that he need not pay or that he has a longer time in which to pay, there has been interference, but where there has been mere neglect to pay I do not see that this parliament should concern itself very much.

[Mr. Rinfret.]

Mr. ADSHEAD: Did he have to pay only $20, and could he not pay that amount in three years?

Mr. CANNON: That is a mere technicality. I understand the applicant followed the provisions of the patent act, but for some reason or other did not pay the fee. The only thing we did in committee was to grant permission for him to go before the commissioner to have his case examined, and the commissioner could give whatever decision he deemed fit provided the man paid the usual fee.

Mr. RINFRET: Perhaps I might explain that the patentee has represented to the department that he omitted making this payment not because of his own fault but through the neglect of his attorney. I should like to emphasize the fact that we are not espousing these bills; they are thrust upon us and we are in the hands of parliament. So far as the department is concerned, we are not particularly anxious that the bills should pass.

Mr. RYCKMAN: I thought the situation was probably due to the failure of the solicitor to look after his client, and in that case I think the patentee should receive consideration by this parliament.

Mr. BENNETT: Presumably this application would not be renewed unless someone else had made an application in the meantime. Is that the position? That makes a very serious situation.

Mr. ADSHEAD: We cannot hear.

Mr. BENNETT: I say presumably an application must have been made by another party or this application would not have been renewed, and the Solicitor General said that was so.

Mr. CANNON: No, I did not; I did not so understand my hon. friend.

Mr. RINFRET: I am informed otherwise by the commissioner.

Mr. BENNETT: The only difficulty I have is this: Why is this patentee here unless someone is interfering with what he conceives to be his rights?

Mr. RINFRET: He has represented that this situation arose through an oversight on the part of his attorney.

Mr. BENNETT: Why has he not made a new application?

Mr. RINFRET: Because the other one has not been disposed of.

Mr. BENNETT: This bill will cost a lot of money. The patentee should have paid $20, but he has not done that. Why should we restore the application by an act of parliament unless someone is being hurt? Because otherwise he could pay $20 and make a new application instead of paying hundreds of dollars to get this bill through.

Mr. CANNON: I appreciate the point raised by my hon. friend. I can quite understand that the applicant in this case probably thought his patent would be restored as from this year, but the only thing he secured from the committee was his right to renew the application.

Mr. BENNETT: As from 1925?

Mr. CANNON: Yes.

Mr. BENNETT: And he could have made a new application?

Mr. PARENT: The only trouble with this bill is that it does not seem to include a clause which we did intend to include, providing that if anyone started to manufacture or use this patent during the time this man was in default or this company was in default, the rights of such persons would be protected.

Mr. CANNON: But if my hon. friend will allow me, that point does not arise at all, because the moment the commissioner finds that such is the fact the patent will not be granted.

Mr. GARLAND (Bow River): The legal gentlemen present may be able to keep cool during this debate but might I ask you, Mr. Chairman, to suggest to whomever is in charge of the ventilation of the chamber that the temperature is around 75 degrees and we cannot stand that very much longer. We would like a little air.

Mr. CANTLEY: I should like to know why this bill is here at all. Why does not the gentleman who failed to pay the fee make a new application for his patent? There must be some reason why he has not done so, and I should like to know what it is.

Mr. RYCKMAN: If I may be allowed to answer the inquiry of my fellow member, an inventor must within a specified time after he has invented any new and useful improvement, which I think is twelve months, make his application for a patent, and if that time has expired he cannot apply. He is out of court, and it is too late for anyone to apply for a patent in 1928 for an invention which he made in 1925.

Mr. CANNON: My hon. friend has the answer.

Preamble agreed to.

Section 1 agreed to.

Bill reported, read the third time and passed.

BRITISH STEEL PILING COMPANY, LIMITED

The house in committee on Bill No. 16, respecting certain patent applications owned by the British Steel Piling Company, Limited —Mr. Jacobs—Mr. Johnston in the chair.

On section 1—Authority to issue patents notwithstanding delay in filing applications.

Mr. BENNETT: Let us have some explanation with respect to this.

Mr. CASGRAIN: The bill is similar to the one just passed, and it stands in the name of the hon. member for Cartier (Mr. Jacobs). It was referred to committee, and after explanations had been given certain amendments were made. On page 2 of the bill, line 6, after the word "shall," the following words were inserted in the first section:

. . . . notwithstanding anything contained in the Patent Act, date from the seventeenth day of May, 1923, and the seventeenth day of May, 1924, respectively, and shall—

The second section in the bill has been struck out. In the third section an amendment has been made, omitting after the word "has" the words—

—in the period between the seventeenth day of February, 1924—

These amendments were approved by the committee and the bill was ordered to be reported to the house.

Mr. PARENT: I did not quite catch what the hon. gentleman said. Did he say these amendments had been before the committee?

Mr. CASGRAIN: I think they were.

Mr. RINFRET: I might explain that the same reservation is made as in the previous bill. In this case the patents concerned were obtained in Great Britain by the holders but they had failed to register in Canada within the period of one year as required by the act. They are now coming to us to file their patents in Canada. We could not, however, grant the patents under the act; a special bill is required to enable them to obtain registration in Canada. The amendments that my hon. friend has mentioned are in the same class as those in the previous bill, the effect being to take the patents from the date on which application should have been made

rather than this year. If any person has in the intervening period manufactured, used or sold in Canada the inventions described, then such person may continue to manufacture, use or sell such inventions in Canada. This is the customary clause, but our information in the department is that nothing of the kind has happened. Again I say that we are in the hands of the committee. The department as such does not recommend any bill of the kind.

Mr. GUTHRIE: But the private bills committee did make these amendments?

Mr. CASGRAIN: Yes, the amendments which I read.

Mr. GUTHRIE: Because it is asserted they did, and the chairman apparently says they did not.

Mr. CANNON: I may say to my hon. friend that we made two amendments.

Mr. CASGRAIN: The amendments which I read.

Mr. CANNON: The first as to the date of the issue of the patent, and the second for the protection of the vested rights.

Mr. BENNETT: The amendment is being made to the section in the terms mentioned by the hon. member for Dorchester (Mr. Cannon)?

Mr. CASGRAIN: Exactly.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the house rose at six o'clock, we were considering item 522d.

Mr. BENNETT: Does the adding of this item in any way change the existing conditions? I understand it does not.

Mr. ROBB: It is just adding the word "mercerized".

Mr. BENNETT: Provided that the manufacturers manufacture it in their own factories.

Mr. KENNEDY: Are the rates under this item the same as the rates under the original 522d?

[Mr. Rinfret.]

Mr. ROBB: No, they are free in all three columns. We have added the word "mercerised".

Mr. GUTHRIE: What is the effect of this?

Mr. KENNEDY: Does a different class of manufacturer use the goods or what is the reason for the difference in the duty? Is it a question of protection to one manufacturer as opposed to another? My point is that manufacturers use both. Why then should one manufacturer be able to import 40's and finer, mercerized, free, and the other have to pay a duty if he imports?

Mr. ROBB: These mercerized yarns are not widely made in Canada.

Item agreed to.

Customs tariff—522e. Yarns wholly of cotton, exceeding number twenty, and not exceeding number forty, not more advanced than singles; cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, composed of three strands or more, not bleached, coloured nor mercerized; imported by manufacturers who manufacture cotton sewing thread and crochet, knitting, darning and embroidery cottons only for use exclusively in their own factories in the manufacture of those materials: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. ROBB: I beg to move that the following be substituted for tariff item 522e:

522e. Yarns wholly of cotton, exceeding number twenty, and not exceeding number forty, not more advanced than singles; cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, composed of two strands or more; all yarns specified in this item when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. STEVENS: This item is a grouping of a number of items?

Mr. ROBB: It is a grouping of items 520, 525 and 536.

Mr. STEVENS: The minister will pardon me if I am not quite clear, but I will read the first part of item 522e:

Yarns wholly of cotton, exceeding number twenty, and not exceeding number forty, not more advanced than singles.

Item number 522a reads:

Yarns . . . . wholly of cotton, exceeding number twenty, but not exceeding number forty, not more advanced than singles.

Why repeat this in the composite item when it is provided for in item 522a? The reason

I draw attention to that is this: In the old tariff it was pointed out by the minister that certain articles were entered under one item when perhaps they should have been under another; that this caused considerable confusion and that the change was supposed to clear it up. Now we have a repetition of two items with a difference in the rate of duty. If I am wrong I wish the minister would point out where I am wrong or make an explanation.

Mr. ROBB: This is a manufacturers' item. The other was a consumers' item.

Mr. STEVENS: Then the consumers' item bears a duty of 12½ per cent, 15 per cent and 22½ per cent, and the manufacturers' item bears a duty of 7½ per cent, 15 per cent and 20 per cent. Is that right?

Mr. ROBB: Yes.

Mr. BENNETT: Is there no method of overcoming the difficulty that has been experienced in the customs department with repect to articles that are imported for use of manufacturers only in their own mills and that are very often sold out of stock and used elsewhere? As the minister knows, there has been a good deal of discussion as to how the public can be safeguarded in connection with matters of that kind where you specify, as I said yesterday, the place at which the article is to be used and the conditions under which the usage takes place.

Mr. ROBB: That is effected by the different changes. The customs officials have approved this and they believe they will be able to work it out.

Mr. FRASER: I notice the original draft reads, " three strands or more," and the present one reads, "Two strands or more." What is the object of the amendment?

Mr. ROBB: This is to broaden out the administration of the act.

Mr. FRASER: I am asking why the minister is decreasing the number of strands.

Mr. ROBB: This allows them to get two strands or more. It was felt that to make it three strands was a little strict. The manufacturers have asked for this change.

Mr. BENNETT: What is the effect of it?

Mr. ROBB: I imagine the effect of it is to make it a little easier for the manufacturers to get the raw product they require. It was found that some of them were using two-ply and doubling them.

Mr. KENNEDY: I understand we are discussing item 522e. The conversation across the floor has been in such a low tone that I could not hear it. I notice cotton yarns were dutiable at 15 per cent, 22½ per cent and 25 per cent. This is about the sixth or seventh reference to item 522, and it looks as though we are getting a cut of about 7½ per cent in the duty, but I wonder if the minister can give us any idea of the amount of imports that will be affected, that came in under the two rates last year. How much of a reduction is it—one per cent or a fraction of one per cent? What will be the possible loss of revenue?

Mr. ROBB: There is a portion under several of the other items, and I cannot tell; but under item 535 the importations amounted to $636,628.

Item agreed to.

Customs tariff—522f. Yarns and warps wholly of cotton imported by manufacturers of tapes, braids, webbings and woven labels for use exclusively in the manufacture of such articles in their own factories: Provided that yarns and warps which are entitled to free entry or to lower rates than are mentioned in this item shall not be entered at the rate specified in this item: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Sir GEORGE PERLEY: Is this in order? We have before us the votes and proceedings of February 16, and in my copy there is no item 522f. Can we go on with it under those conditions?

Mr. ROBB: These are goods that are procurable in Canada and that are used by manufacturers.

Mr. GUTHRIE: The point is that the committee has had no notice of this.

Mr. ROBB: I do not object to having it go on the record and letting it stand so that my hon. friends can examine it.

Mr. GARLAND (Bow River): Do I understand the minister to say that the item will stand?

Mr. ROBB: I have no objection, if the committee insists upon it.

Mr. GARLAND (Bow River): Perhaps the minister could explain something in the meantime. The item states:

Provided that yarns and warps which are entitled to free entry or to lower rates than are mentioned in this item shall not be entered at the rates specified in this item.

Does that mean that yarns and warps now entering free, if they come under the terms of this item, shall not be subject to this duty?

Mr. ROBB: If they are entitled to free entry under another item, they will still be free.

Mr. GARLAND (Bow River): I see, and it is only in case of a higher duty under some other item that this change takes place.

Mr. ROBB: That is right.

Mr. BENNETT: There arises here a difficulty which I trust the Minister of National Revenue will consider. I have received communications of late with respect to the administration of the Customs Act and with respect to changes made by orders in council of which the public is not aware. A man buys goods, pays his duty, sells them, and then an order in council is passed by which the classification is in some sense altered, and he is called upon to pay additional duties sometimes exceeding the profit he made with respect to the transaction. Then the old difficulty arises; he gets his friends in parliament or at Ottawa to work for him, while somebody else who is not so fortunate is left out in the cold. That actually happened in connection with a rather important transaction at one of the ports recently. The point made by the hon. member for Argenteuil is very important here. If these amendments are to be made, from what date are they to apply? These are absolutely new items, as the minister was good enough to say. Will the importers who brought in their goods under the old items as they stood prior to the date of to-day or to-morrow, or whatever day the minister fixes, be called upon to pay under the new or the old item, and will they be entitled to a refund if they paid at a higher rate than is mentioned here? As it stands, of course, they all go back to the date of the budget speech, but these new items were not brought down until yesterday.

Mr. ROBB: My hon. friend will observe that it is governed by this provision:

> This act shall be deemed to have come into force on the seventeenth day of February, one thousand nine hundred and twenty-eight, and to have applied to all goods mentioned in the foregoing resolution imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for which no entry for consumption was made before that day.

Sir GEORGE PERLEY: How, then, can the minister justify bringing in these alterations without notice, proposing to pass new items and have them take effect as if they had been brought in on the 16th day of February when he made his budget speech? How can he justify that without giving notice to anybody?

[Mr. E. J. Garland.]

Mr. ROBB: That has always been the procedure, and under all governments, I think.

Mr. BENNETT: In the case of slight amendments, but not new items.

Mr. ROBB: This is a reduction. As to the point raised by my hon. friend a moment ago regarding increased duties, I do not see how that could possibly arise because, as he knows, the government cannot increase the duty by order in council.

Mr. BENNETT: I was speaking of classification, determining in what class a given article shall come. I will give my hon. friend a concrete case if he so desires. Only to-day while I was in the chamber a telephone message was left at the office saying that the Journals were not as full as they have been heretofore with respect to these items. I do not know what was meant by that because I was not there, but evidently it was these items that were in mind. My hon. friend should give notice so that the public will know exactly where they stand. As far as I personally am concerned, it is not a matter of importance, and as far as my friend from South Wellington is concerned it is not a matter of importance to him, but, after all, the public have rights, and I think we had better consider them according to the rules of parliament.

Mr. ROBB: In the administration of the act the board of customs from time to time do reclassify goods.

Mr. BENNETT: And make the classification retroactive; that is the trouble.

Mr. ROBB: This is not a new procedure at all. I observe, for instance, that in 1920 there were 25 changes made after the resolutions were brought down.

Mr. BENNETT: Some of them merely typographical changes.

Mr. ROBB: I have not gone through them, but that has been the procedure.

Mr. GUTHRIE: Will the minister inform the committee what the practice is to be? The act comes into force and the new rates of duty are applied from the 17th of February. So far as the public are concerned, they have no notice of any changes or of any new items. New items can only be considered in the ordinary way, and notice should be given of them in the Votes and Proceedings. When will these new items take effect? Do they date back to the 17th of February or become effective from the day they are introduced?

Mr. ROBB: Under the procedure that has always been followed in the past, from the day the budget is brought down the customs officers take all entries under the new items, subject to any amendments.

Mr. BENNETT: And subject, of course, to rebate in case the duty is lowered, or a further charge if it is increased.

The CHAIRMAN: Shall the item carry?

Mr. ROBB: I do not object to its standing if hon. gentlemen insist upon it.

Mr. GARLAND (Bow River): It is a decrease. I do not ask that it stand.

Item agreed to.

Customs tariff—523. Woven fabrics wholly of cotton, not bleached, mercerized nor coloured, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 20 per cent; general tariff, 22½ per cent.

Mr. BENNETT: Any changes here?

Mr. ROBB: There is no change. This is the resolution as brought down.

Mr. BENNETT: Is there any change from the old tariff?

Mr. ROBB: Yes. The rates proposed under this classification are 12½, 20 and 22½ per cent. The former rates were, under item 521, 12½, 22½ and 25 per cent; item 524, 15, 17½ and 20 per cent; item 524b, 15, 17½ and 20 per cent. The imports for the year ending March 31, 1927, were, under item 521, $617,537 British preference; $6,557 treaty rates; $1,199,223 general tariff; item 524, $60,486 British preference; none under treaty rates; $501,894 general tariff; item 524b, $454 British preference; $446,987 general tariff. Hon. gentlemen will observe that there is considerable spread in the British preference.

Mr. STEVENS: And an increase in the general rate.

Mr. ROBB: There is an increase in the general rate on two items, but the importations were largely under item 521.

Mr. KENNEDY: I would like to point out to the minister something that might help us in studying these matters. I have here the volume, Trade of Canada, and in a general way one can tell where a certain item comes in this volume but if it contained a column alongside the description of the various classes giving the number of the tariff item concerned, you could tell exactly under which item the imports were entering. As it is at present, the descriptions contained in this volume do not correspond with the descriptions in the tariff schedules, and no item numbers are given. If the number of the item were included opposite the description of the goods, we could get from this volume a proper check of the imports.

Mr. ROBB: That is a very important point, and I believe under the new classification they might be able to follow it more closely. I shall direct it to the attention of the Bureau of Statistics.

Mr. FRASER: The minister said a few minutes ago that there was a decrease from 15 to 12½ per cent on these items under the general tariff. The amount of importations was about $6,500. There is an increase there—

Mr. ROBB: Before my hon. friend proceeds further I will give him the correct figures. The amounts under item 521?

Mr. FRASER: No, items 524 and 524b.

Mr. ROBB: Item 524, $60,486, and item 524b, $4,054, under the British preference.

Mr. FRASER: About $65,000.

Mr. ROBB: About that.

Mr. FRASER: And under the general tariff, which is increased 2½ per cent, you have importations of $950,000. That certainly is decreasing the tariff!

Mr. ROBB: My hon. friend has not observed that the policy is to divert as much as possible of that business to the United Kingdom. This will be sufficient to divert it to the British industries.

Mr. BENNETT: Surely my hon. friend is not serious in that.

Mr. ROBB: What more does my hon. friend want?

Mr. BENNETT: Great Britain does not produce raw cotton; the United States does. Great Britain is separated from Canada by 3,000 miles of ocean; the United States adjoins us. Yet he wants the committee to believe that a change of but 2½ per cent is going to divert the traffic to Great Britain from the United States, whence at the present moment we are getting $950,000 worth, as against only $65,000 worth from Great Britain.

Mr. FRASER: All the afternoon I have heard the argument about changing the British preference 2½ per cent to increase imports from Great Britain. Now, my experience in mercantile business leads me to believe that it will do nothing of the kind. What controls the buying of goods more than anything else is quick turnover and proximity of market.

Mr. GARLAND (Bow River): The minister admitted that this afternoon.

Mr. FRASER: I say this change will not divert the business to Great Britain because the American market is close to us. The object of all general mercantile business today is to increase its turnover. Naturally the closer your market the quicker you get your goods and the greater your turnover. When you come to the practical effect of this change, I say in my opinion it will increase business with the United States instead of with Great Britain.

Mr. GARLAND (Bow River): I do not think there is the least doubt in the world that the statement of the last speaker can be supported by the figures given by the minister, as well as by a general consideration of the items. Let me put it to him in this way, and I am going to be even more severe than the hon. member for Cariboo (Mr. Fraser): Not only will the trade not be diverted to England, but I think the minister's explanation is most insincere; I do not think he is under any delusion in the matter at all. If he is really interested in diverting the trade to British manufacturers, let him put this on the free list with Britain. Then we will believe the minister. But when he says there is a reduction of duty because of the 2½ per cent increase in the British preference, well, he is asking the committee to believe a whole lot more than we are capable of. Will the minister consider putting it on the free list?

Mr. ROBB: No. It is thought that this is a fair reclassification. It is also believed that the 2½ per cent additional advantage is worth while to the British manufacturers.

Mr. GUTHRIE: The minister, I suppose, realizes that the whole effect of the change is an increase in customs duty? That is the result that we will have.

Mr. GARLAND (Bow River): Absolutely.

Mr. GUTHRIE: On our large importations from the United States the rate is increased. On a comparatively negligible part of our imports, $65,000 worth, the rate is lowered 2½ per cent, but on the aggregate under this item more will be collected by the department. The rate of duty is higher. That is the result of these tariff changes on this particular item.

Mr. ROBB: No. Had my hon. friend figured it out he would not have made that statement. I have the figures here of the estimated changes in taxation based on the imports of last year. Under tariff item 521 there will be a decrease of $30,146; under tariff item 524, an increase of $11,035; under tariff item 524b, an increase of $11,163—or a net decrease of $7,948.

Mr. GUTHRIE: I cannot understand it.

Mr. BENNETT: Not on the facts stated.

Mr. KENNEDY: One of the previous items, I think 522b, was given free entry under the British preference. I remember last night asking the minister about an increase in the intermediate and general tariffs on one of the other items, and he explained that the increase was due to the fact that they wanted to increase the rate proportionately under the intermediate and general tariff and still maintain the item free under the British preference. Under this item 521, cotton fabrics unbleached, according to the Trade of Canada, page 170, we imported from the United Kingdom 7,000,000 yards, and from the United States 13,000,000 yards. In this item there is a reduction of 2½ per cent in the general tariff applying to the United States; there is no reduction in the preferential tariff applying to the United Kingdom. There is a change in principle in that arrangement. Would the minister explain why there is no reduction in the British preference in this instance? I understood last night that he was anxious to maintain the British preference.

Mr. ROBB: The British preference has already a pretty low rate of 12½ per cent.

Mr. GARLAND (Bow River): Good Lord! For a preferential rate 12½ per cent is not a low, it is a high rate. The minister, I think, has not yet got the point of the hon. member for Peace River (Mr. Kennedy). The minister cannot really be serious. The United Kingdom exported to us 7,000,000 yards, according to the last trade figures; the United States, 13,000,000 yards. But under this item the preference remains the same, that is, the United Kingdom traders get no particular advantage; but there is a decrease to the American manufacturer of 2½ per cent under the intermediate.

Item agreed to.

Customs tariff—523a. Woven fabrics wholly of cotton, bleached or mercerized, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. BENNETT: What was the duty on that item?

Mr. ROBB: There is no change.

Mr. STEVENS: Why not leave it alone?

Mr. ROBB: The word "mercerized" is added.

Item agreed to.

Customs tariff—523b. Woven fabrics wholly of cotton, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. STEVENS: In the old tariff corresponding with 523a there are included tailors' hollands of linen and towelling of linen or cotton in the web, coloured or not. What becomes of that?

Mr. ROBB: Linen goes into the linen item.

Mr. STEVENS: And "cotton in the web, coloured or not"?

Mr. ROBB: In the next item.

Mr. STEVENS: I do not see it.

Mr. ROBB: We shall come to it; this is a reclassification.

Mr. STEVENS: I want to see where the different items are placed in the reclassification.

Mr. BENNETT: In some of the items that were formerly included in 523 there has been a slight increase and some decrease?

Mr. ROBB: The present rates are 22½, 30 and 32½ and they are reduced to 20, 25 and 27½. The imports for the year ended March 31, 1927, of printed cotton fabrics, amounted to $1,896,147. There is no separate classification for piece dyed fabrics. The reduction in taxation is estimated at $69,273.

Mr. BENNETT: The minister must realize how misleading these figures are; they have no relevancy at all. We have a new item in this tariff. We have fabrics wholly of cotton, n.o.p. That corresponds to the old item, which read "cotton fabrics n.o.p." As a result of this proposed tariff it will be impossible to institute any comparison at all inasmuch as the goods that will be affected by this item are entirely different from those affected by the old item. You may be providing for items that were not provided for in the old tariff and the real result is a substantial increase. Let me put it this way: You have cotton fabrics of all kinds and you specify the rates of duty at which, say, 90 out of 100 parcels shall be dealt with. The remaining 10 not having been specifically mentioned are dealt with under the n.o.p. provisions. Before this tariff was introduced you dealt with, say, fifty or sixty of the hundred articles specifically, while the n.o.p. clause applied to the other forty. I contend that you cannot institute any comparison between those forty and the ten to which I have referred. As I say, this item really amounts to a substantial increase in the tariff.

Mr. ROBB: My hon. friend is right when he says that there is a general reclassification, but we must consider these items all together. To-day, taking the total changes in the schedules, there will be an aggregate decrease of $1,119,560.

Mr. BENNETT: But you are comparing different things.

Mr. ROBB: I agree with my hon. friend that you cannot pick out individual items, but I have given the total decrease in taxation.

Mr. STEVENS: That is excellent publicity, but it is not very convincing. I have before me two items. Item 523b of the new tariff gives the rates as 20, 25 and 27½; under item 522 of the old tariff they are 15, 22½ and 25.

Mr. ROBB: The former rates were 22½, 30 and 32½; they are now 20, 25 and 27½.

Mr. GARLAND (Bow River): The minister might be still more convincing if he would give us the total importations under item 638, buckram, and the possible difference in revenue. He might also give us this information in regard to 523. These are the two items that make up the present one.

Mr. ROBB: I have given printed cotton fabrics, the total importations of which are 1,896,147, the reduction in taxation being estimated at $69,273.

Mr. GARLAND (Bow River): Those are general figures. Can the minister give us the importations and the reduction in revenue under that one item, 638, buckram, which is now free of duty?

Mr. ROBB: I am not sure that I have it handy.

Mr. GARLAND (Bow River): If it is free of duty how do you get revenue out of it at all? Can the minister give us 523, cotton fabrics, dyed?

Mr. ROBB: That is the one I have been quoting. I gave the importations as $1,896,147.

Mr. GARLAND (Bow River): What would be the estimated loss in revenue as a result of the decrease under the joint item now called 523b.

Mr. ROBB: Buckram is one of the items subject to the 99 per cent drawback.

Mr. BENNETT: That material is used only for bookbinding.

Mr. ROBB: Yes, and hats also.

Mr. GARLAND (Bow River): Is there or is there not an increase in the item?

Mr. ROBB: No, a decrease; I have repeated that several times.

Mr. GARLAND (Bow River): What is the decrease in connection with buckram?

Mr. ROBB: There are two items that come under this one. One shows a decrease of $69,273, and the other a decrease of $184,695.

Mr. GARLAND (Bow River): Which is which? I cannot understand that at all. The minister says there are two items, but certainly there cannot be reductions in both of them. How can that be when one is free?

Mr. ROBB: The buckram about which my hon. friend is speaking goes into another classification; it will be entitled to a drawback of 99 per cent.

Mr. KENNEDY: There seems to be a mistake in this somewhere. If you look at item 523b and go right across the page you come to buckram; under item 523c, if you go right across the page you come to cotton fabrics, and there is a bracket which includes buckram and cotton fabrics, which is very confusing. If the minister will look at that he will possibly see the difficulty. Under the old schedules buckram and cotton fabrics did not seem to belong to the one item at all. That seems to be where we are all confused.

Mr. BENNETT: Yes, and I think if the hon. member for Peace River will look at item 1061 he will accentuate that point. The minister said buckram was being given a drawback, although heretofore it has been free. Item 1061 includes:

Woven fabrics for book binding.

On this item there is a drawback of 99 per cent, so there is an increase of at least one per cent, whatever else may be said of it.

Mr. ROBB: There is a drawback.

Mr. BENNETT: A drawback of 99 per cent.

Mr. FRASER: How do you get a drawback on an article coming in free?

Mr. ROBB: The old item was:

Buckram, adapted for the manufacture of hat and bonnet shapes.

Under that classification it was free, but under the new item it is placed as a drawback item.

Mr. STEVENS: The minister is not quite right. The drawback is granted where this is brought in as bookbinding material only, unless you have another item.

Mr. ROBB: Also for hats and bonnets.

[Mr. E. J. Garland.]

Mr. STEVENS: What item is that?

Sir GEORGE PERLEY: Item 1012.

Mr. KENNEDY: Is buckram a cotton product?

Mr. ROBB: Yes, I think it is in that classification.

Mr. BENNETT: It is not cotton at all; as a matter of fact it is linen.

Mr. ROBB: In answer to my hon. friend for Vanceuver Centre, (Mr. Stevens), when we come to it the new item will read:

When used in the manufacture of linings for hats and caps or in the manufacture of hat shapes and bonnet shapes from buckram.

Mr. STEVENS: There is an amendment to be made?

Mr. ROBB: Yes.

Mr. BENNETT: But what is the duty which will be imposed in order that the drawback way be made?

Mr. ROBB: If it comes in as an n.o.p. article it may come as coloured linings or as coloured cottons.

Mr. BENNETT: And if so, there is a drawback of 99 per cent? Then an item which was free before you tinkered with the tariff is now subject to a drawback of 99 per cent; in other words the duty is increased by one per cent.

Mr. KENNEDY: What is the advantage of making a free article dutiable and then handing back 99 per cent?

Mr. ROBB: For administrative purposes.

Mr. GARLAND (Bow River): If the minister will tell us how that is going to simplify matters I shall be tickled to death. It is now free; there is no administrative work in connection with it, but we are going to place a duty on it which will necessitate custom houses, inspections and appraisals, and then we are giving a drawback of 99 per cent which will require a staff to look after it. And the minister says it will simplify the work.

Mr. ROBB: The customs department asked for this change originally. I will be frank with my hon. friends; this is one of the items which, as we have been taught by experience, have been abused.

Mr. EDWARDS (Waterloo): Will you not have the same difficulty whether it comes in free or whether it is taxed?

Mr. ROBB: No, it will be watched more closely.

Mr. BENNETT: One does not wish to worry the minister unnecessarily, but I put this to him fairly: He is going to increase the work of the people in the customs department, which means more employees and a greater cost to the people. The article must go through the customs; duty must be paid, and 99 per cent of the money must be returned. The unfortunate taxpayer is out his money; he has to pay the duty and then wait until he gets a cheque back for the drawback to which he is entitled. Then, in the item as it formerly stood, buckram came in free and simply had to be passed through the customs. Now it will be charged a duty of only one per cent, and considerable machinery will be required to do the additional work. That is the sum total of this change, and we are told that someone wants the change for administrative purposes. I never saw a chance to make another job, where the public service is affected, in which some person did not want to make the necessary change. I am sorry to say that is so.

Mr. ROBB: I will admit that that condition prevails more or less.

Mr. BENNETT: My hon. friend knows that; he has had more experience than I have had. I do not see why we should make this change, which will be an expense to the country, and which will only mean the collection of a duty of one per cent.

Mr. BOIVIN: I think this item could be very well compared to that item which referred to shoe laces; there may be abuses of this item also. Buckram may be used for purposes for which it should not be admitted free. Now, hat manufacturers and bookbinders will receive a refund on the buckram they use while everyone else will have to pay a duty.

Mr. KENNEDY: Then this is an increase in the duty.

Mr BOIVIN: No. These other people have been getting it under false pretences.

Mr. KENNEDY: How could they be getting it under false pretences when it is free? How could there be any evasion of duty there? You are now specifying that only certain people will receive a drawback, and you reduce the principle of favoritism as between the manufacturers of different articles. That must be the purpose.

Mr. BOIVIN: You will find a great difference if you ask for a drawback; you will deal with an expert who looks after these things. When you are simply clearing an article through customs you often deal with men who have not a great deal of experience, who consider the invoice more than the quality of the goods.

Mr. KENNEDY: Where could the abuse arise in connection with a free article coming into the country for commercial purposes?

Mr. FRASER: My understanding of this matter is that buckram for the manufacture of hats and for use in bookbinding comes in free, but we must remember that buckram is also used in the manufacture of clothing. The effect of this tariff change, as I see it, is to put a duty on buckram used for the purpose of stiffening for clothing, so that people who buy clothes wil have to pay the duty, while those buying hats will not have to pay it.

Mr. ROBB: My hon. friend has just proved the case; if he is right there has been an abuse. Under the old item it was not intended that the buckram should be used for anything except what was stated. Manufacturers of clothing have a certain protection, and they are entitled to pay for that particular protection. My hon. friends are wrong in saying that this comes in for bookbinding. Bookbinding is under another item.

Mr. FRASER: If the material is for the manufacture of a suit of clothes it is probably dutiable.

Mr. ROBB: The manufacturer of clothes never had the privilege which my hon. friend says he has been using or abusing.

Mr. FRASER: I did not say anything about it. I say that under the old act it is absolutely free.

Mr. ROBB: No. Let me read the old tariff and my hon. friend can place his own interpretation upon it. It is:

Buckram, adapted for the manufacture of hat and bonnet shapes.

The manufacturers may have brought it in and used it for other purposes but it never was intended that they should.

Item agreed to.

Customs tariff—523d. Woven fabrics wholly of cotton, imported by manufacturers of corsetry, for use exclusively in the manufacture of such articles in their own factories: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. BENNETT: There is no change in that item, is there?

Mr. ROBB: The word "corsetry" is changed to "corsets".

Item agreed to.

Customs tariff—523e. Woven fabrics wholly of cotton with cut pile, n.o.p.: British preferential tariff, 17½ per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. BENNETT: Has there not been much discussion with respect to this? I should judge so from a trade paper that was sent me the other day. The minister might explain how many factories in Canada are affected by it.

Mr. ROBB: These are cotton plushes. My hon. friend was referring to mohair plush, which we will come to later on. The rates were formerly 17½, 32½ and 35. The proposed rates are 17½, 25 and 30. The imports for the year ending 31st March, 1927 were $812,988. The estimated reduction in revenue is $16,519.

Mr. BENNETT: Apparently the imports come mostly from the United States.

Mr. ROBB: I have no memorandum showing where they come from.

Mr. KENNEDY: This is another illustration of how nicely balanced this reduction is. Here is another case where there is no reduction in the British preference but there is a reduction of 7½ per cent in the intermediate tariff and 5 in the general tariff. Now the imports of these velveteens from the United Kingdom amount to $747,398, and from the United States to which the general tariff applies the imports total $106,391. Here is another case where you are refraining from any reduction of the British preference but you are making a reduction in the general tariff, although the bulk of the imports come in under the preference. It is another case where the schedules being revised are so nicely balanced as to make an appearance of reduction and at the same time protect the manufacturers to the limit.

Mr. ROBB: We started out with the cotton schedule with the idea that 30 per cent would be the higher rate, and we have followed that, I think, with one exception. But the 17½ per cent British preference rate is subject to a 10 per cent discount.

Mr. KENNEDY: When coming in through Canadian ports.

Mr. ROBB: I think 90 per cent of the business comes in through Canadian ports.

Mr. KENNEDY: That may be all very well, but in this case the bulk of the imports come under the preference and there is no reduction of duty.

Mr. FRASER: Is there any production of this class of goods in Canada?

[Mr. Robb.]

Mr. ROBB: Quite a considerable amount, I think.

Item agreed to.

Mr. ROBB: I beg to move that the following item, enumerations and rates of duty be inserted in Schedule A:

Customs tariff—523f. Woven fabric of cotton, not coloured, when imported by manufacturers of typewriter ribbon for use exclusively in the manufacture of such ribbon in their own factories: British preferential tariff, 10 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Mr. STEVENS: No notice was given of this.

Mr. ROBB: This came in after the budget was brought down. It is represented to us that had there been no change this item would have gone into another classification—

Mr. BENNETT: —N.o.p.

Mr. ROBB: —which would have made it practically prohibitive for the manufacture of typewriter ribbons in Canada.

Mr. BENNETT: They are the same rates as before?

Mr. ROBB: The same rates as before.

Mr. KENNEDY: The minister ought to give a reduction here because there has been a very strong propaganda carried on by the banks and other institutions for farmers to keep books. It has been represented that they should make themselves familiar with the typewriter so as to make the collection of the income tax much easier. It is worth while giving a reduction in the duty on typewriter ribbons so that we can encourage the farmers along that line.

Mr. ROBB: My hon. friend is springing a Scotch joke upon us.

Item agreed to.

Customs tariff—524. Seamless cotton duck in circular form, of a class or kind not made in Canada, for use in the manufacture of hose pipe: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: There is no change in this item, is there?

Mr. FANSHER (Last Mountain): Are the materials used in grain sacks imported under this item?

Mr. ROBB: The item specifies what it is for. There is no change in duty.

Item agreed to.

Customs tariff—525. Sheets, pillow cases, diapers, tray cloths, quilts, counterpanes, towels, bath mats, wash cloths, table-cloths, napkins,

dresser scarves, curtains, consisting of woven fabrics wholly of cotton, not further manufactured than hemmed or hem-stitched, not coloured, not embroidered nor otherwise ornamented: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. ROBB: This item was formerly under 525 and 537. The rates under 525 were, 20 per cent, 27½ per cent, 30 per cent. The rates under 537 were, 25 per cent, 30 per cent and 35 per cent. The proposed new rates are 15, 25 and 27½ per cent. The total imports for the year ending 31st March, 1927, of materials that will come under the new item, are not traceable. Available statistics show the importations of bed quilts to be $552,850, and of cotton towels $824,150. In the case of another portion of the item "manufactures of cotton "n.o.p." the importations amount to $1,765,611. A portion of this only is affected. The reduction in taxation will be $216,752.

Mr. EVANS: May I ask if this material is finished or unfinished, and does it need any processing after it is imported?

Mr. ROBB: It is finished material.

Item agreed to.

Customs tariff—526. Household blankets wholly of cotton, not to include horse blankets, automobile or steamer rugs, nor similar articles: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 27½ per cent.

Mr. ROBB: The former rates were 22½ per cent, 30 per cent and 35 per cent. The imports for the year ended 31st March, 1927, were $252,154 and the estimated reduction in taxation is $19,061.

Mr. EVANS: This is an item which directly concerns every family in the land. Under another item we have made a kind of cotton duck entirely free. I do not see why the government should discriminate between one class and another all the way through this schedule. They say that the cotton industry languishes because there is not work. It languishes simply because the buying power of our working people throughout the country is being everlastingly curtailed by these measures Not only is the amount of duty added to the value of the goods, but at the same time about two dollars goes into the pockets of the manufacturer for every dollar that goes into the Dominion treasury. As I say, this is a commodity that is used by every family in the land and yet we maintain almost the highest rate of duty on it. It is a commodity that everyone that is working and producing for a living has to buy. This is a most unfair and discriminatory principle from beginning to end and I wish to make that protest on this item.

Mr. KENNEDY: Could the minister tell us why horse bankets are excluded? I have a vivid picture in my mind of something I saw about two months ago, of a farmer, when it was fifty degrees below zero, leaving for a twenty-mile trip with six horses and two hundred bushels of wheat. Anybody who has lived in western Canada and knows anything about pioneering, realizes how important a horse blanket is. It seems to me that some consideration might be given to the people who want to use horse blankets and who have to do the difficult pioneering work in which this commodity is used to such a large extent. If we are going to do anything about settling up the new districts, there will always be a big demand for horse blankets, and most of those who are dealing in horse blankets are doing pretty well.

Mr. ROBB: My hon. friend knows that horse blankets are not generally made of cotton. They are largely made of jute and they come under another item.

Mr. KENNEDY: Why are they excluded from this item?

Mr. ROBB: Because this is household blankets.

Mr. KENNEDY: But cotton horse blankets would come under this item, or otherwise you would not have this specific reference excluding them. That is my point. There is just about as good a case in this item for the consumer in regard to horse blankets as there is in regard to the other blankets.

Mr. EVANS: All waterproof horse blankets are made of cotton duck and they should be included in this item. We are dealing with cotton. Horse blankets of jute are made for cold, dry weather.

Mr. ROBB: For administrative purposes this is a household blanket and there is a corresponding item in the woollen schedule.

Mr. STEVENS: But the item specifically excludes horse blankets.

Mr. KENNEDY: Cotton horse blankets still come in at the high rate. The minister may not realize this; but when a homesteader or somebody away out on the frontier is doing a lot of camping out or travelling, he very often uses a fine horse blanket as a sleeping blanket, and I think the minister is really making a discrimination there.

Mr. ROBB: But he uses jute.

Mr. FANSHER (Last Mountain): I do not know what they use in the Peace River country, but in the district I come from the cotton blanket is preferable to the jute blanket. The jute blanket is not close enough; it allows the freezing wind to penetrate. The cotton blanket is the one we need and the one we use. We also use jute blankets but they are not so serviceable in cold weather. The Minister of Agriculture, I think, is quite conversant with those conditions.

Mr. STEVENS: We would overcome all this if the minister would indicate under what items horse blankets now come, cotton, woollen or jute.

Mr. ROBB: We will come to that when we reach the jute items.

Mr. STEVENS: Under what item will the cotton horse blankets come?

Mr. ROBB: Under item 532.

Mr. EVANS: In the preceding item we have placed a class of cotton duck for hose pipe on the free list. That is not a household article at all, so the minister's explanation is no excuse for not dealing with cotton duck for different kinds of blankets that require to be made of that material. We should insert an item at this point so that at least one class of consumers will not be so much discriminated against.

Mr. ROBB: I should like to consider that. Let the item stand.

Item stands.

Customs tariff—527. Boot, shoe, shirt and stay laces of cotton: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. ROBB: The old rates were 20 per cent, 27½ per cent and 30 per cent. The importations are not large, amounting to $20,080, and the estimated reduction in taxation is $1,615.

Item agreed to.

Item 528 agreed to.

Customs tariff—529. Embroideries, lace, braids, bobinet, n.o.p., fringes and tassels; manufactures of lace; handkerchiefs and pillow shams; curtains, n.o.p.; all articles specified in this item to be wholly of cotton: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 529:

Customs tariff—529. Embroideries, lace, braids, nets, nettings, bobinet, n.o.p.; fringes and tassels; manufactures of lace, nets, nettings and embroideries; handkerchiefs and pillow shams; curtains, n.o.p.; all articles specified in this item to be wholly of cotton: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

There is a change in the rates. The old rates were 25, 32½ and 35 per cent, and the proposed rates are 20, 27½ and 30 per cent. The imports under the former item were $3,899,425. There is no separate classification of cotton products thereunder except cotton handkerchiefs, amounting to $1,392,295.

Mr. KENNEDY: What is the estimated reduction in taxation?

Mr. ROBB: $97,248.

Mr. BENNETT: Once more the minister gives figures, but there is no specification in the old tariff similar in terms to this, and when he speaks of the decrease in taxation he is applying these figures to an aggregate importation which comprises, necessarily, goods that come within items other than this.

Mr. ROBB: The officers have worked that out.

Mr. BENNETT: If they have, well and good.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—529a. Lace and embroideries wholly of cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of underwear in their own factories: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. BENNETT: What is the difference between the two sections of item 529?

Mr. ROBB: This is a manufacturers' item only, covering lace and embroideries imported by manufacturers for use exclusively in the manufacture of clothing in their own factories.

Mr. BENNETT: You will have to change the word "underwear," then.

Mr. ROBB: Yes. I move to substitute the word "clothing" for the word "underwear."

Amendment agreed to.

Mr. BENNETT: Is this the same rate as before?

Mr. ROBB: Yes.

Mr. BENNETT: The only change is changing the word "underwear" to "clothing"?

Mr. ROBB: Yes.

Item as amended agreed to.

Customs tariff—530. Socks and stockings wholly or in part of vegetable fibres, but not

containing silk, artificial silk nor wool: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

The CHAIRMAN: The words "n.o.p." have been struck out.

Mr. KENNEDY: How do vegetable fibres come in the cotton schedules?

Mr. ROBB: This item is to cover anything other than wool or silk.

Mr. STEVENS: Or artificial silk.

Mr. ROBB: Yes.

Mr. FRASER: What were the importations under this item?

Mr. ROBB: The imports were $1,004,727. The estimated reduction in taxation is $50,236.

Mr. BENNETT: What would the stockings be made of?

Mr. ROBB: They are made of cotton and other fibres. They might be made out of wood pulp, I suppose, but it is mostly cotton.

Mr. EVANS: This item covers socks and stockings. This again is a workingman's article. The wage earner uses this very class of socks and stockings. It is a mistaken policy to try to build up industry in this country by bleeding the workingman. It is a fallacy in economics to tax the workingman for the sake of providing dividends for big cotton companies such as were mentioned this afternoon, which are already in a prosperous condition. If Canada is ever going to be anything, it will depend on keeping down the cost of living, and I submit to the government that it would be much better to lower the cost of living than to have our workingmen striking for higher wages all the time. This article is a necessity, one of the very necessities of life, and why not begin here? Why tax the workingman for the benefit of the millionaire?—for that is what we are doing by this item. The working classes have to use this kind of socks and stockings, and there is no reason why we should put a 27½ per cent duty on this article.

Mr. ROBB: My hon. friend will go this far with me, that we are at least moving in the right direction. We have made a reduction of 5 per cent all round, and we are losing in revenue over $50,000, estimated on last year's business.

Mr. EVANS: It is only getting back to about the pre-war rates.

Mr. STIRLING: What is the home production in this article?

Mr. ROBB: I have not those figures.

Item agreed to.

Customs tariff—531. Knitted fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. BENNETT: What was the old rate?

Mr. ROBB: This is a manufacturers' item. The imports were $138,428. It is estimated this will mean an increase of revenue of $13,846 on the basis of last year's business.

Mr. KENNEDY: I thought we were going the other way with the manufacturers most of the evening. Can the minister give us the particular reason why the general and intermediate tariffs should be raised in this manufacturers' item? The old rates were 10, 12½ and 15 per cent, and the new rates are 10, 20 and 25 per cent. This will no doubt lead to dearer rubber boots and shoes, which most of our people wear in the fall and spring. What was the particular reason for the increase?

Mr. ROBB: The real reason was that it was following our policy of widening the British preference. There is no increase in the British preferential rate, but the other two rates are increased. My hon. friend will notice that there is more of a spread between the treaty rate and the general.

Mr. FANSHER (Last Mountain): Would the minister give the imports that came in under these three tariff rates?

Mr. ROBB: I have not the separate classification, but the total importation was only $138,428.

Mr. BENNETT: What was the domestic manufacture, and what mills are affected?

Mr. ROBB: I have not that information.

Item agreed to.

Customs tariff—532. Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p: British preferential tariff, 22½ per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. ROBB: This particular item is a reclassification, and comprises what were formerly seven items. The old rates were: 25, 30, 35: free, free, free; 10, 12½, 15; 22½, 32½, 35; 20, 27½, 30; 20, 27½, 30; 20, 30, 35. The imports for consumption for the year ending 31st March, last were—British preference, $344,194; treaty rates, $245,942; general, $940,872. It is not possible to trace

separately the cotton portions of the imports. The estimated reduction in taxation is $57,-999.

Mr. EVANS: Overalls are a class of clothing which the wage earner, the homesteader, in fact all farmers, wear. Why keep this up to 25 per cent?

Mr. ROBB: The British preference is 22½.

Mr. EVANS: The rates are 22½, 25 and 30. Here is an article again that should be one of the lowest in the whole schedule. Every workingman needs to buy overalls. Rainproof clothing, hats, and so on, all come under this item. I think this should be reconsidered.

Mr. ROBB: This has been pretty carefully looked into. These are the items on which the textile people claim they are going to suffer a considerable loss.

Mr. FANSHER (Lambton): It looks like an increase. Does the minister figure an increase or a decrease?

Mr. ROBB: I said the estimated reduction in taxation is $57,999.

Mr. KENNEDY: The minister's figures are not very convincing because under the British preference the new item is 22½. We had seven old items in the British preference, three of them are 20, one is 10, one is 22½, one is 25—you have about the same distribution all the way through. It may be that according to the imports there is that reduction of taxation, but I do not think if you took the various items and struck an average you would find the old duties as high.

Mr. ROBB: The large importations are under 575a, which is 25 per cent.

Mr. STEVENS: Will the minister indicate just what brand of science leads to the grouping of such items as apparently are brought together here? For instance, hammocks, tennis nets, sportsmen's fishing nets, oiled silk, oiled cloth, oiled tape and other textiles, India rubber coats, corsets of all kinds, linen and cotton clothing, window shade cloth, window shades cut to size, hemmed and mounted on rollers, and so on. Here are groups of items entirely dissimilar; they are now brought together under one item and the rates of duty fixed. Under all these other items there was a variety of rates ranging from free up to 35 per cent. The minister must realise the great difficulty we have of appreciating the effect of this tariff. To my mind, in the short time at our disposal it is an utterly impossible task. Some reason must have been furnished to the minister by his officers that will justify this grouping. He must acknowledge it is not sufficient to say that this is a reclassification. We know that without his saying so. There must be some reason for it. I think the committee is entitled to a very full statement.

Mr. ROBB: The officers who administer the Customs Act in co-operation with members of the tariff board and the tariff commissioners in the Finance Department, worked out these rates, and I admit they are largely on their recommendation. I can give my hon. friend an item—he has just referred to it—window shade cloth. It is very hard to define, and they have represented to us that this reclassification will make the Customs Act easier to administer. On the basis of the importations of last year there will be a reduction in taxation, as I have already stated.

Mr. STEVENS: There may be a reduction, I cannot dispute the minister's figures. But I am not in a position to say whether these rates are fair or unfair. The fact remains that hammocks, lawn tennis nets, and so on, under the old tariff were 20, 27½ and 30; here the British preference is 22½—that is an increase—and the other rates are 25 and 30. On oiled silk and oiled cloth, oiled tape and other textiles, India rubber coats, and so on the old rate was 20 under the British preference and 22½ under the intermediate: the new are 27½ and 30 respectively. On corsets of all kinds, and so on, the rates were 22½, 32 and 35: there is a reduction there, although the British preference stands exactly the same. As far as I can see that is the only reduction in the British preference. On window shade cloth, window shades, cut to size, hemmed and mounted on rollers, the British preference is 20 per cent under the old tariff, it is 22½ per cent under this tariff. Then fillets of cotton and rubber, not exceeding 7 inches wide, and so on, free, free, free, under the old tariff; under the new, 22½, 25 and 30.

Mr. ROBB: That will be a very small item.

Mr. STEVENS: Quite likely; but I do not like to see the minister get away with the broad general statement that he is making generous concessions to the consumers of this country. I repeat, with the exception of one item out of these seven, there is, I think, in every case an increase in the British preference, which is not extending its scope as the minister so frequently remarks.

Mr. ROBB: It is true there may be some changes, but the big item is 537. That is down.

Mr. STEVENS: 537 in the old?

Mr. ROBB: 575a.

Mr. STEVENS: It is the same exactly under the British preferential.

Mr. ROBB: 537 is the large item.

Mr. STEVENS: It is exactly the same.

Mr. DUNNING: 537 is down 2½ per cent under the British preferential.

Mr. STEVENS: There are several items put into one and I have indicated that in every instance except one there is an increase. In one instance it is the same under the British preferential. The minister said that the largest item was 575a in which there was a reduction, but it is the same under the British preferential.

Mr. ROBB: The largest item is 537, but 575a is also considerable. While in 575a there is no change under the British preferential there is a reduction in the treaty rates from 32½ to 25, and also a reduction in the general. In 537 there is a reduction of 2½ per cent under the British preferential and a reduction of 5 per cent in the treaty rate as well as in the general. These are the two large items. The others are small and are mostly sporting goods.

Mr. STEVENS: What were the imports under 537?

Mr. ROBB: They amounted to $1,765,611.

Mr. STEVENS: How much of that would be under the British preferential?

Mr. ROBB: I have not the figures.

Mr. FANSHER (Lambton): This item, which includes clothing, carries about the most uniformly high rate in the whole cotton schedule, the British preferential being 22½ per cent. There have been reductions in the others, some being free, some 7½ and others 12½ and 15. But there is no other as high as 22½ per cent. Following out his line of reasoning, one would think that the minister would increase the preference here.

Mr. ROBB: My hon. friend (Mr. Stevens) asked for the total involved. it is $1,765,611.

Mr. STEVENS: Under 537?

Mr. ROBB: $360,452.

Mr. HEAPS: Has the minister the importations under 532?

Mr. ROBB: The old or the new tariff?

Mr. HEAPS: The old.

Mr. ROBB: That is on record; I have already given it. What relation has that to this item?

Mr. HEAPS: Are we not considering 532?

Mr. ROBB: I have just given the information.

Mr. KENNEDY: I notice there is an increase under the preference in oiled textiles. All through the revision, except in one or two instances, there is a sharp increase in the duties in oiled goods. I am anxious to have some information in this regard and perhaps it would be better to take the matter up on Monday.

Mr. ROBB: I will keep it in mind.

Mr. KENNEDY: There appears to be a general increase.

Mr. FANSHER (Lambton): Why does the minister keep the rates so uniformly high on clothing, the preference being the highest of any in the list?

Mr. ROBB: I have several times stated that the reduction estimated is $57,999.

Mr. FANSHER (Lambton): My point is that these particular rates are abnormally high in contrast with the other schedules. One would not think that there would be these high rates on articles of clothing. Even if there were a loss of revenue there might have been a greater reduction in the rate than there is.

Mr. KENNEDY: Would this explain the situation? At page 176 of the Trade of Canada I find that the total imports of cotton products from the United Kingdom have been fairly steady from 1922 to 1926, amounting to over $300,000 annually. From the United States, which is the other large country of exports to Canada, our importations have dwindled from 1922 on, having fallen from $1,366,257 to a little over $500,000. It seems that where the imports are steady and competition keeps up, the rate is maintained under the British preference and lowered under the general, where the country from which we have been importing largely has been losing in business. There is a general tendency to balance things in that way.

Mr. STEVENS: Item 732 under the old schedule is of considerable interest. It concerns coated and sized cloth, when imported by manufacturers for use only in their own factories in manufacturing sensitized blue or black print cloth. The old rate was 10, 12½ and 15 per cent. The new rates will be 22½, 25 and 30.

Mr. ROBB: Imports, 10,000.

Mr. STEVENS: What factories are making that in Canada now? What is the production in Canada?

Mr. ROBB: I have not that information.

Mr. STEVENS: The minister has presented a figure given him by his assistant.

Mr. ROBB: My hon. friend will admit that the rates are low enough.

Mr. STEVENS: Unquestionably this item is used by the wholesale manufacturers of clothing; it is a class of clothing very commonly made and considerably used, and there must be a large production of it. It is rather interesting to know what is produced in Canada if there is such a small amount imported.

Mr. ROBB: I will read the item, and then my hon. friend will understand. That kind of clothing would not be very good with the weather twenty below zero:

Coated and sized cloth when imported by manufacturers for use only in their own factories in manufacturing sensitized blue or black print cloth.

That is for drafting purposes, I think,—the making of plans. I would not be surprised but that the importations represented by the $10,000 were used in making some of the plans for the new buildings we are putting up.

Mr. EVANS: Before we pass from this particular item I am going to make another appeal to the government to separate from it item 575a under the old schedule, covering cotton clothing. As I said before, this is a necessity to the working man, because khaki and blue duck all come under this heading. I do not see why we should place certain other kinds of cotton duck on the free list while the very kind used by the working man is under such a high duty. I would ask the minister to take item 575a out of that group and reduce it to say 5 per cent, 10 per cent and 15 per cent.

Mr. ROBB: That is the large item of importation; under that item we imported goods to the value of $1,531,008. The reduction is from 32½ per cent to 25 per cent under the treaty rate and from 35 per cent to 30 per cent under the general rate.

Mr. EVANS: And an increase of 2½ per cent under the British preference.

Mr. ROBB: No, my hon. friend cannot get away with that; there is no increase.

Mr. FANSHER (Lambton): According to the figures given by the hon. member for Peace River, most of the goods imported come under the British preference, and in that there is no reduction. This seems to go to show that the tariff revision is made on a protective basis, or there would have been a reduction in the British preference, under which there is the largest importation.

Mr. ROBB: The hon. gentleman misquoted the figures; the large importation comes under the general tariff, and that is where we made the reduction.

Mr. KENNEDY: The point is that the importation from Great Britain is steady, while the importation from the United States has been decreasing for the last five years, although it is still large.

Mr. ROBB: This will give them a better chance to come in, then; is that the idea?

Mr. FRASER: In the last two items why do you increase the tariff on hammocks and window shades? Under the British preference the increase is from 20 per cent to 22½ per cent, while the rate under the intermediate and general tariff is decreased. Is not that in direct contradiction to the statement made this afternoon that you were increasing the British preference?

Mr. ROBB: No.

Mr. FRASER: That statement has been made repeatedly.

Mr. ROBB: Our policy is to increase the British preference on the large items, but this is a small and practically obsolete item.

Mr. FRASER: What are the imports of window shades?

Mr. ROBB: I have not that information, but I am told it is very small.

Item agreed to.

Customs tariff—532a. Shirts, not knitted, collars and cuffs, all of cotton: 20 per cent; 30 per cent; 32½ per cent.

Mr. ROBB: The former rates were 20 and 22½ per cent British preferential, 32½ per cent and 35 per cent intermediate and 35 per cent and 37½ per cent general. The estimated total reduction in taxation is $46,298.

Mr. KENNEDY: Would any small percentage of silk in an otherwise cotton shirt place it outside this class?

Mr. ROBB: I think it would.

Mr. KENNEDY: So many cotton shirts contain just a small percentage of silk.

Mr. ROBB: They would not come in this class.

Mr. SPENCER: How does that effect a reduction in taxation? A reduction in the tariff does not necessarily mean a loss of revenue.

Mr. ROBB: I gave my hon. friends an example yesterday. The result is shown in the reduction of the income tax; we took in more money.

Mr. KENNEDY: When you consider the revision of the tariff, is it not largely done on the basis that there will be no increase of imports?

Mr. FRASER: Why retain the duty on shirts at 32½ per cent? That is the highest rate in the whole schedule. What is the explanation of that?

Mr. ROBB: The explanation is that the shirt men think they should have that protection.

Mr. FRASER: It is protection for the shirt men? That is all I wanted to know.

Mr. HEAPS: I wonder if the minister would not be good enough to satisfy our Conservative friends by lowering that item? He would thus satisfy the members in this corner of the house, and as the Liberal party stands for a lower tariff he would satisfy everybody.

Mr. ROBB: I would like to satisfy everyone, but I have not had much success in doing so.

Item agreed to.

Customs tariff—533. Sails for boats and ships: 15 per cent; 22½ per cent; 25 per cent.

Mr. ROBB: There is no change.

Item agreed to.

Customs tariff—534. Certain candlewick.

Mr. ROBB: There is no change.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King, the house adjourned at 10.53 p.m.

Monday, March 19, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 70, to incorporate 1,000 Islands International Bridge Corporation.—Mr. Hay.

Bill No. 71, to incorporate The St. Lawrence River Bridge Company.—Mr. Smith (Stormont).

DEPARTMENT OF THE INTERIOR

REPORT OF MR. ALEXANDER SMITH, K.C., TABLED

Hon. CHARLES A. STEWART (Minister of the Interior): I beg to lay on the table the report of Alexander Smith, K.C., on the charges of R. A. McClymont.

LIVE STOCK SHIPMENTS ON RAILWAYS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would ask the Minister of Railways (Mr. Dunning) or the Minister of Agriculture (Mr. Motherwell) if it is the intention of the government to take any action concerning the application made by the railways before the Board of Railway Commissioners to deprive shippers of the right to have attendants on the train to look after the stock in transit.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The whole matter has been before the Board of Railway Commissioners for some months now, and I believe that it now stands for hearing and determination. The government has no knowledge of the matter outside of the ordinary routine of an application before the board.

CABLE MERGER

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): According to cable despatches from London, dated March 15, there has been a virtual merger of the Eastern and Associated Cable companies with the Marconi Company. The holding company for the merger is described in the announcement as subject to the consent of the British, Dominion and Indian governments. The merger, it says, is apparently connected with the deliberations of an Imperial conference set up by Premier Baldwin after the new beam wireless service to Australia had taken forty-five per cent of the Pacific cable business in six months. Can the government give us any information with regard to this matter or inform us how the Dominion government is connected with it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter is a very large one. My impression is that it has not arisen as is intimated in the despatch to which my hon. friend has referred, out of any discussion at the Imperial conference, but rather out of financial difficulties in connection with the Pacific cable. Perhaps my hon. friend would be willing to wait until we take up the estimates of the Post Office

department in order to get a full explanation of the matter. It comes under the direction of the Postmaster General. Negotiations have been proceeding, and the government has been kept informed. We have been represented on the board in England that has had to do with the matter, and at the appropriate moment all the papers will be laid on the table of the house. Without refreshing my memory, I could not answer a specific question at the moment.

ST. LAWRENCE WATERWAY

REPORT OF ADVISORY BOARD COMMITTEE AND CORRESPONDENCE WITH UNITED STATES GOVERNMENT

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would like to ask the right hon. the Prime Minister whether, in view of what was said in his closing observations on the address in reply to the speech from the throne regarding the desirability of giving as little publicity as possible to the report of the advisory board in connection with the St. Lawrence waterway until certain matters had been dealt with, the time has not arrived when we might reasonably hope to have those papers laid before parliament, especially in view of the fact that a fairly well authenticated report prevails in Washington and also in Ottawa that a communication was sent by this government to Washington, to which a reply had been received. In view of that I suggest that perhaps the representatives of the people in parliament should have the opportunity to see these papers, and if the Prime Minister thinks the public interest would not be prejudiced, he might make some arrangement by which the members of this house would have some idea as to just what the situation is.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As my hon. friend will recall, I mentioned in my remarks on the address that a communication had been sent by the government to Washington with reference to the St. Lawrence waterway project. That communication was not replied to until the end of last week. The reply, as a matter of fact, came into my hands only on Friday or Saturday last, and has not yet been communicated to my colleagues in the government. I would say, however, having read the reply, that I am very much of the view that it would scarcely be advisable to make public immediately either the communication which was sent to Washington or the reply which has been received.

[Mr. Mackenzie King.]

It may seem that the government is seeking in some way not to inform the house fully. As to whether we are exercising wise judgment in that matter must be left, I think, until later when the communications themselves are brought down. A transaction of the character in contemplation, if it is ever to come to anything, cannot be surrounded with too many safeguards. While the government has exchanged communications wholly of a preliminary character, which in no particular bind the country in any way, but which have been exchanged for the purpose of clearing the ground, so to speak, and in order that parliament may be fully informed of any possible basis of negotiations of a final character, should such ever be reached, it is inadvisable I think, and might possibly prejudice the outcome, too soon to present to parliament any of the documents in the matter. The government must take responsibility for withholding for the time being correspondence which it deems inadvisable to have given to the public. We must be judged later on as to whether or not we have acted wisely. I have no doubt that when hon. members see the correspondence they will feel that the government was justified in not at present making public the two communications that have been exchanged.

Mr. BENNETT: I wholly appreciate the position taken by the Prime Minister, and he will observe that I asked whether or not in his opinion the time had arrived when we might receive the correspondence, because I realize that in the conduct of government those who direct it must exercise their best judgment and discretion as to whether the interests of the country would be best served by publicity or the retention of the documents in the hands of the government until the time is opportune. I only desired to ask if in the opinion of the Prime Minister that time had not yet arrived.

TRANSPORTATION OF COAL

ORDER IN COUNCIL FIXING RATE FROM ALBERTA

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I desire to ask a question, and to make it intelligible I shall read a single sentence of a resolution passed unanimously by the British Columbia legislature on the 29th of February last. Divested of whereases, it reads:

Be it resolved that this legislative assembly of the province of British Columbia, now in session, believes it would be in the interest of the Dominion of Canada to grant and pay a subsidy to the railroad for the carrying of coal from each province, on a graduated scale to

be regulated by the railroad commission, as per the distance of each province from the markets of Ontario and Quebec.

That was passed unanimously. Saturday's press contained an announcement that the Minister of the Interior had issued an order in council to the effect that a rate of $6.75 per ton for carrying coal from Alberta to Ontario has been established, with the understanding that any difference between that and a fair profit rate to the railways would be paid by the Dominion government. In view of that statement I would ask him a question, or more properly two questions; or as that is not allowed, I will divide my question into two sections. The first section is: in the order in council has the minister made provision for extending the arrangement to the coal fields of British Columbia, with of course a pro rata increase according to the extra distance; secondly, as a number of the most important coal fields of British Columbia are located on Vancouver island, where there are no ready means of shipping in trainloads, but very conveniently situated wharves, will the minister undertake to see that the same arrangement is made as regards ships of the Canadian Government Merchant Marine, so that we can ship our coal at a proportionately low rate and possibly—I say possibly—compete in the central provinces, markets on the same basis and the like terms, and be accorded the same measure of assistance as that claimed by Alberta?

Mr. SPEAKER: The question is fairly long and I think the Minister of the Interior ought to be given until to-morrow to submit an answer.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, perhaps the easiest way to answer the question will be to file the order in council.

MOVEMENT OF NOVA SCOTIA COAL

Mr. THOMAS CANTLEY (Pictou): I wish to ask the Minister of the Interior a question based on an article that appeared in Saturady's Citizen with respect to an order in council authorizing a special rate for the transportation of Alberta coal to Ontario. My question is this: Presuming that article to be correct, will the province of Nova Scotia be accorded like treatment for the transportation of coal to the province of Quebec during the winter months—not the summer months.

Hon. CHARLES STEWART (Minister of the Interior: The movement of Nova Scotia coal is now under consideration, chiefly by the Minister of Railways (Mr. Dunning), as it is a railway matter.

Mr. HANSON: How about New Brunswick coal?

Mr. STEWART (Edmonton): I should have said coal from the maritime provinces.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, may I ask the Minister of Finance (Mr. Robb) if he has yet received a report from the Exchequer Court regarding the claims of Home Bank depositors?

Hon. J. A. ROBB (Minister of Finance): No.

TRANS-ATLANTIC FLIGHTS

CO-OPERATION WITH THE IMPERIAL AUTHORITIES

On the orders of the day:

Mr. A. E. ROSS (Kingston City): Mr. Speaker, I notice that the Department of National Defence has sent an aeroplane to Maine to help in the search for Captain Hinchcliffe. In view of the unsuccessful but heroic attempts at aerial flights westward from Europe, may I ask if the government has considered the advisability of co-operating in such attempts? I know the fliers may be regarded as foolhardy, but I think Canada would benefit by a successful flight from Great Britain, and I should like to see governmental co-operation with the British authorities.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, where co-operation is asked for or suggested it is readily given, and we have repeatedly co-operated where there may have been failure or prospective failure to complete these trans-atlantic flights. We have made no special arrangements with the Imperial authorities, nor has our co-operation been sought.

PRIVATE BILLS

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

Mr. GEORGE H. PETTIT (Welland) moved that the House go into committee on Bill No. 14 to incorporate the Niagara Falls Memorial Bridge Company (as amended).

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, before you declare the motion carried, I crave the indulgence of the house to place on record the opposition of the government of the province of Ontario to this bill, and also the opposition of the Niagara Falls Park Commission. The commission

controls the 2,000 acres of park system from one end of the river to the other. It also controls the river bank and the land under the river up to the international boundary.

To me, Mr. Speaker, it is strange that the government should allow a bill of this kind to pass in face of the opposition of the provincial authorities. Of course, I shall be told that this is a private bill, but when it first appeared on the order paper it contained no declaration that the proposed bridge was a work for the general advantage of Canada, and the government having been instrumental in amending the bill in this respect, must take responsibility for it as a government measure. I say again, it is very strange to me that the government should fly in the face of the provincial government, which controls all the highways up to the bridges on the Niagara river, and, in effect, tell the government of Ontario that a charter is to be granted to this private company to erect a bridge over the river and on the park commission's land.

The opposition of the province of Ontario is not a factious opposition, but is based on sound grounds. The main reason for opposing the charter is that the bridge is not needed, and, further, that it will mar the scenic beauties of both the gorge and the falls. At the present time within a distance of six miles there are four bridges, one for railway traffic and the other three for vehicular and pedestrian traffic. In addition, there is a vehicular and pedestrian bridge at Buffalo, as well as a second railway bridge.

The engineer of the Niagara Falls Park Commission appeared before the private bills committee and gave evidence that the present bridges are capable of carrying 100 per cent more traffic; but the promoters did not call an engineer in support of their project.

Mr. STEWART (Edmonton): Are the present bridges privately owned?

Mr. CHAPLIN: Yes, they were built under federal charters. Those charters provide that the tolls to be charged are to come before the governor in council for approval. A new bridge was built last year, and the charter authorizing its construction contained a similar provision. I have inquired both of the Clerk of the Privy Council and of the Public Works department and have ascertained that nothing has been passed approving of the tolls that are being charged. Last year one these bridges under the purview of the federal parliament raised its tolls 100 per cent, without any redress whatever; and the only thing that can be done is to take drastic measures against this tendency. The people appealed to the parks commission who, by threatening those in charge with the possibility of some day having action taken to force their hands, got them to restore the tolls to the former figure. They were told that some day they might be wanting something and that they would not get it unless they put the tolls back where they were, and in that way they were forced to restore them.

Mr. EULER: Do I understand the hon. member to say that the governor in council in this particular instance, when the tolls were raised, forced them to make the reduction?

Mr. CHAPLIN: They were not observing the charter. There was in the charter one of those weak kneed clauses providing that the governor in council should approve of their tolls. They never got them approved. They had been charging tolls for twenty years without getting them approved and they were therefore collecting these tolls illegally. But that is aside from the question. The province of Ontario does not want to be afflicted with another such institution. When it is time to have a bridge erected there the province may want to build it. Or this parliament might want to undertake the work. I can say that there is no better investment which anyone can make, and I do not want to see this matter left in private hands. I have seen too much of that sort of thing along the Niagara river. That is one of the reasons for our objection.

As regards concessions on the river, as I said a moment ago, the parks commission, acting for the province of Ontario, have the whole river in their charge. They even have the power contracts in their charge. To show the value of the parks commission in the last forty years, I may say that the province of Ontario once gave the rights to a power concern for all the power in the Niagara river for $25,000 a year. Fortunately, the commission had a reasonable opportunity to cancel that agreement so that to-day the province of Ontario is receiving a rental from the commission of over $500,000 a year for a concession which originally was given away at $25,000. The province of Ontario has spent $7,000,000 on that front. I may give another illustration of what has been done in this regard. When I first went on the board fifteen years ago we were renting the Table Rock house concession to private individuals. At that time we were getting $4,000 a year and we raised it to $12,000 in a year or two. Those who were enjoying the concession complained and we replied: "Very well; you will not have it at all for we will run it ourselves." The result was that the first year

we made a profit to the province of $60,000, and last year on the same concession, with the fare reduced 50 per cent, we made a net profit of $125,000.

I object to this bridge on the public ground that, first of all, this parliament has no right to override the province. I am speaking now merely of its moral right. Parliament has no right to go over the heads of the commission; it has no right to give a private concession for money-making purposes over the property of the parks commission. We object further on this ground: The improvements which have already made over the present bridges will accommodate 100 per cent more traffic than before without any congestion. As a matter of fact, we know that the congestion last year was less than it was the year before and the year previous to that, and with heavier traffic. All that may be said to the contrary is that in a few instances, on a few days, there has been congestion. No one will dispute that. But we were met with that same objection when the bill was defeated in this parliament last year, and at that time we made a very close analysis of the situation. We put our engineers on the job and we took actual photographs of the scene every day last summer. We have those photographs arranged in order, some ten a day, covering the whole season, and we know just what days were crowded and on what days the traffic was light. There appeared before the committee a gentleman who gave us a couple of photographs—perhaps there were half a dozen of them—and he had the nerve to inform the committee that these photographs were evidences of what happens every day at the bridge. That, of course, is idle talk; it is sheer nonsense. All I can say is that the people who came forward looking for the charter would say anything on earth in order to secure it. They even produced before the committee a sheaf of telegrams, together with a petition bearing 12,000 names. It will be intereseting to the house to know that these names obtained through the services of paid canvassers—ten cents a name. Oh yes; they did a good job. They even went to the schools and got the pupils from six to ten to sign the petition. No wonder they secured the number of names they did. That charge I made in the committee and it was not denied; nor can it be denied. I had a gentleman in the committee who gave evidence to the effect that his own boy had signed it. The school children ran home to their parents telling them, "We are going to have a new bridge; we have all signed the petition." Now, we in this house appreciate the value of a petition: we also appreciate the value of telegrams sent in batches. The statement was made in the committee that, 4,000 persons from my constituency had signed the petition. I can say truthfully that not one person ever took the trouble to write to me even a note nor to send me a telegram, nor did anyone ever speak to me about the matter. They believed that I knew better than any of them did, what was needed there.

I am close to the Niagara bridge; my county takes in one of these bridges I have been discussing; and the next county is that of Welland. The parks commission, I may explain, comprises seven members, one from Lincoln, which is my county, three from Welland, one from Brant and two from Toronto, one of the commissioners from Toronto being the Minister of Highways in the provincial government. He is the seventh member. For the county in which Niagara Falls is situated, two of the members of the commission come from that city, and one comes from the same county, the same city, as the promoter of the bill, the member for the county of Welland. The commission, therefore, is unanimous; it was unanimous last year. They have presented a resolution which I want to put on record.

Mr. EULER: Is this bridge above or below the one which is closest to the falls?

Mr. CHAPLIN: This bridge, according to the plan submitted, is several hundred feet north of the bridge which is closest to the falls, the steel arch bridge.

Mr. EULER: Further down the river.

Mr. CHAPLIN: Yes. Now I will not say that this bridge may not be necessary in time, but what we claim is that it is not necessary now, and from what we can see it will not be necessary for a number of years. But when it does become necessary to build a bridge, surely the parties to determine where it should be located are either the parks commission or the province of Ontario. I make that statement for this reason: the bridge should co-ordinate with the main highways, which are under the control of the province of Ontario. That is only reasonable. At present the government of Ontario are opposed to it because they feel the bridge is not needed.

Mr. CANNON: Will my hon. friend allow me a question? Would he state to the house what authority he has for saying that the government of Ontario are opposed to the bill?

Mr. CHAPLIN: Mr. Speaker, I read to the committee a letter from the Prime Minister, and I believe that should be conclusive evidence that the government are opposed to it.

Mr. CANNON: He did not say he was opposed to it.

Mr. CHAPLIN: Most decidedly he did.

Mr. CANNON: Oh, no.

Mr. CHAPLIN: I can also produce correspondence from the Minister of Highways in which he says he is strenuously opposed to it, and in which he asks me to oppose the bill.

Mr. CANNON: Where is it?

Mr. CHAPLIN: Unfortunately I did not bring either of these letters with me, but before I sit down I will have them, even if I have to detain the house a little longer.

My contention is that the position of this bridge should be determined by the province of Ontario, and while the Solicitor General has been good enough to make some changes in the bill, in my opinion it does not give the province nearly enough authority in the matter. The Solicitor General does not seem to realize that we are just as much interested in the bridge as anyone, and I doubt very much whether any other government on this continent would dare pass legislation of this kind.

Mr. STEWART (Edmonton): May I ask my hon. friend if there is an objection to the location as well as to the bridge itself?

Mr. CHAPLIN: Absolutely.

Mr. EULER: Does the park extend down that far? Does it extend below the bridge which is already there?

Mr. CHAPLIN: I said a few moments ago, Mr. Speaker, that the park referred to by the hon. gentleman is 150 acres in extent. The park commission own 2,000 acres along the river; they own the whole bank of the river from one end to the other; they control for the province every foot of land from the source of the river to its mouth, and that is why we resent being told by this parliament where we shall have a bridge placed, when it shall be placed and that it shall be constructed by a private enterprise, which will collect money from the people of this country without paying a rental or anything of that kind. It is true that the companies owning the old bridges pay no rentals, but if the government were doing it all over again a thing of that kind would never be permitted; the government would collect money from them, as they should have had a right to do, for the granting of such a privilege. Why should you give anyone the right to build a bridge for which traffic has already been created, in order to permit people to make a big profit out of that sort of proposition? From everything along the river the park commission are collecting a revenue for the province of Ontario, and we are giving service at half the former cost. Last year, after carrying on all the work we had to do, we paid to the province $200,000, and in the last three years we have paid in $1,000,000.

Now I say to the government that after these circumstances were brought to their notice they had no business to grant a charter to a private company for this bridge. It is true that the charter contains a clause under which in time this bridge will come back to the province or to the Dominion. That is one of the things I tried to get the Solicitor General to tighten up in order to make it mean something, because as it is now all its teeth have been taken out. It might mean that when the Dominion took it over we would have to pay $400 a share or more for their stock. I suggested to the Solicitor General that a change be made to make sure that the bridge would be taken over at a reasonable price, as any stock would be retired, at say $100 or $105 or $110 per share, but in that regard he has not followed my advice.

As I have already said, the province has spent $7,000,000 on that frontier for the benefit of the people of the entire world, and we believe there are enough bridges in existence to take care of the present requirements. We object to another bridge being placed there first of all because it is not needed, and we brought evidence to that effect before the committee. Just at this point I wish to place on record a resolution which was passed by the park commission on February 28, of this year, to show their attitude in this connection:

Whereas the legislature of the province of Ontario by an act dated March 30, 1885, appointed commissioners for the purpose of selecting such lands in the vicinity of the falls of Niagara within Ontario as were in their opinion proper to be set apart for the purpose of restoring scenic features to their natural condition and for the purpose of preserving the same from further deterioration.

And whereas the commissioners reported on September 18, and December 7, 1885, recommending that an area of about 154 acres of land be acquired by the province of Ontario along the Niagara river in the vicinity of the horseshoe or Canadian falls of Niagara for a public park with its management under provincial control.

And whereas the legislature passed an act on April 23, 1887, providing the means to establish, maintain, improve and develop the lands selected as and for a public park.

And whereas the park lands so selected, have, during forty years of effort and at an expenditure by the commissioners of over $7,000,000 to improve and beautify the same, been extended to include property bordering on the Niagara river from lake Erie to lake Ontario, all of which are declared by the park act to be public works of Ontario.

And whereas certain applications to the parliament of Canada are pending for acts to incorporate companies with power to construct, maintain, and operate bridges across the Niagara river within a distance of 800 feet from the upper steel arch bridge.

And whereas the upper steel arch bridge has been and is being greatly improved and extended as to its terminal facilities increasing its capacity on the American side four times and on the Canadian side 100 per cent.

And whereas the lower steel arch bridge has greatly extended its terminal facilities.

And whereas the increased means of access and exit appear to be ample not only for present requirements but for some distance into the future.

Now therefore be it resolved:

1. That the Niagara Parks Commission is opposed to the construction of a new bridge in the vicinity of the upper steel arch bridge, because,

(1) it will mar the scenic beauty of the falls and park, and (2) it is not necessary to accommodate public travel.

2. That the location of a new bridge, when required, should be midway between the two present traffic bridges below the falls, where it would not have so injurious an effect upon the scenic beauty of the falls and park, and also, in order that the traffic from the bridge terminals, may not, by their proximity create congestion.

Mr. PETTIT: When was that resolution passed?

Mr. CHAPLIN: It was passed on February 28 of this year.

Mr. PETTIT: How many members were present at that meeting?

Mr. CHAPLIN: There was a quorum of the board; four of the seven members were present.

Mr. PETTIT: Was the member of the commission for Welland city present?

Mr. CHAPLIN: He was in Bermuda, but he left a letter to the effect that he was opposed to the bridge. Now I want to refer to a letter written by the Prime Minister of Ontario. I have here a letter written by him to the secretary of our commission under date of January 16, 1928. I might say that at this time we were fighting the bridge company for a reduction of tolls, and that will explain why the Prime Minister of the province made a reference to the matter.

Mr. STEWART (Edmonton): May I ask my hon. friend why, if the governor in council have authority to regulate the tolls, the matter was not referred to them.

Mr. CHAPLIN: First of all it was not the park commissioners' business; we had nothing to do with the bridge.

Mr. STEWART (Edmonton): But I am speaking of the existing provision.

Mr. CHAPLIN: My answer to the hon. gentleman is that we were out of our province in considering the matter at all. At that time I did not know that these clauses were in the charter, or that we had no control over these bridges. I only found that out when we got down here. When we got that information we took the means at hand of correcting the situation. Here is the Prime Minister's letter to Mr. Jackson, the engineer and general manager of the park.

I have before me yours of the 14th.

I am just as strongly opposed to the building of the additional bridge across the Niagara, as proposed, as I was last year, and for the same reasons.

The minister says the premier did not say so.

I think that the commission should use all its efforts to defeat any such project.

There is only one reason that would induce me to alter this view, that is, the necessity for relieving the public from being held up in the matter of fares by those who already hold franchises.

At the time the Prime Minister wrote that letter, the matter was in confusion. We had not succeeded in getting those tolls put back, but by the time we got here we had that matter rectified, without any reference here. It was only, as I explained before, when I came down here and had a chance to view the charters, that I found the clauses in question. The Solicitor General was good enough to tell me of them, because he had the charters in front of him. He told us how well he would look after these bridge companies in the future. Well, his predecessors had had the charters in their possession for twenty years, or more, and had not done so. I had confidence that we were better able to look after those matters than were such a dead bunch.

Mr. STEWART (Edmonton): My hon. friend is taking a great deal of credit to himself. He knew the proper court to come to for redress and yet he did not come.

Mr. CHAPLIN: When the minister makes that statement he ought to remember that we had nothing to do with these bridges.

Mr. STEWART (Edmonton): I think you had to do with them.

Mr. CHAPLIN: We had nothing to do with them at all. If we had it is obvious we should have taken action long ago.

Mr. STEWART (Edmonton): You might easily have found out where to get redress.

Mr. CHAPLIN: The people who were making complaint so strongly were the ones who should have come here to get redress. The people of Niagara Falls were the people that might reasonably be looked to to obtain redress. We butted in when it became our business to do so, when a new charter was being sought.

Now I will read a letter from the provincial Minister of Highways, which reads as follows:

Toronto, March 3, 1928.

Dear Mr. CHAPLIN:

I am sorry to learn by the press and from your letter of the 29th ult., that you are not successful in stopping the progress of the bill dealing with the charter of the Memorial Bridge Company, Niagara Falls.

I have discussed the matter with the Prime Minister and he has suggested that the government ask Mr. Henderson to state our position and to strengthen your position in every way you think advisable.

I do not know what stronger evidence the government want of the attitude of the provincial government. The Solicitor General said a while ago that the provincial government had not declared themselves very positively. I do not know that you could get any stronger or more positive declaration than that.

Mr. CANNON: What is the date of the letter?

Mr. CHAPLIN: It is dated March 3, 1928.

Mr. CANNON: Mr. Henderson appeared before the committee.

Mr. CHAPLIN: Mr. Henderson appeared before the committee and made representations from the province strenuously opposing the bridge.

Mr. CANNON: He did not.

Mr. CHAPLIN: Well if the Solicitor General—

Mr. CANNON: I will withdraw that remark. I will deal with it when I speak.

Mr. CHAPLIN: The statement of the Solicitor General in regard to that is just about as correct as his statement about the attitude of the Prime Minister of Ontario and the Minister of Highways whose letters I have read.

I now wish to place on record a communication from the State Reservation Commission, a body on the other side of the river. This commission was appointed many years ago in order to do the same work in the state of New York that we were doing in Ontario. Here is a letter dated March 12, 1928, from the president of the State Reservation Commission at Niagara.

Mr. BENNETT: That is the state of New York.

Mr. CHAPLIN: The state of New York. The letter is as follows:

Supplementing my letter to you of the 27th of March—

That is when this bill was up last year—1927—

—of which I enclose a copy, I beg to say that the attitude of the State Reservation Commission at Niagara as expressed in that letter, is unchanged; that all of the considerations in it outlined militating against the construction of a new bridge apply with even greater force than then expressed.

Permit me to summarize for your consideration the underlying reasons moving our commission to oppose similar legislation when presented to the New York state legislature at Albany:

1st. The construction of a new structure such as proposed inevitably would be disastrous to the scenic grandeur of the great cataract, and the impressive gorge below. In this conviction we strongly are sustained by the well considered and strongly expressed opinion of the Hon. Frederick Law Olmstead, admittedly one of the most distinguished landscape artists now living, who was consulted by us upon this subject.

2nd. Such a structure seriously would interfere with the plans now under consideration by us for the expenditure of large sums of money, especially devoted by the people of our state to the further enhancement of the scenic grandeur and beauty of the cataract.

3rd. An important factor of our expenditure will be the elimination of conditions tending to impair and seriously to detract from the majesty of the cataract.

4th. There is not any need for an additional bridge. Whatever delays and congestion in traffic have arisen, has been infrequent, sporadic and entirely due to the rigorous inspection by the officials of the customs and immigration departments of both the Canadian government and our own.

As you are aware, there has been provided at the respective bridge heads additional lanes of traffic, which now are available for such inspection, more indeed, than those departments reasonably can be expected to utilize for many years in the future.

You are entirely at liberty to use this letter in any manner you see fit. Particularly shall I be pleased if you will present it to the Canadian parliament, or to any of its committees which may have this matter under consideration.

This is from the commission on the other side of the river.

Mr. PETTIT: May I point out that the New York side of the bridge does not touch the New York state reservation and will not touch any part of it. It is private property that will be affected, and not the New York state reservation.

Mr. CHAPLIN: The last bridge that the hon. member for Welland supported in this house had its head on the other side of the river on a piece of property belonging to the state reservation.

Mr. PETTIT: The hon. gentleman is mistaken.

Mr. SPEAKER: The hon. member cannot be interrupted.

Mr. CHAPLIN: I find that my time is nearly up. I speak as one of the park commissioners for a period of more than fifteen years, during which time the commissioners have always applied themselves closely to the work of conserving the beauties of the great natural wonder of America. This work has been carried on for forty years by commissioners without any remuneration whatever, simply to preserve the scenic beauties of the Niagara river for the people of this country and for visitors who may come, and we, knowing the conditions there better than any other person or any other body of persons, declare that, in our judgment, this parliament has no moral right to give any charter against the opinion of the park commissioners and against the wishes and opinions of the premier of Ontario.

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

On section 1—Incorporation.

Mr. HEAPS: I understand that last year a request was made for this bridge by the same company and that the bill was killed by the committee. I should like to know why this year the committee are reporting favourably on this bridge.

Mr. PETTIT: Last year the location asked for this bridge was in between the upper steel arch bridge and the falls and it interfered with the scenic beauty at that time. I opposed the location of that bridge at that point last year. The bridge, the incorporation of which is now sought, is from eight hundred to one thousand feet further away from the falls than the present cantilever bridge.

Mr. CHAPLIN: The facts of the case are these.

Some hon. MEMBERS: Oh, oh.

Mr. CHAPLIN: The records will bear me out. Last year a number of gentlemen came from Niagara Falls and proposed the construction of a bridge across the Niagara river in front of the present bridge and coming out right at the gates of our park. That bill was thrown out of the committee, but they were very persistent and they came back the same year with another one. This is a sort of movable bridge on wheels. If it is beaten in one place they can move it along a little further. The second proposition that came before the house and was again defeated was to place a bridge within two hundred feet of the upper steel arch bridge. This was a most foolish proposition and the hon. gentleman does not say that he did not support it. It was about as foolish as this one, but he supported it just the same. The present proposal is for a bridge from three to eight hundred feet away and our contention is this. Assuming a bridge is required, we say this is not the place to put it. Our engineers say that if a bridge is needed there is a good location halfway between the two bridges where there is a street that, without any great expense, can be connected with a highway. But what they want is to get as close as possible to the other bridge so as to ensure that it will pay as well as the other one.

Mr. STEWART (Edmonton): What is the location the hon. member suggests?

Mr. CHAPLIN: Between the two bridges there is a space of about two miles, and we suggest that if ever the time comes to construct another bridge, the logical place for it to go is halfway between those two bridges.

Mr. STEVENS: A very large number of amendments have been made to this bill and we do not have them before us. I happen, through the courtesy of the clerk, to have had an opportunity of looking at the amended bill, but certainly hon. members cannot follow the bill in its present form.

Mr. CANNON: It has been reprinted.

Mr. STEVENS: I have no reprint of it. I have in hand a table copy.

Mr. CANNON: The bill must have been distributed because I hold in my hand a copy reprinted as amended and reported by the committee.

Mr. STEVENS: What I am asking is that we should have a reprint of this bill. The Solicitor General says there is a reprint.

Mr. CANNON: It is on the members' files. The hon. member for Lincoln, in the course of his remarks, was kind enough to mention the name of the Solicitor General once or twice in connection with certain amendments made to this bill, so I intend briefly to explain the amendments which were brought into the committee and the reason why I supported them. I may preface my remarks by saying that this is not in any way

a government bill. It is a private bill introduced by the hon. member for Welland (Mr. Pettit), and so far the division of opinion which we have seen in the committee seems to be more of a family than of a partisan nature. But in view of the great importance of this legislation, as a member of the government entrusted with the supervision, may I say, of legislation in order to see that the rights of different parties and even of different governments are safeguarded, I gave very carefully consideration to the matter and I will now offer a few words of explanation to the committee regarding the bill itself.

The hon. member for Lincoln has stated that this bill is sponsored and supported by the government as such in direct opposition to the views held by the government of Ontario in connection with the matter. Let us understand the real situation, in order that the impression may not be spread abroad that such a conflict between the two governments does exist in connection with this bill.

The province of Ontario was represented before the committee when the bill was under consideration, not by my hon. friend from Lincoln, but by Mr. Henderson, K.C., of the city of Ottawa, who held a brief for the Attorney General of Cntario, and so stated before the committee. Mr. Henderson said that he wanted the legislation to be drafted in such a fashion that what he considered the rights of the province of Ontario would be safeguarded. I submitted to Mr. Henderson an amendment to clause 19, an amendment which was afterwards adopted and inserted in the bill, with the understanding that Mr. Henderson was to consider it, and should he have any further representations to make on behalf of his client the Attorney General for Ontario, I would be glad to consider those representations with a view to further amending the bill, if necessary, when it came before the committee of the whole house. Two weeks have elapsed since then. The representative of the Attorney General of Ontario has had that amendment in his hands ever since, and he has made no representations as to any further amendment. And why? Because, contrary to what the hon. member for Lincoln has asserted before this committee, the property neighbouring the Niagara river where the bridge if built is to lie, is to be dealt with in such a fashion that the rights of the province of Ontario will be safeguarded.

My hon. friend from Lincoln has said that we were doing away with all the rights of the parks commission of which he is a member. With all deference to my hon. friend, and with all due respect to the splendid work which he has done as a member of that commission in the embellishment of that part of the Niagara district, I must say that his statement to the house exceeds a true picture of the facts.

The bill simply says this: The company may not build that bridge, may not locate the site of the bridge, and may not commence the work in order to complete the bridge, without first getting into touch with the commission of which my hon. friend is a member and agreeing as to the conditions on which the work is to be undertaken. This is the bill as we passed it.

Mr. BENNETT: Oh no.

Mr. CANNON: Oh yes.

Mr. BENNETT: Read the section, please.

Mr. CANNON: If my hon. friend will allow me, I will read the section. I know whereof I speak because I prepared the amendment myself.

Mr. BENNETT: Just read it, please.

Mr. CANNON: I will read section 19, and I would ask the hon. leader of the opposition to follow me as I read, because I am quite sure that when I am through reading it he will not contradict me further. Clause 19 of the bill as amended and reprinted—not the original bill—provides:

The company shall not locate, construct or operate—

Shall not locate; my first contention is right. Shall not construct; my second contention is right. Shall not operate; my third contention is right.

The company shall not locate, construct or operate any of the works mentioned in section 7 of this act upon or over the boulevard of the Queen Victoria Niagara Falls Park Commission, without first obtaining the consent in writing of the commissioners of the Queen Victoria Niagara Falls Park.

Mr. BENNETT: Go on.

Mr. CANNON: This is the amendment, if my hon. friend will allow me—

Mr. BENNETT: I would like to see a man make an argument like that in a court of law.

Mr. CANNON: Well, when I argue in a court of law I am generally listened to with more patience than my hon. friend shows. As I pointed out to the committee, if we leave in the hands of the parks commission the arbitrary power of suspending or obstructing the work altogether, without reason, in view of the attitude taken by the hon. member for Lincoln, who is a member of that commission,

it would simply mean that on the one hand, we would give to this company the power to construct a bridge, and on the other hand, we would leave to the decision of the hon. member for Lincoln and his commission the power to stop that work altogether.

Mr. HEAPS: Would the hon. gentleman tell me what is wrong with that?

Mr. CANNON: If my hon. friend will follow me, first of all the company will have to get into touch with the parks commission and try and agree as to the conditions. Should the parks commission and the company fail to agree, then the amendment provides that without prejudice to the rights of the company or of the commission, both parties will have to come before a third party, which will decide whether the bridge shall be constructed, and should the bridge be constructed, the terms upon which its construction shall take place. That is provided in the last part of the clause which reads:

—and failing such consent, within sixty days from the date of the request made in writing by the company for such consent to the Queen Victoria Niagara Falls Park Commissioners, then upon such terms as are fixed by the board of railway commissioners for Canada.

Mr. HEAPS: Supposing the railway commissioners give a judgment adverse to the parks commissioners; would their judgment be binding?

Mr. CANNON: Surely.

Mr. HEAPS: The railway commission would be the final arbiter, and not the parks commission at all?

Mr. CANNON: The amendment covers two alternatives: First, if the parks commission and the company agree, there the matter rests, and my hon. friend from Lincoln and his fellow commissioners can lay down the conditions as to construction. But failing such an agreement between the parks commission and the company, as this parliament always legislates for a practical object, and we have to foresee a possible deadlock, foreseeing that possible deadlock, we had to provide a remedy for it, and as a remedy we have chosen a perfectly impartial third body, the railway commission, which will decide the matter at issue, and either uphold the contention of the parks commissioners, or else prescribe the new conditions upon which the construction of the bridge shall take place.

Mr. ADSHEAD: The railway commission will decide the conditions upon which the bridge is to be built; but they cannot decide that it shall not be built at all.

Mr. BENNETT: That is the whole story.

Mr. CANNON: If my hon. friend will allow me, the clauses of the bill deal with the different aspects of the undertaking, but always subject to the basic principle that parliament having adopted the preamble, considers that a second bridge should be built.

Mr. BELL (Hamilton): Is the ultimate decision of the railway board entirely to govern the location?

Mr. CANNON: Yes. Section 19 provides that the company shall not locate, construct or operate except under certain conditions. This is in answer to my friend's first point, that the wishes of the province of Ontario were disregarded, and, secondly, that provincial rights were not safeguarded. Let me say that Mr. Henderson represented the government of Ontario before the private bills committee and made certain representations, and since the bill has been amended he has made no further representations, from which I think it may be inferred that he is satisfied with the bill in its present form. As to the rights of the province of Ontario, as represented by the park commissioners, not being protected, I submit with all deference that section 19 gives absolute right to the park commissioners, before any work is started, to discuss with the company certain conditions, and if the company is unreasonable, then the railway board will consider the whole situation; and I have enough confidence in the railway board to believe that justice will be done.

Mr. STEVENS: I do not think anyone will dispute the Solicitor General's statement that the railway board will endeavour to do justice. But once this bill is passed the company have a statutory right to go ahead and construct the bridge, and when it fixes on a certain point where the bridge should tie up with the land, is not the railway board bound to give a decision that will permit the construction of the undertaking? The railway board is not in a position to say: no, this is not in the interests of the community, and you shall not construct the proposed bridge. It must give a decision permitting the undertaking to proceed.

Mr. CANNON: Not necessarily; otherwise section 19 would be senseless.

Mr. STEVENS: It may be senseless.

Mr. CANNON: I say it would be senseless, because the power of the railway board would be restricted to such an extent that it would simply be illusory. But it is not so restricted. Section 19, if I understand it

rightly, provides, in effect, that the company having power to locate, construct and maintain, will not exercise that power without previously obtaining the consent of the park commisisoners, upon conditions to be arranged, and failing such consent, the matter may be referred to the railway board. But the railway board will then have exactly the same power and authority to lay down conditions as to location preliminary to the beginning of the work.

Mr. ADSHEAD: But the railway board will not have power to say that the bridge shall not be built.

Mr. CANNON: Certainly they will not have power to say the bridge shall not be built; but they will have power to say: first, your bridge shall be built on a certain site; second, you shall construct your bridge under certain conditions; third, you shall maintain your undertaking under certain conditions. Then unless the conditions laid down by the railway board are observed the work will not be undertaken.

Mr. ADSHEAD: The railway commission will not have authority to say to the company after this bill passes: you shall not build that bridge at all.

Mr. CANNON: We are only playing with words.

Mr. ADSHEAD: No.

Mr. CANNON: The railway board will have authority to say: You may build that bridge provided you do so and so; or, putting it another way: you shall not build that bridge unless you do so and so.

Mr. STEVENS: Will the Solicitor General permit me one further question? Clause 7 is the empowering clause, and it says clearly that the bridge shall be constructed:

> At or near a point between the property of the Canadian National Railways on River road and the north limit of Bender street in the city of Niagara Falls in the county of Welland in the province of Ontario, to a point in the city of Niagara Falls in the state of New York.

Now then, if the bridge is located at any point within that area, the railway board cannot impose conditions that will prevent the company from constructing the work. The Solicitor General will admit that?

Mr. CANNON: I will admit that the location of the bridge will have to be within the four corners of section 7.

Mr. STEVENS: And that the railway commission cannot withhold their consent if the bridge is between those points?

[Mr. Cannon.]

Mr. CANNON: I would not say that. I suppose the hon. gentlemen who represent these localities could furnish the committee better information on these points than I possess, but if I understood rightly the discussion before the committee there is quite a lot of space where a bridge could be built.

Mr. STEVENS: But the location is specified in the bill.

Mr. CANNON: Section 7 says between such point and another point. Let me give the exact words:

> 7. The company may construct, maintain and operate a bridge across the Niagara river for the passage of pedestrians, vehicles, cariages, electric cars or street cars and for any other like purpose, with all necessary approaches, from a point at or near a point between the property of the Canadian National Railways on River road and the north limit of Bender street in the city of Niagara Falls in the county of Welland in the province of Ontario,—

Mr. STEVENS: That is one point.

Mr. CANNON: The hon. members who represent these constituencies are in a much better position than I can possibly be to give information to the committee.

Mr. STEVENS: Will the Solicitor General please complete the quotation? He has given only half of the section.

Mr. CANNON: Yes.

> —to a point in the city of Niagara Falls in the state of New York, one of the United States of America,—

That is, as far as the bridge is concerned, we have to consider the Canadian side; in other words, we can legislate only in so far as Canada is concerned. As to the American side, it will be for the proper authorities there to deal with the matter. On the Canadian side, we say: we empower you to build the bridge from that point to this other point, but as to the exact location of the bridge, this must be agreed upon between yourselves and the park commissioners before the work is started, and failing such agreement, the location will be decided by the railway board. That is the effect of section 19 as I understand it.

Mr. HEAPS: Who is asking for the bridge?

Mr. CANNON: I will come to that. I pass now to my second point. The hon. member (Mr. Chaplin), with great ability and also with the experience he has derived from many years of service on the commission, has told the committee that this is an attempt on the part of certain private interests to get from

parliament the power to build a bridge over the Niagara river and to exact tolls from the public. That is certainly the impression which the hon. member conveyed or at least attempted to convey by his remarks. What is the true situation? The bridge which now exists is not publicly owned; it does not belong to the province of Ontario; it is not controlled by my hon. friend's commission. It is a bridge owned by a private company, whose representatives when they appeared before the committee refused to address them. When I asked the question as to what was the financial standing of the company for the last twelve months and what their revenues had been no answer was given. Then I was informed that there was no authorized representative of the company who could give the information, and we never heard another word about the matter. It is not correct to state—

Mr. CAMPBELL: May I ask my friend a question?

Mr. CANNON: When I am through with this point. It is not correct for the hon. member for Lincoln to say that this is a privately owned company trying to secure a monopoly—

Mr. CHAPLIN: I did not say "monopoly"; I never used the word monopoly at all.

Mr. CANNON: If my hon. friend did not use that term I will correct myself. I say, it is not correct that too say that the company is trying to secure authority to build a bridge which would be a gold mine. Now, let us examine the facts.

Mr. HEAPS: Who is asking for the bridge?

Mr. CANNON: I am coming to that.

Mr. CAMPBELL: If what the hon. gentleman says is true, that the bridge would be a gold mine, is not that a good reason for opposing the construction of more privately owned bridges?

Mr. CANNON: I thought my hon. friend had a question to put; that is an argument, not a question. Now to reply to my hon. friend (Mr. Heaps). The sponsor of the bill would be in a much better position than I to answer his question. However, as a member of the committee, I may say that there appeared before us the mayor of Niagara Falls—

Mr. CHAPLIN: Who is also a promoter of the bill, one of the officers of the bridge company asking for the charter.

Mr. CANNON: My hon. friend is a member of the parks commission and it is his right to state his views. The mayor of Niagara Falls came forward in regard to another bridge—

Mr. BENNETT: One is profit, the other service.

Mr. CANNON: The mayor of Niagara Falls appeared in his official capacity. Before I go any further, let me say that I am not criticizing my hon. friend from Lincoln for being a member of the commission, but I am very much surprised, in view of the high character of the gentleman who fills the office of mayor of Niagara Falls that the hon. member should try to discredit him by saying that he is interested in this bridge. Mr. Stephens appeared before the committee and I do not think that in anything he said he gave occasion for my hon. friend to insinuate that he was interested. He appeared on behalf of the municipality of Niagara Falls; other gentlemen appeared also. They represented, first, that a second bridge was necessary; they pointed out that the necessity arose by reason of considerable congestion of traffic. In the second place, they contended that it was necessary on account of exorbitant tolls which had been charged by one existing bridge. And in the third place, in support of the contention that the construction of the new bridge was urgent, they submitted a petition signed by many thousands of people. I as a member of the committee felt convinced that the people who live in that locality were very anxious that second bridge should be built.

Mr. CHAPLIN: A second one? You mean a fourth.

Mr. CANNON: My hon. friend knows that only one bridge can be used now for ordinary traffic in automobiles and pedestrians, the arch bridge.

Mr. CHAPLIN: I know no such thing; that statement is not correct. I do not know whether the Solicitor General is aware of the situation or not. He knows nothing about it if he persists in that statement.

Mr. CANNON: I will leave the question to the committee; I do not think it would be much use arguing with my hon. friend considering the tone he has adopted. The committee had evidence before them that the people living in that locality, who after all are the people who should know the real conditions, supported the proposal. I wish now to call the attention of the committee to a third point. If hon. members will read care-

fully Bill No. 14 as reprinted and amended, they will see that we have surrounded the provisions of the bill with every possible precaution in order to safeguard what we consider to be the public interest. I would ask hon. gentlemen to glance at clauses 7, 8, 10, 14, 16, 17, 18 and 19. In all these clauses we have given authority to the governor in council to supervise and control the operations of the company, should that company be allowed to build a bridge.

Before concluding, let me say that as a member of the government I immediately realized, when I attended that committee, the serious danger which might lie in empowering a private company to build toll bridges, not only at Niagara Falls but at other points on the international frontier. I realized that it was my duty as a member of the government and as a member of the house to make it clear that these powers, if granted to a private company, were to be granted in such a way that the public interests of the citizens of this country should be properly protected. We insterted a clause in the bill, and although the hon. member for Lincoln has stated that the clause has no teeth, I would ask hon. gentlemen to examine it; it is clause 18. Under that clause, when the company constructing the bridge have redeemed their corporate obligations, the bridge then becomes the property of the Dominion government or of any other government or public body designated by the federal government.

Mr. STEVENS: Perfectly meaningless.

Mr. CANNON: My hon. friend says that is perfectly meaningless.

Mr. CHAPLIN: Show us the teeth in it.

Mr. CANNON: I will do so in just a moment. If my hon. friend would credit me with some interest in the welfare of the citizens of this country he might realize that I would not take it upon myself to insert such a clause without being sure first that that clause had an object and secondly that the object was possible of attainment. My hon. friend from Lincoln rightly stated that in reading the original bill that clause would not be of any use because the financial obligations of the company might be so excessive that the day would never come when they would be properly discharged. Having this in view, and having also examined with care the United States legislation covering the same subject matter, I inserted amendments all through the bill under which the governor general in council has absolute control over the financial operations of the company. When that company undertakes to transact any financial business which might have any bearing on section 18, the previous consent of the governor general in council will have to be secured. Moreover, in order that we might not be met with the suggestion, should this government consider it in the public interest to take over this bridge, that we were infringing upon vested rights, I would refer hon. members to section 21, which I inserted and which provides that the right to alter, amend or repeal this act is expressly reserved.

Mr. STEVENS: To whom?

Mr. CANNON: To the authority which has legislated; when a reservation of any legislative power is made, evidently that reservation is in favour of the authority which has enacted the legislation wherein the reservation is to be found. It is true that parliament is a supreme authority and has the right to repeal, amend or alter any legislation which it passes, but that authority is implied. As members of the committee we went further, and instead of simply having an implied authority under which we could act we made it an express authority by inserting that clause in the act.

In conclusion may I say that when this and another bill concerning a bridge at Sarnia were before the committee, I was impressed with the fact that none of the companies operating the other bridges at Niagara Falls have submitted their tolls to the governor in council, although it is stated in their charters that that must be done. Before the committee I made a statement which I now repeat, that that situation will have to be dealt with in order to protect the public, and the tariff of tolls must be submitted to the governor in council. In this bill which we are now considering I refer the committee to section 10, which reads as follows:

> The company may charge tolls for the use of the said bridge, approaches and facilities, and may regulate the tolls to be charged: Provided that such tolls shall have been previously approved by the governor in council. . . .

I added the word "previously" to the words which were to be found in the former legislation, in order to make sure that the tariff would not be exigible until approved by the governor in council. Not only have we the right to examine the tolls before the company has a right to charge such tolls, but section 10 contains a further item which gives the governor in council power to revise these tolls from time to time, and the section further states that the tolls shall be equal to all persons using the bridge, approaches and facilities.

To sum up, section 10 says first that the company will have to submit their tolls to the governor in council for approval before those tolls can be charged the public, and it also provides that if the governor in council sees that a revision would be useful, the governor in council will have the right to revise those tolls.

The CHAIRMAN: Order. My hon. friend has exhausted his forty minutes.

Mr. PETTIT: I think the Solicitor General has covered the ground rather thoroughly, but for fear there may be some misapprehension as to the location of this bridge I would call attention to section 7 of the bill. Under that section this bridge will be located at a point from 800 to 1,000 feet north of the present upper steel arch bridge, away from the falls. There is a spread of 200 feet there, and of course you cannot put your finger right on the spot where the bridge will be constructed, but it will be within those limits.

Mr. CHAPLIN: While my friend is on that subject, will he tell me how far the Canadian National property is from the upper steel arch bridge?

Mr. PETTIT: I would imagine it is from 400 to 600 feet away.

Mr. CHAPLIN: You know very well it is only 250 feet.

Mr. PETTIT: I did not know that.

Mr. CHAPLIN: I know it, and you know it now.

Mr. PETTIT: I want to tell the committee that no one in this house respects provincial rights as strongly as I do, but this bill does not infringe upon provincial rights except in so far as the parks commission, which is a creature of the provincial government, may be concerned. The park commission are only concerned with this 66-feet strip of roadway that passes along the edge of the gorge where this bridge is to touch. Now the bridge simply crosses the gorge, goes up to and against the side of this road and opens on to it. That is all that happens, nothing more or nothing less. So that there is no interference in any way with provincial rights, or any rights in which the park commission are concerned.

Mr. ADSHEAD: Could you not get a charter from the provincial government for this bridge?

Mr. PETTIT: Absolutely no. This is a matter beyond the jurisdiction of the province. The bridge will span the international boundary, and therefore will come within the jurisdiction of the Dominion.

Mr. McGIBBON: Are there any objections to it from the province of Ontario?

Mr. PETTIT: If my hon. friend had been here he would have heard an objection by the Premier of the province of Ontario. I am glad the hon. member asked me that question because it will be noticed that the Premier of Ontario in his letter says: "I am against the building of this bridge for the same reason that I was last year." Now the reason why he was against the building of the bridge last year, and the reason why I opposed it also last year, was because the location of the bridge at that time was between the present bridge and the falls.

Mr. CHAPLIN: In his letter he did not say "reason". He said "reasons".

Mr. PETTIT: I have mentioned one reason. The other reason was that it would mar the beauty of the scenery of the falls I agree that the former location would have had that effect because the bridge would have been between the present structure and the falls. But the contemplated bridge will be 800 or 1,000 feet farther away from the falls, and it will not mar the scenery one iota. The New York state end of the bridge will open out on private property which is an eyesore. But those dilapidated buildings will be expropriated and torn down and a nice entrance made. With this eyesore removed the scenery will be improved rather than marred. Certainly as far as the Canadian end of the bridge is concerned there will be no marring whatever of scenery. The bridge will simply come up to the road and will open out on to it. I have seen the plans of the proposed bridge and it will be a most artistic structure. The bridge will be very wide and will at least provide for six lines of automobiles, three going one way and three going in the other direction. The present situation is such that a new bridge is an absolute necessity. Notwithstanding the remarks of my hon. friend from Lincoln the congestion there is simply terrific. Not only on holidays, but throughout the tourist season of three months, that situation prevails, it being less on some days and on other days greater. The present upper bridge was built some 33 years ago when automobile traffic was unknown. Hon. gentlemen all realize the extent of that traffic to-day, and bearing in mind that this bridge cannot be constructed

or completed within two and a half years, they can form some idea of the enormous traffic which will have developed by the end of that period. Niagara Falls at that point is getting a black eye throughout the United States because of the present congestion of traffic. The automobile traffic is held up there for a period of anywhere from two to six, eight or even ten hours. People are ceasing to cross at that point and are crossing at other points. Personally I cannot understand the attitude of my hon. friend and the park commission in allowing that state of affairs to continue. I should have thought they would have welcomed the construction of another bridge, which would draw more people to that particular point, because it would mean thousands of dollars to the park commission in revenue from concessions, and the easier and the quicker the crossing, could be made, the greater number of tourists you would attract, with larger profit to the town, and millions of dollars to the province and the Dominion at large.

I have in my possession some 60 or 70 telegrams from leading business men, councils, boards of trade and other organizations. I produced these before the committee and if I were to read them now hon. gentlemen would realize in what strong language they are couched. The gist of these communications is that the congestion is great, it must be relieved at once, and the present monopoly broken. There are two bridges there.

Mr. CHAPLIN: The minister said there was only one.

Mr. PETTIT: The upper bridge will be about 800 feet away, and another bridge a mile and a half or a mile and three quarters farther away again. There is another bridge seven miles away from that, and the fourth bridge is twenty miles distant, opposite Buffalo and Fort Erie. The large upper bridge had certain rates in force, and a year ago last October raised those rates 100 per cent. They were maintained at that figure until just about four weeks ago, when they were somewhat reduced but not to the original figures. So that instead of encouraging we are trying to break the existing monopoly. These two bridges have been there for years, they yield good returns, and naturally the owners want to keep the traffic and the revenues derived therefrom. The situation is such that something must be done to relieve the existing congestion, and to fix reasonable rates for the travelling public.

Mr. KENNEDY: Are the other two bridges in the hands of private companies?

[Mr. Pettit.]

Mr. PETTIT: Yes. And as has been pointed out by the Solicitor General, it was agreed by the promoters of the present bill that the proposed structure should become the joint property of both governments at the end of a certain period. In order that that period might not be up in the air, a further amendment was inserted which provided that the period for the redemption of the bonds and the payment of the obligations in the very first instance should be fixed by the Governor in Council, and thereafter from time to time if extension was necessary.

Mr. CHAPLIN: I read here that it shall be prescribed by the by-laws of the company.

Mr. PETTIT: The hon. member has not read far enough. If he will go farther on he will see that it reads:

> Provided always that the period for the payment of the obligations of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies' by-laws in respect thereof shall have been previously approved by the governor in council.

Mr. STEVENS: That does not mean that the Governor in Council fixes it.

Mr. PETTIT: What does it mean?

Mr. STEVENS: It does not mean anything.

Mr. PETTIT: Certainly it does. Besides the telegrams that I have from various leading men, business men, farmers, councillors and so on, I have letters from both provincial members of that locality to the effect that the bridge is an absolute necessity and should be built.

Mr. SPENCER: Is the provincial member a supporter of the Ontario government?

Mr. PETTIT: Yes. Mr. W. G. Willson, member for Niagara Falls, and Mr. Vaughan, member for Welland, are both supporters of the provincial government. Boards of trade and councils of the surrounding district are in favour of this bridge.

Mr. CHAPLIN: I just want to clear up two or three matters, one of them regarding a statement made by the Solicitor General that he did not wish to discuss the question any more with me; he said I was impossible, because I corrected him in some of his statements. He referred to the second bridge and I said that there are four bridges there. The difference between him and myself is that I know what I am talking about and he does not. There are four passenger bridges, and there are two bridges, just as the hon. member for Welland has stated, within a mile

and a half or a short two miles of each other. Let me point out to the minister that some time ago it was not considered that a bridge company which had a charter from parliament was being badly treated when it had to come to us and arrange about going over our property. That company was not stopped because we felt that bridge was needed in the public interest. That is a bridge which we do not believe is in the public interest. When a man comes before parliament asking for a franchise, it makes a difference whether he comes as an individual or as the mayor of a city. That gentleman as mayor of Niagara Falls had no right to appear as a participant in a charter for a company of this kind any more than the gentleman from Toronto whose name appears on the bill. That other gentleman is already a commissioner for Ontario in another part of the province, and Mr. Wright appears on this bill as an advocate for a bridge charter. If we strip off all the camouflage, the purpose of this charter is to make money. Does anyone suppose this is entirely for the purpose of killing a monopoly? Not at all. These people are out to make money themselves. My reason for opposing the bill is that in years past we gave two or three charters and now it is time to stop. We made a mistake in giving the charters we did and I do not want to see another one given. Let us not keep on following in the old footsteps. There is no need to give this charter; either the provincial government or this government should control the bridge and make whatever money there is to be made out of it. The government has no right to throw out a fortune to any body of individuals. My reason for opposing this bridge is, first, that it is not needed and, second, that we do not need to give a charter to private individuals.

As to the distance, clause 7 tells us plainly where the bridge is to be. Last year, as I pointed out, they came asking for a charter for the first bridge which was to be in front of the present one up against the falls. That bill was killed. They came back to the committee for another one, two hundred feet to the north of the present bridge and the end of that bridge was to be against Canadian National property. That was so stated in the bill and by their articles of incorporation. They said that the Canadian National was going to use this bridge, but I applied to the Canadian National and they said: We have nothing to do with it at all; we do not want a bridge in front of our property. Therefore these people were forced to move and they got some property which is only two hundred and fifty feet away. They say in clause 7:

> The company may construct, maintain and operate a bridge across the Niagara river for the passage of pedestrians, vehicles, carriages, electric cars or street cars and for any other like purpose, with all necessary approaches, from a point at or near a point between the property of the Canadian National Railways on River road and the north limit of Bender street.

The north end of Bender street is eight hundred feet away; the near end is two hundred and fifty feet away, so that this bill gives them authority to construct a bridge somewhere between those two points, the nearest of which is two hundred and fifty feet from the other bridge. We are blandly told that it may be four hundred feet away, but I know how far it will be. Last year the committee killed a charter for a bridge that was to be two hundred feet away from the other, and now they say: Well, we will build this one fifty feet further away. The whole thing is ridiculous when you come to consider it. When a bridge is needed, it should be placed midway, three-quarters of a mile away from the falls, and not within a few hundred feet. With two bridgeheads coming within a few hundred feet on the roadway, they are simply going to clutter up traffic more than ever before.

The minister said a few minutes ago that I made some implied reference to Mr. Stephens of Niagara Falls. I had no idea of doing any such thing. I simply pointed out to the committee that when I was in the committee, gentlemen there asked me if I was interested in any of the bridges. They did not hesitate to ask me, but they did not ask if the mayor of Niagara Falls was the party who was asking for the charter. My answer to the members who asked me that question was that neither I, nor any member of my family, nor any relative, had any interest in the bridges. I have no interest to serve except one and that is, as a park commissioner, to serve the interest of the people whose interest we have been serving there for forty years. The minister helped me quite considerably and I must thank him for putting in that word "previously" to which he refers. I suggested it to him but I did not know the exact word to insert and he was kind enough to see that the committee improved that clause materially, because, as I said before, every bridge that was built there under charter from this government had exactly the same clause that this bill contains and yet not one toll in thirty-five years was approved by order in council. Of course I know the present

minister will look after the business better than any of his predecessors. He will need to do it a great deal better and I believe he will. I must publicly say that he has inserted several clauses, but this does not improve the bill at all from our point of view because we are opposed to it on principle.

In regard to clause 18, to which he referred, I said to the solicitor general: This is a bridge company dangling before the people's eyes the prospect of one of these days getting this bridge back again. I said: If you want to make that of some use, insert a provision stating that the stock of that company which is assumed to be worth 100 to-day will not have to be bought back at a higher price than 110 and interest. What will happen is this—if I know anything about corporations, and while I am not a lawyer I know something about them—they will pay off their obligations, and when it comes to selling their stock back to the government, they will want three or four hundred dollars for it. Let us insert a provision—I submit to the minister that two or three words will do it—making it necessary for the company to sell that stock at 110, and I will be satisfied with the clause. But under the bill as it stands, this bridge company can go out into the market and with their capital stock borrow probably twelve or fourteen million dollars. The thing is absurd.

Mr. HEAPS: What will the bridge be worth?

Mr. CHAPLIN: It will cost, according to their own statement, about $4,000,000, but it looks as if they are going to build up such a capital that when they sell it back they will be able to make four or five to one on it. I object to this on principle, first of all, because it is not necessary, and secondly, if a charter is to be granted, it should be under the control of the parks commission, which should have the say as to the location of the bridge. I am not opposed to the bridge if it is needed. Why, we put a railroad bridge there in my time because it was in the public interest, but we had to say where it should be located.

Mr. CANNON: What interpretation does my hon. friend give to the proviso in clause 18?

Mr. CHAPLIN: I do not profess to be a lawyer, but if the minister will provide in this clause that under no circumstances will more than 110 be paid for the stock I will be satisfied with that, and you will not need to demonstrate any further to me the value of this clause.

[Mr. Chaplin.]

Mr. CANNON: The proviso to which I refer in clause 18 reads:

> Provided always that the period for the payment of the obligations of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies by-laws in respect thereof shall have been previously approved by the governor in council.

Mr. CHAPLIN: But there is not a word there about the price of the stock.

Mr. CANNON: Certainly. The whole of clause 18, under which the bridge will become the joint property of the Dominion government and either the federal or state government on the other side, is subject to the proviso that the payment of the obligations of the company and the retirement of their capital stock shall be subject to the previous approval of the governor in council.

Mr. IRVINE: Why not make it subject to the approval of parliament? Why the governor in council?

Mr. CANNON: Parliament cannot deal with the matter—

Mr. IRVINE: It can deal with it now.

Mr. CANNON: There is no doubt that that could be put in the bill, but does my hon. friend think it would be reasonable to come to parliament and ask it to deal with matters of this kind, which are, after all, matters of detail? One of the great difficulties of the imperial parliament, may I point out to my hon. friend, is that it has too many matters of detail to deal with.

Mr. WOODSWORTH: We can deal with three hundred divorce cases in a year. Surely we can deal with one bridge.

Mr. CANNON: As my hon. friend knows, my opinion as to divorce bills is very much like his own, and if our opinion prevailed we would have no divorce bills at all before parliament.

Mr. McGIBBON: What is the minister's objection to the suggestion of the hon. member for Lincoln?

Mr. CANNON: I wish to repeat, this is not a government bill, but I address the committee at some length in order to explain what the government has thought fit to do in connection with this bill in order properly to safeguard what we consider the interests of the public.

Mr. McGIBBON: Is not the government willing to do a little bit more?

Mr. CANNON: I do not consider that it is necessary to add anything to clause 18. As it is now framed, it gives every protection that my hon. friend from Lincoln indicated he desires.

Mr. IRVINE: Is this clause worth anything more than advertising the company?

Mr. STEVENS: It is eyewash.

Mr. IRVINE: I should like the minister to say in what way this property will ultimately be conveyed back to the government. There is absolutely no control by parliament over this capital stock, how it is to be paid for, or how much shall be paid for it, and it might take five million years to pay up that stock.

Mr. CANNON: A perusal of the bill will show, I think, that this company has to submit to the governor in council practically everything that has any bearing on its financial transactions. Comparing the American legislation with our own, I gathered the idea of most of these amendments. As my hon. friend from Lincoln has pointed out, clause 18 would not be of any practical significance unless the operations of the company were somewhat controlled, and it was with this idea that I suggested the bill should be amended, and the committee has amended it. The financial operations of the company are made subject to the approval of the governor in council, which will see that, while the company may redeem its reasonable obligations, it shall not go into any excessive or exaggerated operations which would delay unduly the taking over of the bridge by the Dominion authorities.

Mr. IRVINE: I object to that for two reasons. In the first place, the governor in council cannot act as an accountant for this company for all time, and secondly, the governor in council might be very much mistaken as to what was in the public interest.

Mr. CANNON: The argument my hon. friend makes now is an answer to the suggestion he made a moment ago. If the governor in council cannot do it, how can parliament do it. Parliament is certainly in no better position than the governor in council, surrounded as council is by all the officials who can give us the information that we seek.

Mr. IRVINE: We are in a better position because at least the question is now before us, but once we embalm this act and put it in the archives, the governor in council does not even know that it exists, to say nothing about carrying it into effect.

Mr. CANNON: My hon. friend has a wrong idea of how the governor in council understands his duties.

Mr. IRVINE: I do not expect my hon. friend will always be in power. I am looking forward to better times.

Mr. STEVENS: This bill is an illustration of what may result from what has become an unfortunate habit or practice of parliament. One of the habits of parliament, not necessarily a rule, is to allow private bills to get their second reading without very much scrutiny. Very frequently they are put through and sent to a committee on the plea, "Oh, well, the committee will give this bill consideration." But then when the bill comes back to this house we find ourselves confronted with a situation which implies, if it does not assert, that parliament is more or less committed to the principle of the bill, and all we are permitted to do is to consider its individual clauses.

In the first place, I should like to call attention to this fact, that the bill contains the well-known constitutional clause declaring the works and undertaking of the company to be for the general advantage of Canada. This means that the bill must receive the careful consideration of parliament as a whole, and that we should not be influenced by the wishes of a particular community, no matter how deserving or importunate that community may be. Now, the Solicitor General intimated that the bill is strongly supported by the mayor and certain other influential citizens of the town where the bridge is to be located, and this he advanced as a very strong argument why we should pass the bill with apparently very little scrutiny. I submit that we are clothed with a national responsibility, and that this imposes upon us the duty of scrutinizing the bill in detail independently of the wishes of those who may most benefit from it. We should, as a matter of fact, while listening courteously to their request, regard the bill from the standpoint of the general interests of Canada. That, I think, is a principle that we ought to apply in dealing with this measure.

The proposal presents many difficulties to me. I may say to my hon. friend who is sponsor for the bill that nothing would please me better than to get behind him and support his proposal; but when I realize that it involves the construction of a bridge across the international boundary, and, further, that in some measure it infringes on the rights of a public body such as the park commissioners, then I conceive it to be my duty to examine the bill very carefully. The first

question that presents itself to me is this: is the bridge a necessity? Personally I am not in a position to express a view; I do not think there are many members of the house who are in a position to do so; but we have heard from an hon. member who is very closely identified with the handling of traffic into Canada from the other side of the international boundary, and he tells us that in the opinion of the parks commission and their technical experts, after a very careful check of traffic throughout the year, the proposed bridge is not necessary. I know the federal government frequently is importuned to put in facilities at border points, for instance, customs facilities, for expeditiously taking care of a peak load, such as may be expected on the 1st and 4th of July—

An hon. MEMBER: And the 12th of July.

Mr. STEVENS: Yes, and St. Patrick's day, Labour day, and other holidays—days when there is a very heavy traffic, and thus impose on the public treasury the cost of maintaining a force throughout the year to handle abnormal traffic on those infrequent occasions. But very wisely we have decided that the government, while giving the best facilities possible for the handling of normal business, should not be expected to provide facilities to take care of peak loads. The same principle ought to apply in our consideration of this bill. We must ask ourselves: is this bridge necessary to look after the normal business expeditiously? The evidence would indicate that the bridge is not necessary to supplement the existing facilities at this point.

But assuming that we decide in the affirmative, the next point to be considered is: who should build the bridge? At once we come into conflict with certain views. Some hold that these facilities should always be owned by private individuals. I am inclined to the view that in the case of a highway, whether it be a highway through the country or a bridge across a stream, it should be owned and controlled by some public body. Up to two or three years ago we had a toll road from this city to Aylmer, and further back still, half a century or more ago, all our main highways were toll roads, but I am glad to say that Canada, in common with nearly every other country, has abolished this antiquated system and to-day all our highways are under public control. As for bridges, outside of the practice which seems to have obtained at Niagara Falls—and we recently granted a charter for the construction of a toll bridge from Windsor to Detroit—I think all our bridges are now owned and operated by some public body. Therefore, Mr. Chairman, I hold that if this bridge is to be built, it should be undertaken, if possible, by some public body.

This brings me to my next point: what public body, outside of the Dominion government would be most interested in the construction of this bridge? Naturally the government of the province of Ontario is the most affected and the most interested. It is quite obvious that the town of Niagara Falls is not going to build the bridge; it will not be a civic bridge. It is a work that might be undertaken very profitably and very properly by the provincial government. Its position in regard to the proposed charter is very clearly set forth in the letters read from the Premier of Ontario and his Minister of Highways. These two ministers of the crown say they are opposed to the bridge being constructed by a private company. Therefore it does appeal to me on that ground also that we should reject the bill.

Now let me turn very briefly to some other features of this proposal. For the last seventeen years that I have been a member of this house we have considered the question of town planning in relation to the city of Ottawa, and to preserve the natural beauty of this capital city we appointed a body known as the Ottawa Improvement Commission. Now, one of the transcendent beauty spots of the world is Niagara Falls. The government of Ontario some years ago appointed a commission whose duty primarily is to preserve the natural beauty of the Niagara Falls district. To my mind it is a tragedy that our commercial development of hydro-electric power is minimizing the flow over Niagara Falls. Those who have studied the subject tell us that in the near future the falls will cease to be one of the wonders of the world by reason of the lessened volume of water and the gradual erosion of the rock. Certainly we ought not to do anything to mar the beauty of the falls. My hon. friend, the promoter of the bill, argues that the proposed bridge will be built below one of the existing bridges and therefore will not mar the beauty of the locality. I am not at all sure that by multiplying one bridge by two you are lessening the interference with the view of the falls. The fact that the present bridge is there is no argument why another bridge should be put up. Certainly I cannot for the life of me see the soundness of the argument for congesting traffic at that point, putting one bridge, at the extreme, a thousand feet away from the other, and possibly only two or three hundred

feet. I contend, therefore, that there is little ground for the argument in favour of the bill from that angle.

Now let me refer to the bill as amended. The Solicitor General (Mr. Cannon) has given us a very exhaustive examination of its terms, and I hope he will take it kindly if I criticize some of his observations; I am not at all reflecting upon him in so doing. But I do not agree with him, and I say with the utmost candour that in putting forward my own view, I do not venture it as a legal opinion. I am not a lawyer, and I therefore offer my views merely as a member of parliament, whatever weight they may carry. But let us take the main operative clause of the bill, section 7, which clothes the company with all its powers. The company are empowered to construct this bridge, and there is imposed upon them a certain duty, namely, that they shall not commence actual construction of the bridge until an act of congress of the United States or of any other competent authority there has been passed approving the bridging of the said river. This of course is a constitutional necessity, but it indicates that after all nothing can be done until such a bill is passed either in congress or in the state of New York. I would direct attention to a few lines of the section which merit very close scrutiny. Having set up this alleged handicap or restriction, the section goes on to provide:

> The company may in the meantime acquire the lands, submit their plans to the governor in council, and do all other things authorized by this act.

In other words, irrespective of obtaining authority to land on the American side, the company is empowered to ignore that restriction altogether and to apply the powers of the Expropriation Act, as exercised by a railway, expropriating the lands of the commission or of anybody else, and asserting all the rights that they can possibly obtain under this act, so far as the Canadian side is concerned, thus placing themselves in the position of complete control of the situation. And this they can do without ever conforming to the previous restriction of this section, namely, the securing of authority from the United States to land on the other side. This, I contend, should certainly not be granted to any company. No company should have the right to exercise expropriation powers until it is in a position to carry out the work it undertakes to perform. I therefore strongly object on that ground.

Let me ask the Solicitor General a question. If the company is to be required to obtain the consent of the state of New York, why should we not equally impose upon it the necessity of obtaining the consent of the province of Ontario? Why not? This parliament is not called upon to champion the cause of any company; that is not our business. It is our duty to pass legislation of this character because such legislation comes within the constitution. But in exercising this prerogative, parliament ought surely to safeguard the interests of a junior legislative body, if I may use that term in this case. And the junior legislative body here concerned is the legislature of the province of Ontario. Why should we not enact a clause of this character: "The company shall not commence actual construction of the said bridge. nor exercise any of the powers hereunder mentioned, until an act of the congress of the United States or other competent authority in the United States, or in the province of Ontario, has been passed." That would completely safeguard the rights of Ontario and of the commission to which reference has been made. I submit for the consideration of the house the principle that if we are to reserve the rights of the state of New York we should equally reserve the rights of the province of Ontario.

Mr. ADSHEAD: Is it not necessary to obtain the consent of the federal government of the United States?

Mr. STEVENS: I am not sufficiently versed in international law to answer that question. I am under the impression that this would be a question for congress rather than for the state of New York, although the state of New York may have jurisdiction in the matter. It is immaterial, however, which legislative body in the United States exercises jurisdiction. My point is that if we are going to impose on this company the obligation of securing the consent of a foreign power, we should certainly make it obligatory upon them to secure the consent of the province of Ontario, whose interests are directly affected. I understand that a similar proposal was before the state of New York last year and was rejected, and it is before the same state at the present time. That of course need not influence our action one way or the other. I hope I have not confused the point I am making, which is, that if we are going to make it necessary for the company to obtain the consent of the state of New York we should enact a similar provision to ensure the rights of the province of Ontario in this regard.

I turn now to another section to which some consideration has been given. The Solicitor

General in his remarks referred to section 18, for which he took a great deal of credit to himself. But this section, to use the language of my hon. friend from Lincoln (Mr. Chaplin) is obviously "without teeth". It has no real meaning; it does not impose any obligation upon the company. In plain terms, as I read it, this is what it says: that when the company reaches that stage where it can, and when it does, retire its obligations—that is to say, retire its bonds, mortgage charges and so forth—and when it is in a position to pay off its capital stock, then the work must revert to the Dominion of Canada or to some body designated by the governor in council. But what company is going to dispossess itself of work of this character so long as it is paying it well enough to retire its obligations? It might retire its obligations and then "sit tight" and draw its dividends. But, says the Solicitor General, I have forestalled that; I have added this clause:

> Provided always that the period for the payment of the obligations of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies' by-laws in respect thereof shall have been previously approved by the governor in council.

Let me point out again—and I submit this only as the opinion of a layman and not as that of a lawyer—that this clause is innocuous, without any force or effect. In the first place, the company has not been compelled to pass such by-laws. If it does pass by-laws it submits them to the governor in council, and the governor in council may withhold consent and disapprove of the terms. But the governor in council cannot impose terms. He has nothing by which he can force the company to pass a by-law in conformity with the desires of the governor in council. He can reject the terms; he can say they are not sufficiently brief or sufficiently long. It might be that a number of the shareholders would say, "No, we do not want to retire our capital; we want to retain it." A friendly government might answer, "Very well, we will extend the period; we will let you keep the capital for another ten years." Or they might approve a by-law which would permit the shareholders to retain their capital for another fifty years. The point I am making is just what the hon. member for Lincoln and the hon. member for Wetaskiwin pointed out; if you are going to put teeth in this clause you must fix some period or some price at which this capital stock must be retired, if not both. I am not saying we are prepared to do so, but do not come before parliament and say that you have put in this bill a clause which will recover this work to the Dominion of Canada, when it will do nothing of the kind. After all, perhaps the people of Canada might approve of such a bill if they took in good faith the suggestion made by the Solicitor General, that this work would be recovered to the country in ten or fifteen years, but there is nothing in this clause making any such provision.

Then I pass on to the famous clause 19, dealing with the railway commission, for which the Solicitor General also claimed credit.

Mr. CANNON: If my hon. friend will allow me, I do not claim any personal credit. I claim credit for the committee which considered this clause; some of the amendments were suggested by the hon. member for Lincoln himself. We all worked together to put the bill in the best possible shape.

Mr. STEVENS: Then I will not repeat the statement that the Solicitor General claims credit; as a matter of fact I rather congratulate him for not claiming credit, because it is a testimony to his ability. However, I would have liked him to be a little more positive in his repudiation.

Let us consider section 19, and the Solicitor General will permit me to say that he did make a very long and very powerful argument in connection with that section. He read half of it and then made his argument, after which he read the closing words and claimed that the interests of all concerned were properly safeguarded by the latter part of the clause. He will correct me if that statement is wrong. Section 19 states that the company shall not locate its works on the Canadian side without first approaching the Niagara Falls park commissioners and obtaining their consent. We have already heard the views of the commissioners, and failing to obtain their consent the company will proceed upon such terms as are fixed by the Board of Railway Commissioners for Canada. I asked the Solicitor General a very plain question when he read that sentence, and it was this: Let us suppose we pass this bill with section 7 as it is at present, empowering this company to construct, maintain and operate the bridge, and furthermore empowering the company to proceed with the acquisition of land forthwith, without waiting for legislation to be passed by the state of New York or any other body. Assuming that we pass this legislation and the company present plans to the Board of Railway Commissioners after failing to obtain the consent of the park commissioners with regard to the location of the bridge. According to the bill the bridge must be located between the Canadian National Railway river road and the north limit of Bender street, which is a very limited

one. In case of such an application, can the Board of Railway Commissioners refuse to allow the company to go on with the work at that point? It is obvious that they cannot. My hon. friend knows very well that the railway commissioners will say, "We must assume that parliament knew what it was doing; it authorized this company to build a bridge between two certain points on the Canadian side and to expropriate land without waiting for the acquisition of land on the other side. It is not for us to prevent the company from going on with their work." The only thing the board would have to do would be to determine at what point between those two specific points this bridge should be located. I do not believe the Solicitor General will contradict what I have said.

Mr. CANNON: I may tell my hon. friend that he cannot consider clause 7 without reading it in conjunction with clause 8, and if the two are read together I do not think his argument has much weight.

Mr. STEVENS: Very well, we will consider section 8. A moment ago the Solicitor General said he was the legal adviser of the government under whom came the preparation of legislation coming before parliament.

Mr. CANNON: I did not say that.

Mr. STEVENS: Yes, you did, and I was rather surprised at the time, because I did not think you meant it. As the legal adviser of the government, will the Solicitor General say that my argument in regard to section 7 is faulty? I do not think he will.

Mr. CANNON: Does my hon. friend want an answer?

Mr. STEVENS: Yes.

Mr. CANNON: The only answer I can give him is that it is a faulty argument.

Mr. STEVENS: I will admit that that is a very wise answer if you have supreme confidence in the infallibility of the legal opinions of the Solicitor General, but unfortunately I have not that confidence.

Mr. CANNON: My hon. friend asked my opinion and I gave it to him. I would ask my hon. friend not to pass the remark that I am talking as though I am infallible, or anything like that. I was asked for an opinion, which I gave, and I do not say my hon. friend has to consider my opinion to be right. Everyone is entitled to his own opinion.

Mr. STEVENS: Quite so. I merely observed that I would have had a great deal more confidence in the opinion if I thought the Solicitor General were infallible, which I do not.

Mr. CANNON: I am not.

Mr. STEVENS: In addition, of course, the Solicitor General gave no reasons, merely stating that I was wrong. I submit that my argument is not faulty; there may be some technical fault in it, but as an argument of fact it is not faulty. I have watched the railway commission for a great many years; I have appeared before them as a private citizen and as an officer of a municipality, and I know how that court operates. It does not operate strictly as a court of law but rather as a court of equity, and they invariably declare that when parliament clothes a company with certain powers they have no right to prevent that company from operating under those powers or from exercising their rights. My hon. friend from South Toronto (Mr. Geary) intimates quite rightly that this section does not give the railway commission power to stop the construction of the bridge; they merely fix the terms upon which the company shall proceed. The point I am making is this: When we pass this bill we authorize the construction of that bridge. There is no question of that, and the so-called safeguarding of the public interest which the Solicitor General has indicated is limited as I have stated in regard to both section 18 and section 19.

Then, in regard to section 21, I certainly would like to have an independent legal opinion in that connection. I have been in parliament for seventeen years, and I cannot recall having seen a clause similar to this. It may be new; it may be that the Solicitor General is hewing out a new pathway for parliament to follow in the future, and it may be that he will become immortal because of that clause. I do submit, however, that I would like to have the opinion of a legal authority at least equal to and independent of my hon. friend. The clause reads as follows:

> The right to alter, amend or repeal this act is hereby expressly reserved.

In the first place, it is a axiom of parliamentary procedure that parliament has the right, although it is not always exercised, to repeal practically any statute which it has passed, of course always reserving the supreme right of the individual to appeal for equity through the granting of a fiat by the government to bring the matter before the courts. That is axiomatic. Parliament has that right. Just what other power is given to parliament

by this clause I do not know. The only value of that clause—if it has any value, which I question—is this: To notify any person investing in this company, to notify any prospective bond purchaser or shareholder, that his rights in the company may be ended at any moment without notice. That is the only value. The Solicitor General nodded his head in approval of that statement. I submit that parliament should not pass any such piece of legislation. If they cannot safeguard the interests of the public of Canada without imposing a condition of that kind then the measure should not be passed at all. If the public interests cannot be properly safeguarded within the ambit of this measure then such a clause should not be put in. Furthermore I say that if the clause is effective, which I do do not believe it is, no solicitor for a bond company would ever pass the bonds which would be issued under that act. He would not pass them for a bonding company, my legal friends around me would not pass them. There is no solicitor for a bonding company, or for the trustee of the bondholders, who would ever approve of the issue of bonds with that clause in the bill without anything on the face of the bond to indicate to every bond purchaser that their bonds may be cancelled, or the rights of the company may be cancelled without notice. I say that the bonds would be unsaleable, and the raising of capital under those conditions would be a fruitless task. I believe I know something of what would happen because I have been in the financial end of the business for a good many years, and I know perfectly well the public would not take up bonds of this character.

Mr. CANNON: Why should my hon. friend object to the clause?

Mr. STEVENS: I object to the clause because it is a piece of nonsense to put it into the bill, if what I say is correcct.

Mr. CANNON: Thank you for your judgment.

Mr. STEVENS: I may appear to the Solicitor General to be not very respectful of his views, but I do not know what impelled him to put the clause in.

Mr. CANNON: I gave the reason a moment ago.

Mr. STEVENS: I have argued the question from my standpoint, and I am convinced that what I have said is correct. I repeat that argument briefly: I do not think the clause is operative in the manner in which it is proposed to be enacted. If it is operative then I say the bonds are unsaleable. That is the point I make. I say further to the committee that if we are going to pass this legislation then we ought to safeguard the public interests in some other way than the inclusion of a clause of that character. I say very candidly that if I approved of this bill I would fight tooth and nail for the removal of that clause, because I would conceive it was not in the interest of the project at all, making it an inoperative and innocuous thing.

The discussion has been pretty well distributed over the clauses of the bill. I presume we are on clause 1, but I thought I should give the committee my views on the bill and state my opposition to the incorporation of this company under clause 1 so as to bring myself within the rules of the house.

Mr. HEAPS: Do I understand the preamble is carried?

Mr. STEVENS: The preamble carries last in the house, but of course in the private bills committee it carries first. We are on clause 1, which seeks to incorporate the company, and I am opposed to the incorporation of that company for the reasons I have outlined.

Mr. PETTIT: If I may venture a remark or two, I would say that the gentlemen whose names are mentioned in this bill are men of high standing in the community of Niagara Falls and the character of every one of them is above reproach.

Mr. STEVENS: I do not question that for a moment. I want hon. gentlemen to understand that clearly.

Mr. PETTIT: These gentlemen have associated themselves together for the purpose of carrying out this enterprise, and have come before the house with this bill. As member for the constituency within which this bridge is to be built I support it very strongly because of the intolerable condition of affairs that exists at Niagara Falls, owing to the congestion of traffic and the high rates now charged. The people of the community are bound to break that monopoly and to get some legislation from parliament that will relieve the existing state of affairs. In this effort they should receive the support of the province of Ontario, and of the federal government representing the country as a whole, because both are interested. I want to assure hon. members that I am as strong a supporter of public ownership as any other hon. gentleman here, but to those who suggest that either the province of Ontario or the Dominion should undertake this work, I

reply that neither the province nor the Dominion is going to undertake the building of bridges. Where would these two legislative bodies be if they undertook work of that character? Why, they would be at the beck and call of every constituency in every part of the country. It is simply drawing a red herring across the trail to raise a point of that kind.

Mr. FANSHER (Last Mountain): I should like to know if there is any difference in principle between the government of this province or the government of Canada building the bridge and the governments of the United States and Canada undertaking to construct jointly the St. Lawrence waterways scheme?

Mr. PETTIT: No, I do not see the difference, and I am not opposing any such plan. But what are we going to do in the meantime while the respective governments are considering the matter?

Mr. IRVINE: Have you asked the government to build a bridge?

Mr. PETTIT: No, we have not asked this government to build a bridge. We are asking for authority to build it. We maintain that its construction is necessary in the public interest, to end an intolerable situation. This company is not acting from philanthropic or charitable motives. It wants to build the bridge and make a reasonable amount on the investment within such a period of time as would enable the cost of construction to be paid off. Then it is willing that this work shall become the joint property of both governments. I tell hon. gentlemen that this bridge is a necessity. The present congestion is simply intolerable, and it occurs not only on holidays but throughout the tourist season. I have been there and have viewed the conditions for myself. The gentlemen who sent these telegrams that I have in my hand —members of municipal councils and boards of trade, including Niagara Falls, the township of Stamford, the township of Willoughby, the township of Bertie, the town of Bridgeburg, the town of Fort Erie, and others— surely are not misrepresenting matters to this parliament. They tell you in no uncertain terms and very strong language, in the resolutions and telegrams they have forwarded, that the congestion cannot be endured any longer. Relief must be provided and the existing monopoly must be broken. That is not only in the interest of the particular locality affected, but in the interests of the Dominion at large.

Mr. ADSHEAD: I should like to ask the Solicitor General a few questions on this matter. Some provision is made in this bill for the stock of the company passing into the hands of the government. How would the United States regard the ownership of the bridge passing into the hands of what it might term a foreign country, and how would that affect the relations existing between the two countries? Would not the United States or the state of New York expect that in the passage of any legislation in which they were interested their rights should be safeguarded?

Mr. CANNON: I may say first that no international bridge has as yet become the property of the Dominion government, and that may be why we would like in the future to have such bridges come under the federal authority so far as Canadian interest in them is concerned. As to the hon. member's second question, I may say that the United States certainly cannot oppose that provision of our law because they have a similar provision in their legislation dealing with international bridges, and, thirdly, I do not see how this could affect our relations because the ownership of these bridges would be a co-ownership between the Canadian government or any Canadian authority which would be designated and the United States government or any other United States authority designated by that government. Instead of lessening friendly relations, I think it should increase them.

Mr. ADSHEAD: Supposing the United States inserted in regard to this bridge exactly the same provisions which we are inserting in this bill, making it subject to orders in council they might pass, how would that affect us? Would that cause an impasse? Why should we be subject to their changes by order in council?

Mr. CANNON: In considering all this legislation, we must not lose sight of the fact that we are dealing with international waters and can legislate only covering the Canadian section, leaving to the United States authorities the duty of legislating in respect to the United States section. The necessity of cooperation in the way of legislation is imposed upon us by the very location of the bridge.

Mr. ADSHEAD: Does the stock issued under this bill not cover the whole bridge?

Mr. CANNON: No. We are incorporating the Canadian company; but in the act which incorporates the Canadian company there is a provision that the Canadian com-

pany may incorporate with a company which will receive its existence from a United States authority, and the two companies being amalgamated or combined, a third company will operate the bridge.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHAPLIN: Just before the committee rose I was about to reply to a question in respect to capitalization and profits on the bridge which in my judgment had been more or less imperfectly answered. It is quite true that as far as the Canadian end is concerned, all we can do is to incorporate a company for the purpose of handling one-half the bridge, and the same thing has to be done with respect to the other half in the United States. After that, there can be several ways of handling the matter. In one case it is handled by the two bridge companies meeting together on equal terms; in another case it is handled by a single corporation which gathers together the two bridge companies into a holding company.

As to the question of profits, so that there will be no misunderstanding, if there is one objection I have more than another it is that a bridge of this kind is a very profitable undertaking; there is no doubt about that. The new bridge that was put up at Buffalo has within seven months paid the whole year's expenses of the bridge—its sinking fund, the total interest on its investment, and salaries for the whole year—and shown a profit besides; and the five months left will give them an extra profit. So you can readily understand why a private corporation wants to get a bridge charter. It is for the laudable purpose of making money, and that is largely the ground upon which I am opposed to this bridge. We have made a mistake before, but what has been done cannot be remedied. There are two or three companies now operating and making large profits; I know whereof I speak. One of these companies paid 18 per cent on an enlarged capital, and in addition put aside more money than it paid out. Now I ask the committee if they think that the clause the minister has been discussing is ample in its provisions to protect the people of the country. If these bridge people come here with the idea of giving something away, let us see that what they intend to give reaches us; it is not going to reach us under the clause as it stands. This is the way it will work out under the bill as it is now before us: As the bridge is operated gradually the mortgages and the bonds will be retired. That immediately leaves more money for the stock, more money to be divided amongst the shareholders, who will be scattered all over the country, and they will be paid increasing rates of dividend; no doubt about that. As they get those increasing rates of dividend, because of the bonds and mortgages being retired and there being more money to go to the stock, the price of the stock will rise, and what I am asking the minister to do, if he means what he says, is to put a provision in the bill that at no time will more than 110 be paid for the stock. If he will do that, he will get away from any idea of profiteering on the bridge, and with that proviso I shall be satisfied with that particular clause. But I say frankly I am not satisfied with the bill. The bridge is useless, it is not needed, it is a money-making venture where we have enough bridges on that frontier already.

Mr. HEAPS: I wonder if those who are favouring this bill can tell me why this bridge is called a memorial bridge.

Mr. PETTIT: It is called a memorial bridge in commemoration of the one hundred years of peace that has existed between the two countries, and also because it was thought the word memorial would be suitable in the jubilee year of confederation. The name is appropriate; that is all.

Mr. IRVINE: Would you consider offering that name to the pons asinorum?

Mr. PETTIT: If that suits you, all right.

Mr. NEILL: I rise to a point of order, Mr. Chairman. We are supposed to be discussing clause 1. The last three speakers have been talking either of clause 19 or of the title. We have been all afternoon on the bill, and have not advanced it at all, and I submit that we never will advance it unless we take it up clause by clause. This policy of discussing in committee of the whole what should have been discussed on the second reading, and discussing the whole bill instead of taking it up clause by clause, has been tried again and again, and invariably in the end the chairman has had to put his foot down and restrict the speakers to the clause under discussion. I suggest, Mr. Chairman, that the time has come to do that.

The CHAIRMAN: I think the point raised by my hon. friend is well taken.

Mr. HEAPS: I do not think the point is well taken at all, because the word "memorial" is used in clause 1 which we are now discussing.

Section agreed to.

Mr. CHAPLIN: I do not think, Mr. Chairman, that anything will be gained by hurrying. There are several opponents of this bill who wish to speak on the principle, and it is all very well to say that the principle should have been discussed on the second reading, but everybody knows that when a private bill comes up for second reading it is always said, "You have to get the bill before the committee." Well, this bill has been before the committee and has now come back to the house, and this is the only time we have had a chance to discuss it in this house. Do you still declare section 1 carried, Mr. Chairman?

The CHAIRMAN: Section 1 was declared carried.

Mr. McGIBBON: I would draw your attention, Mr. Chairman, to the fact that the hon. member was on his feet when you called it carried?

The CHAIRMAN: I did not see the hon. member. We have had a pretty general discussion this afternoon, and I think we should proceed with the bill clause by clause.

Sections 2 to 6 inclusive agreed to.

On section 7—Powers. Construct bridge across Niagara river, etc.

Mr. BENNETT: Mr. Chairman, this is the important section of the bill, for it authorizes the construction of a bridge across the Niagara river. Parliament is exercising its powers to create a company for this purpose because it happens to be an international waterway that is to be spanned; otherwise the matter would be dealt with by the legislature of Ontario. The powers granted to construct the bridge are made subject to legislation to be passed by congress or by the legislature of New York state. It is therefore apparent that this is not an absolute but a conditional power that is being conferred. I observe from the public press that the legislature of the state of New York has recently declined to incorporate this company. I made inquiries and one hon. member told me that this is correct. Therefore we are now placing upon the statute books an act to incorporate a company that is to function conditionally upon the legislature of the state of New York granting similar powers, which, as I say, it has refused to grant.

Mr. NEILL: May I ask if the legislature of New York state gave any reasons for refusing to incorporate the company?

Mr. BENNETT: As I understand it, they voted the bill down because they considered it to be not in the public interest. My authority for that is what I saw in the public press, and I assume my hon. friend saw it as well. May I direct the attention of the committee to the wording of the section?

—but the company may, in the meantime, acquire the lands, submit their plans to the governor in council, and do all other things authorized by this act.

I ask the committee if it is proper for us to say: although the corporate powers may not be exercised unless and until the legislature of a foreign country passes concurrent legislation with respect to the other end of the bridge, we will empower this company to seek subscriptions from the public and then buy land and do other things. In other words, this company may never be able to build the bridge. To pass such legislation would be to take a course that I have never seen this or any other parliament take.

Let me come to another point. For years the city of Calgary has been trying to induce the Minister of the Interior to grant powers to a local company to operate a power plant at Spray lakes in Banff national park. We were told that this would interfere with the scenic beauties of the national park, which contains several millions of acres of land. Recently regulations were imposed preventing even a prospector from operating any mineral claim within that area—again in order to preserve the scenic beauties. The land that would be affected is far removed from the average traveller who visits the park. Furthermore, an application was recently made by one of the railway companies to acquire a mountain top in the province of British Columbia as a site for bungalow camps. I have a telegram this morning from some friends—the proposal vitally affects the district of Banff, and they are very anxious that these bungalow camps should be permitted—advising me that the deputy minister of the Department of the Interior has been urging the British Columbia authorities not to grant this concession.

Mr. STEWART (Edmonton): That is entirely wrong.

Mr. BENNETT: I am glad to hear it, because it seems to me that if my information is correct Mr. Cory was exceeding his authority. Shall this parliament, exercising its powers purely as trustees, it being the only authority that can create a company to build this bridge because it is to span an international waterway presumably for the benefit of the people of Canada, but which

company cannot come into being unless a foreign power passes concurrent legislation—shall this parliament create such a corporation to traverse public parks and interfere with the scenic beauty of an area that is visible to the whole surrounding community, notwithstanding the opposition of the government of the province of Ontario as well as of the parks commission? It was said this afternoon that the Attorney General of Ontario could not have been very much in earnest because he was given an opportunity to submit another amendment and failed to do so. His answer is obvious, as communicated to me—he could not have anything to do with any such amendment because thereby he would be accepting the principle of this measure to which, on behalf of the province, rightly or wrongly, he is opposed.

It notwithstanding the objection of the province of Ontario we are to create this bridge company, let us at least provide that these powers shall not be exercised in the province without the consent of the provincial government. Is that an unreasonable request to make? My hon. friend the Minister of the Interior has for four years refused to grant power rights in the Banff national park because the government of the province of Alberta will not consent. He says, and very properly, that the provincial government in that case must determine the matter, the federal authority exercising its powers simply as trustees. Now, this parliament is enjoying jurisdiction in this matter merely because as I have already said, it happens to be, an international waterway that is to be spanned. That being so, let us exercise our power in such a way at least as will be consistent with the duty that rests upon us with respect to the province in which the bridge is to be built. That duty is to see that since the people of the province do not desire the bridge we should not charter a company to construct it. In other words, the company can derive corporate existence only from this parliament, but the exercise of its corporate powers, conditional as they now are upon concurrent legislation by congress or other competent authority in the United States, should also be subject to the further condition, namely, the consent of the province of Ontario. Does my hon. friend say that this is a precedent to enable him to deal with public lands and parks and grant leave to some to prospect for minerals and to others to exploit water powers in Alberta that he has refused during all these years because the government of that province was not agreeable? Is there anything more than that in this precedent? It does seem to me that we are not dealing merely with the principle of this bill, we are in reality dealing with the principle of any bill from whatever province it may come, as long as the subject matter would be solely within the jurisdiction of the provincial authorities were it not for the fact that an international waterway is involved. I submit, Mr. Chairman, that we should not confer the powers sought by this bill unless and until the provincial authorities give their consent. They are better judges than we of what is in the public interest in this matter with respect to that province; they are better able than we to determine the necessities of the case. Who are we, sitting in Ottawa, dealing with national problems affecting the country as a whole, that we should determine what local interests are involved in that particular province in respect of this question? Not until that province itself has expressed its willingness and give its consent should this act become operative and the powers conferred by it become exercisable. That is the position that should be taken; and any declaration that makes this a work for the general advantage of Canada, made by this parliament under the powers conferred upon it by the British North America Act, is wholly at variance with the general principles which heretofore have governed in matters of this kind. Here we are dealing with a private enterprise which seeks legislative sanction from the parliament of Canada merely because the legislature of the province of Ontario has not the power to grant that sanction. I say therefore that if we give our approval with respect to that incorporation, and confer upon it the right to charge tolls and thereby obtain revenues, we are departing from the established practice; it is not customary for the Dominion government to declare a work such as this to be for the general advantage of Canada. I admit that instances may be found in some of the statutes wherein this is done, but those who have given the subject the most careful consideration are agreed that in these cases the declaration should not have been made. That declaration is made with respect to railways—operated for profit it is true—as well as with respect to other utilities of that sort; but these are under the regulatory power of the railway commission or of some other competent body; and in any case they are enterprises that serve more than one province and touch the borders of more than one section of the Dominion. That is the general situation. There may be exceptional conditions that justify a particular work being declared for the general advantage of Canada, when it is international in character. So far

as this matter is concerned, however, it seems to me that the committee should approach the consideration of it with very great care. Apparently the Solicitor General (Mr. Cannon) is of the opinion that this legislation should be enacted; he declared this afternoon that it was not in any sense a government measure. But while that is true it must be borne in mind that no one but the government can take the initative in having it declared that this undertaking is of national significance; without the consent of the federal government no undertaking can be declared for the general advantage of Canada. That is axiomatic with respect to the exercise of the constitutional powers to which I have referred. I need hardly say that I have no interest in the enterprise, but the principle involved is one from which this parliament should not lightly depart. That principle is this: When we are dealing with a matter wholly provincial in its aspects, affecting the people of one province—and the people of Ontario are profoundly affected by this proposed legislation—interfering with the scenic attractions and natural beauties of their park, unless and until that province concurs, these powers should not be exercised. And if it is deemed wise to make the exercise of these powers subject to a condition, namely, that action shall first have been taken by a foreign congress or legislature, much more should we insist that the powers be not exercised unless the people of the province directly affected have given their approval. This is not a political matter, I trust; I trust also that it will not in any sense divide parties, for my hon. friend from Lincoln (Mr. Chaplin) and my hon. friend from Welland (Mr. Pettit) are poles apart in their attitude to the question. Since, however, it has been determined that the power of this parliament shall be exercised—and there is a majority to carry out that determination—let us at least hedge the exercise of that power with such limitations and conditions and such safeguards as will enable us to say that no principle has been departed from and that, to use the language of the United States, the sovereign rights of the people of Ontario have not been sacrificed by this parliament for any purpose whatsoever.

Mr. CANNON: In answer to what the leader of the opposition (Mr. Bennett) has said, may I point out that section 7 does not in any way indicate that the legislation enacted by this parliament shall be subject to any legislation that might be introduced either in the American congress or in any state legislature in the United States. That is not the idea. This parliament is supreme within its own competence and can legislate as it sees fit. But not only have we these sovereign powers of legislation; we must exercise them in a practical way. We are now dealing with a proposed international bridge and we can confer powers for the construction only of half of that bridge. We must bear in mind always, therefore, what may be done so far as the other half is concerned; and this being so I think it is only common sense for this parliament to enact a provision that the powers conferred by this legislation shall not be exercised until we know what has been decided by competent authority on the other side, so as to obviate the possible eventuality of a Canada company building one half of a bridge without the other half being constructed by such persons as may receive authority for the purpose from the American congress or from a state legislature.

As regards my hon. friend's argument, that if the state of New York is to be consulted the province of Ontario should also be consulted, I quite agree that, in the first place, this is not a government measure; and secondly, I agree that it is not a political question. But my hon. friend has raised a question of law, and I would point out that the situation on the American side is not the same as that which obtains in Canada, so far as jurisdiction is concerned. The basic principle of our Canadian constitution, as regards the distribution of powers between federal and provincial governments or legislatures, is entirely dissimilar to the principle which governs on the American side. Under the British North America Act, whatever powers have not been expressly given to the provinces belong to the Dominion: on the American side, whatever powers have not been given to the federal government by the states remain in the states. In other words, the residuum of power belongs to this parliament, while in the United States the residuum of power belongs to the states. So that in this matter the state of New York has more extensive powers than has the province of Ontario.

Mr. GEARY: Why?

Mr. CANNON: I explained why. Now, considering the question in the light of this basic principle, can we say that the province of Ontario has any legislative competence in the matter? It seems to me we must come to the conclusion that it has not. If this federal parliament does not legislate to empower the company to build the bridge, the province of Ontario cannot do so. Even

if the company applied to the legislature of Ontario, that legislature could take no action. Indeed, even if the province of Ontario itself decided to build the bridge, it would have to come for that purpose to the competent authority, which is this parliament. And this applies not only in international waters; as my hon. friend knows, it applies to interprovincial bridges within Canada. If a company wants to build a bridge between two provinces, neither of those provinces has the power to legislate; the Dominion parliament does so. This principle is not new; it is not unknown in our legislation.

And now as regards the third point raised by my hon. friend, that only this government can declare this work to be in the general interest of Canada. That is an incomplete statement of the law. The government have no such power; as a government they have no legislative power or authority whatever. Under our constitution the government are the executive authority, but the legislative authority is the parliament of Canada, and it is for this house and for the other house to declare if any work is in the public interest of Canada. The government cannot do that.

In conclusion I wish to draw to the attention of my hon. friend the fact that similar acts have been passed already; this is nothing new. My hon. friend stated to the committee that we were establishing a vicious principle, but in very recent years we passed an act for the construction of the Buffalo and Erie bridge, and the province of Ontario was not consulted for the very good reasons which I have just stated. My hon. friend from Toronto has raised one question; he says that what I am saying may be true, but on the other hand have we power as a federal governmet to grant authority for the construction of a bridge on property which belongs to the crown in the right of the province of Ontario?

Mr. GEARY: Who said that?

Mr. BENNETT: The Privy Council decided on that the other day.

Mr. CANNON: The point was raised the other day. The only right of the province of Ontario would be to the extent of the park property on which the bridge would rest on the Canadian side, but with all deference, I submit that that question has been settled by the Privy Council in the Rouyn railway case, and also in the Montreal harbour case, to the effect that the federal parliament has such a power. I cannot see how we are interfering with provincial rights at all.

[Mr. Cannon.]

Mr. GEARY: May I ask the Solicitor General if he was referring to me when he spoke of the member for Toronto?

Mr. CANNON: I may be wrong, but I understood my hon. friend to interject a remark about our interfering with provincial property.

Mr. GEARY: Oh, no. If I might, I would explain to the minister the point of my interjection. It was that it carries the matter no further to distinguish between the legislative functions of the provinces and the Dominion on one hand, and of the states and the United States on the other. If the allotment of power in this regard is to the state or to congress, that closes the matter. If it is not alloted to either, the argument of my hon. friend might have some validity, but I do not know that the point arises.

Mr. BENNETT: I think the Solicitor General could not have read section 7. This act is not being passed to authorize the construction of a bridge half way over the river. Section 7 says:

> The company may construct. . . a bridge across the Niagara river for the passage of pedestrians, vehicles, carriages, electric cars or street cars and for any other like purpose, with all necessary approaches, from a point at or near a point between the property of the Canadian National Railways on River road and the north limit of Bender street in the city of Niagara Falls in the county of Welland in the province of Ontario, to a point in the city of Niagara Falls in the state of New York, one of the United States of America, north of the present upper steel arch bridge...

Therefore it will be seen that this is not an endeavour to incorporate a company to build a bridge half way across the river, but permission is sought to construct a bridge from a point in Canada to a particular point in the United States. It is also provided as follows:

> ...but the company shall not commence the actual construction of the said bridge, nor exercise any of the powers hereunder, until an act of Congress of the United States or other competent authority in the United States of America has been passed authorizing or approving the bridging of the said river, but the company may, in the meantime, acquire the lands, submit their plans to the Governor in Council and do all other things authorized by this act.

Therefore we have seen fit to say that this parliament is not at all concerned with the consent of the province of Ontario, but that the bridge must not be constructed until it is approved by the state of New York or the United States of America. I say that is a wrong principle, the people on the Canadian side have a right to be consulted as to whether

or not their land shall be taken for that purpose, just as the people in New York have to determine whether or not land may be used for this purpose on their side of the river.

But let me go a step further. The Solicitor General referred to the fact that this was in no sense a matter in which the government were interested, but we have observed that while in succeeding sections it is provided that the provisions of the Railway Act shall prevail, in section 7 it is provided that the plans shall be submitted to whom? To the railway commission? No, to the governor in council. And who is the governor in council? The governor in council is the government of the day. Clearly, if this act must go into force, these plans should be submitted to the Board of Railway Commissioners, just as the plans of any railway which crosses the boundary are submitted. Why should we make the Railway Act apply in succeeding sections but say here that the governor in council shall approve of the plans, a political body as against the commission? Who would come before a committee of this house and ask for the passing of a bill to create a railway company whose plans were to be approved by the governor in council but whose powers were to be regulated by the Railway Act? What is the reason for this distinction? Why have the governor in council in the one instance and the railway commissioners in the other? It seems reasonably clear to me that if you are going to set up a third power, that power must be the railway commission, which must exercise its authority throughout. You must not make a political body operate in the one instance as against a statutory body in the other. If we are going to pass this statute, at least let us do it as it should be done, making the approval of plans, the determination of routes and matters of that sort, questions to be settled by the railway commission just as though this were a railway.

My main purpose in rising at the moment was to direct attention to the fact that we are authorizing the construction of a bridge going from point to point, from Niagara Falls in one country to Niagara Falls in the other, and that while we have jurisdiction over only half the waterway, we are granting the company power to construct a bridge over the whole distance, although we provide that they can only exercise those powers subject to something else. I submit we should also say that these powers should not be exercised in Ontario unless the people, as represented by the government of this province, are willing and desirous that they should be so exercised. That is the position I desire to make clear.

Mr. CANNON: In answer to my hon. friend I may say that the jurisdiction of this parliament is also territorial.

Mr. BENNETT: It certainly is.

Mr. CANNON: And my hon. friend will never contend that we can legislate out of our own territory.

Mr. BENNETT: That is what we are trying to do.

Mr. CANNON: This bill covers the construction of an international bridge. Territorially, our jurisdiction goes to the middle of the river; we must stop there, but we say that that half of the bridge can be built, and that these people cannot exercise their powers until they have received, or until another company has received from the United States authorities, exactly the same powers which we are conferring now upon a Canadian company.

Mr. BENNETT: That is not what it says.

Mr. CANNON: When my hon. friend says we are granting power to go on the American side he knows perfectly well that every law passed by this parliament is subject to our territorial jurisdiction.

Mr. GEARY: Perhaps the Solicitor General will tell me if he does not think that under the provisions of the British North America Act this parliament alone has jurisdiction. I understand that to be his contention. If that be the case, why include the subsection which declares that the works of the company are for the general advantage of Canada; is there any doubt at all as to our jurisdiction?

Mr. CANNON: The government did not put that in. Judging from what was said by the sponsor of the bill and those who supported it in committee, this bill has been prepared in accordance with the provisions contained in former bills passed for similar purposes. This bill is practically a copy of the Buffalo and Erie bill which was passed by this house.

Mr. GEARY: I agree that you don't need that clause.

Mr. CAHAN: I think it is clear on looking at the British North America Act, 1867, section 92, subsection 10, that this bill to construct a bridge across an international river must be authorized by act of the parliament of Canada. Section 92 says:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—

And then subsection 10:

Local works and undertakings other than such as are of the following classes:—
(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province:

Then subclause b. may be omitted because it refers to steamships. Subclause c. says:

Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

It seems to me that c., under which a work is declared by the parliament of Canada to be for the general advantage of Canada applies only to those works which are not already covered by a. and b., and if this international bridge is covered by a., then c. does not apply, and we should not attempt to exercise the power under c. But referring to a. again, clearly an international bridge comes within its provisions:

Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings. . . extending beyond the limits of the province.

Now this project does extend beyond the limits of the province and it can only be incorporated by the parliament of Canada. Therefore the petitioners have properly applied to this federal parliament for the incorporation of the company. In the second place, the bridge cannot be constructed beyond the centre of the river except by the legislative authority either of the state of New York or of the congress of Uuited States accordingly as it comes within the jurisdiction of one or the other, with which I am not concerned. I know that on the question of navigation the United States congress in recent years contends that it exercises full control. The state of New York on the other hand has propounded a doctrine somewhat different. I do not think it concerns us whether the legislative authority to construct this bridge on the American side of the river comes from the state of New York or from the congress of the United States; but this parliament having been asked to incorporate a company to build a bridge to the centre of the river, the question arises whether the province of Ontario might not well be consulted in the matter. We all know that there were some heartburnings in the province of Quebec in view of the Rouyn railway decision. There is a strong provincial feeling both in Quebec and in Ontario that such matters which intimately concern these provinces should be submitted to their respective legislatures for approval. It does seem to me therefore that the Solicitor General has not quite fairly met the main and pertinent argument of the leader of the opposition, namely, that inasmuch as this bridge and the approaches thereto will affect property owned by the crown in the right of the province of Ontario, passing though its property, destroying the beauty of the approaches, interfering with the design which they have made for a public park, which is well known not only throughout that province but throughout the world, it is a question whether we should not as a matter of comity, as a matter of the consideration which is due to another government and another legislature, insert in the bill a provision that this legislation shall come into force only when approved by the legislature or by the government of the province concerned. The real point made by the leader of the opposition, as I understood it, was whether, as a matter of comity, as a matter of complaisance and good will—as this does affect a property owned by the crown in the right of the province, a public park of great beauty and renown—there should not be consultation between the federal and provincial authorities; and just as I would, coming from Quebec, be disposed to submit that whenever federal legislation affects the rights of that province the legislative or governmental authority of that province should be consulted, so I am disposed to contend that in this case, although we have the power to authorize the promoters to build the bridge right through that park, although we could authorize the construction of approaches to that bridge which would destroy the park—

Mr. CANNON: My hon. friend was not here this afternoon and I would refer him to section 19.

Mr. CAHAN: But section 19, when it was under consideration in committee, did not seem to me to be quite broad enough.

Mr. CANNON: Has my hon. friend an amended copy of the bill?

Mr. CAHAN: Does my hon. friend want me to read section 19 of the amended bill? I have it before me.

Mr. CANNON: No.

Mr. CAHAN: It says that the company shall obtain the consent in writing of the commissioners of the Queen Victoria Niagara Falls park, but that consent is only for the location,

construction or operation of the works mentioned upon or over the boulevard of the Queen Victoria Niagara Falls Park Commission. It is very limited indeed.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Order.

Mr. CAHAN: I do not wish to obtrude my views upon the committee.

Mr. CASGRAIN: The objection comes from hon. members opposite.

Mr. CAHAN: I was simply trying to obtain a clear view of the situation. I do not think that section 19 is broad enough; and if this parliament were endeavouring to pass such legislation affecting in the same degree the rights and interests of either crown lands or any public lands, especially a public park owned by the crown in the right of the province of Quebec, I should be disposed to demand that the legislature of that province should be asked to sanction the legislation of this parliament. I should be anxious that while we may incorporate this company, while we grant to it all the powers which we can give to it, to build to the centre of the river if you like—I do not object so much to the words "across the river"—nevertheless I would place in the bill a provision that it shall come into force only when approved by the government or by the legislature of the province of Ontario.

Mr. STEWART (Edmonton): Would my hon. friend not be setting up rather a difficult precedent to overcome?

Mr. CAHAN: It is a precedent that I think we shall eventually have to assert, because, for instance, the Rouyn railway case caused many heartburnings and considerable bitterness in Quebec, and I think it would have been well if the province had been consulted in regard to that matter. It is well that these precedents which the Solicitor General has mentioned, should not be followed in this case.

Mr. CANNON: The province of Ontario was represented before the committee.

Mr. CAHAN: Quite so.

Mr. CANNON: We gave their representative this amendment for his consideration.

Mr. BENNETT: He did not come back.

Mr. CANNON: He did not come back and it was understood that, should he have any representations to make on behalf of Ontario he was to make them in order that we could deal with them when the bill would be in committee at this stage. Mr. Henderson never communicated with the chairman or myself or, to my knowledge, with any other member. Not only is that the case, but as to the matter of courtesy that my hon. friend has brought up, the committee realized that they should deal with Ontario as one parliament with another or one government with another. We adjourned the consideration of this bill for a whole week with the understanding that the hon. member for Lincoln was to get in touch with the government of Ontario in order that we might have their representations. I think the committee showed every consideration for the rights of Ontario and the official representative of that province. After he had taken cognizance of section 19 he never made another objection to the bill.

Mr. CAHAN: I understood some objection had been made.

Mr. BENNETT: He was instructed not to go back because he would thereby be recognized aud approving the principle of the bill.

Mr. CAHAN: I understood that was the ground, but I trust he was not in any way discourteous to the committee.

Mr. CANNON: Not at all. I do not want to convey that impression. On the contrary he seemed to be quite satisfied.

Mr. CAHAN: But if he did not express his satisfaction; if his ground for not interfering further in regard to an amendment of this kind was that he would thereby be recogniezd as approving the principle of the bill, I could understand that consideration prevailing with him. But I am dealing with the matter now in a broader spirit, as we should deal with it, and I am disposed to think that the province should be consulted.

Mr. PETTIT: I wish to correct a wrong expression that apparently is abroad, namely, that the bill has been killed by the legislature of the state of New York. I have been informed by the Buffalo solicitors who are looking after the bill that that is not the case; that the bill with a number of others has been sent to the rules committee of the legislature. This is their usual method of doing things. The bill is there with those other bills and it will receive consideration in due course. Therefore the rumour that the bill is killed, is, according to my instructions, without foundation.

Mr. BENNETT: There is just one fact that has been overlooked in connection with this matter. This is a railway bill under the provisions of the Railway Act, and the word "railway" by subsection 21 of section 2 is defined as follows:

"Railway" means any railway which the company has authority to construct or operate, and includes all branches, extensions, sidings, stations, depots, wharves, rolling stock, equipment, stores, property real or personal and works connected therewith, and also any railway bridge, tunnel or other structure which the company is authorized to construct; and, except where the context is inapplicable, includes street railway and tramway.

It will be observed that the section itself deals with electric cars or street cars, and as the Railway Act provides that the plans must be approved by the board I submit, assuming that you are going to adopt this bill, that the next to the last line of section (1) of section 7, should read:

Submit their plans to the Board of Railway Commissioners for Canada.

Instead of:

Submit their plans to the governor in council.

The one is a political body, and the body to which the plans should be submitted is clearly the Board of Railway Commissioners for Canada, if they are to comply with the provisions of the statute in that behalf. The provisions as to how plans and their submission to the board are to be dealt with, will be found in section 167 and following sections of the Railway Act. If we assume that you are going to adopt the principle of leaving out the province of Ontario, clearly the provision with respect to the approval of plans should be by the Board of Railway Commissioners for Canada and not by the governor in council.

Mr. NEILL: I should like to point out the contradictory nature of the wording of the clause. In one part it says that the company shall do nothing whatever until they receive the consent of the American body, and another part says that they can do everything pending the receipt of that consent. Let me read the language. This is what they shall not do:

The company shall not commence the actual construction of the said bridge, nor exercise any of the powers hereunder.

"Hereunder" does not mean under the bridge, but under this act. The company could not acquire land under it; nor issue shares—in a word they could do nothing under it at all until they get the consent of the American body. Then the concluding lines read:

But the company may, in the meantime acquire the lands, submit their plans to the governor in council and to all other things authorized by this act.

Mr. CAHAN: "Hereunder" may mean under section 7 only.

Mr. NEILL: It applies to the whole act. If that is common sense, I do not know what common sense is.

Mr. BENNETT: I would move that all the words after the word "river" in subsection 1 of section 7, that is the words—

But the company may, in the meantime acquire the lands, submit their plans to the governor in council and do all other things authorized by this act.

—be struck out.

Mr. CANNON: I am not going to raise any point of order as regards the amendment coming from my hon. friend, but it is a well known fact that notice has to be given of any amendment to a private bill. If that rule is not observed, we shall very often be in a difficult position. The committee has studied this bill seriously and we have brought it back in the best possible shape. Unless the rule is observed and we have notice of any amendment before it is presented to the house, members of the committee might not be in as good a position as they would otherwise be to discuss the nature of the amendment and see whether it should be accepted or rejected. I am in no position to-day to express an opinion on it. I examined the bill in conjunction with the members of the committee; we did our very best and brought it back to the house, and if my hon. friend wants to amend it, I think notice should be given.

Mr. STEVENS: I should like to know the rule the Solicitor General would cite in support of his contention.

Mr. CANNON: It is a well-known rule.

Mr. STEVENS: I am not so sure of that, because the house frequently amends private bills in committee. We must not raise points of order and establish rules here recklessly on an important matter of this kind. I am quite willing to bow to the rules.

Mr. CANNON: I should like my hon. friend to understand me properly. If the leader of the opposition insists on his amend-

ment, I simply say for the information of the members in general, we should be given notice of these amendments so that we may have time to consider them. We have spent considerable time on this bill in committee.

Mr. NEILL: I would refer to standing order 113, which reads:

No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

This could perhaps be called not an important amendment.

Mr. CASGRAIN: It would materially change the subject matter.

Mr. CANNON: That is rule 113, Mr. Chairman, and I think my hon. friend will admit that this amendment, as well as anything coming from him, is a material amendment.

Mr. BENNETT: The sense of the amendment is merely to make this bill consistent. This bill makes the whole exercise of the powers subject to the Railway Act, and it is now proposed to make this particular portion of the bill subject to the governor in council. I say that since we have a bill dependent upon the Railway Act it is an unheard of thing to make part of it subject to the governor in council; it is the first private bill of this character you will find it in that I know of. The old incorporations all referred to the governor in council, but since we passed the new Railway Act that body has been set up for this purpose, and all these powers have been subject to the approval of the board. I do not think this amendment can be regarded as important in the sense in which those words are used in the rule. Certainly if the Solicitor General's point is right, this house becomes a rubber stamp for any private bills that have been considered by the committee unless we give one day's notice of an amendment. In this instance the rule says that one day's notice has to be given in respect of private bills, but this bill was not on the order paper, if my memory serves me, until to-day.

Mr. CANNON: It was on the order paper last Friday.

Mr. BENNETT: Yes, that is correct. I suppose that notice could have been given as to this amendment, but I certainly did not think it was of sufficient importance to necessitate the giving of notice. Its purpose is to make the bill consistent, and I assumed that the law officers would do it when their attention was directed to the matter, as I think they should do.

Mr. CANNON: The reason for the rule is very simple. The house refers a bill to a special committee in order that it may study it and the discussion in the house be shortened when the committee reports back. In order to make sure that only important features of the bill shall be dealt with by amendment, the rule says that notice shall be given, so that we shall know exactly what is coming up. But I do not want to take undue advantage of a rule to prevent my hon. friend from submitting an amendment to the bill if he sees fit. I do not know that his amendment would not be a good one; I am not in a position either to accept or to reject it. It is private legislation, it is true; the government is not responsible for it, but before we amend a clause of this importance I think it would be fair if my hon. friend would agree to the committee reporting progress on the bill, and in the meantime if he wishes to bring in any amendments, we can be given proper notice and have time to study them.

Mr. BENNETT: I think that is an exceedingly fair submission, but I did not think the Solicitor General would regard the suggestion I am now making as an important one. I thought he would probably be glad to adopt it. The hon. member for Toronto is probably correct when he suggests to me that the reason why the words "governor in council" are used there is because they were taken from an old bill, the old suspension bridge bill. We all know that the governor in council was the relevant authority before the passing of the Railway Act, but since the passing of that act all these matters are dealt with by the Board of Railway Commissioners and not by the governor in council. Probably that is the explanation. There is no doubt that, according to the rule, as my hon. friend from Comox-Alberni has pointed out, notice must be given of an important amendment, but I did not regard this of sufficient importance because I thought that once the Solicitor General's attention had been directed to the fact that there was an inconsistency between the use of the words "Governor in Council" in one section and "Board of Railway Commissioners" in the other, he would be glad to accept the suggestion I made. However, I think the suggestion he now makes as to how to deal with this matter is an eminently reasonable one.

Mr. CANNON: As far as I am concerned, I have no objection to making the change if the sponsor of the bill accepts it. He is the responsible party.

Mr. PETTIT: The words governor in council are used throughout the bill, and if a change is to be made it would have to be made throughout.

Mr. BENNETT: That is not quite the fact.

Mr. CANNON: I do not see much objection to the plans being submitted to the railway board, if that suits my hon. friend who is sponsoring the bill. On the other hand, I would point out that when an amendment is moved in committee of the whole, the committee does not accept or reject the amendment, but it is moved in such a form that the bill is referred back to the select standing committee for consideration.

Mr. CAHAN: Usually the motion is to refer it back to the select standing committee for the purpose of considering a certain amendment.

Mr. PETTIT: I would suggest that the wording remain as it is, as the words governor in council are used throughout the bill. It would complicate matters if this change were made in just one clause. The construction of the bridge, its location, and the terms, provisions and regulations are all made subject to the approval of the governor in council. As sponsor of the bill I would therefore respectfully suggest that the wording remain as it is. There would be no harm done in leaving it that way.

The CHAIRMAN: Is the hon. leader of the opposition pressing his amendment?

Mr. BENNETT: The position is this. If the Solicitor General thinks this is an important amendment within the meaning of the rule, he is entitled undoubtedly to a day's notice. If this parliament has any powers at all, it must have powers to amend legislation in some form or another. I am serious as to the necessity of this amendment, because it deals with a matter of the utmost importance, having regard to the provisions upon which the Solicitor General has laid so much emphasis. There are other amendments in the same position. I do not conceive it to be inconsistent with my duty in the public interest to point out that this bill refers to the governor in council, a reference which has been antiquated for thirty years; since the passing of the Railway Act the words have always been "Board of Railway Commissioners for Canada." As was suggested the other evening, this bill should probably have gone to the railway committee, as I moved, but it was pressed that it should go to the private bills committee, although Mr. Todd thought probably it should go to both the railway committee and the private bills committee. It seems to me the proper motion now would be to refer the bill back for further consideration by the railway committee, which should have considered it perhaps in the first instance, as the Minister of Railways felt at the moment. Therefore, in order to obviate any further discussion, I would move that the bill be referred back for consideration by the railway committee in order that the point may be considered by the law officers of the crown.

Mr. NEILL: I submit that that motion is out of order. The hon. member for St. Lawrence-St. George has referred to the practice that the motion should be to refer the bill back to the committee for the purpose of having them do so-and-so, but that form of words is applicable only on the third reading of the bill. You cannot make such an amendment in committee of the whole. How can you move in committee to refer the bill to another committee? That can only be done on the third reading or on consideration of the report of the committee.

Mr. BENNETT: We can ask that the committee rise and report progress, and that the bill be referred back for further consideration by the railway committee, it having not yet been considered by that committee. I quite agree with the hon. member for Comox-Alberni that on the third reading of the bill, if we desired to amend it, we would have to move that the bill be not now read a third time, but that it be "referred back to the committee for the purpose of adding thereto the following words"; but it is also the custom to move amendments to a bill during its progress through committee of the whole. This bill really should have gone to the railway committee. Mr. Todd in his letter to the Speaker referred to the fact that the bill might properly go to both committees. It went to the private bills committee. That committee reported the bill back here, and it is now being considered by a committee of the whole house. During the discussion here a question arises that affects the application of the Railway Act, indicating clearly that the bill should go to the railway committee. It is very important in that sense because the word "railway" is defined in the Railway Act to mean an electrical car or tramway line. Therefore, if my position in respect to the amendment is correct, the bill itself should be considered also by the railway committee. I submit the committee should rise and report progress for the purpose of enabling the Solicitor General to consider other amend-

ments of the same category which certainly will be made during the progress of the bill through committee.

Mr. CANNON: The point of order is well taken. No amendment to this bill can be made unless previous notice has been given.

Mr. BENNETT: That is true, if the amendment is important.

Mr. CANNON: The suggestion I make is that we should report progress. But there will be no question of referring the bill to a committee; and from this day until the bill is considered again it will be the duty of anyone who wishes to amend the bill to give proper notice of any amendments.

Mr. BENNETT: Quite right.

Progress reported.

ST. CLAIR TRANSIT COMPANY

Mr. W. T. GOODISON (West Lambton) moved that the house go into committee to consider Bill No. 23 to incorporate the St. Clair Transit Company:

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

On section 1—Incorporation.

Mr. STEVENS: Mr. Chairman, I do not know whether the same features arise in this bill as in the other measure that we have been discussing, but no doubt the Solicitor General can tell us. If similar features do arise, the two bills should be considered together.

Mr. CANNON: I do not admit for one moment that the bill which we were considering a minute ago should have gone to the railway committee instead of the private bills committee. My learned friend the leader of the opposition (Mr. Bennett) made a rather laboured argument that because electric tramways are mentioned in the Railway Act the bill should go before the railway committee. But to determine the character of a bill we must consider its main features. Electric lines are only incidental; the fundamental element of the two bills, and of this one in particular, is the construction of a bridge. I think the private bills committee had a perfect right to consider this and the preceding bill.

Mr. STEVENS: The Solicitor General will notice that this bill confers the expropriation powers contained in the Railway Act.

Mr. CANNON: Certainly.

Mr. STEVENS: In fact that portion of the Railway Act is incorporated in this bill.

Mr. CANNON: A company or an individual comes before parliament for private legislation; if either wants to be under general legislation a private bill is unnecessary. It is only in cases when exceptional legislation is required that we have a bill of this kind before us. So when, for instance, we confer on a private corporation the right to expropriate, we immediately give a right which belongs really only to a public body. In this particular case expropriation powers are given because we consider that the building of a bridge is in the public interest, and in order to confer those powers we have to refer to the existing law, that is, to the Railway Act; but that reference by no means brings the bill within the Railway Act.

Mr. STEVENS: Does the Solicitor General presume to say that either or both of these companies could have proceeded with the work under a charter obtained by virtue of the Joint Stock Companies Act?

Mr. CANNON: No.

Mr. STEVENS: His whole argument amounted to that, or it amounted to nothing. He said the promoters desire a special charter, but that they could have had a charter under the Joint Stock Companies Act.

An hon. MEMBER: Under the general law.

Mr. CANNON: My hon. friend misunderstands. I said that if they could have done what they were seeking under the general law they would not apply for a charter; it is because under the general law they cannot proceed that they apply for private legislation.

Mr. STEVENS: That is precisely my argument, that these companies have to come under the Railway Act to a certain extent.

Mr. CANNON: If they wish to expropriate.

Mr. STEVENS: How are they going to expropriate footings for their bridge? They must have powers of expropriation under the Railway Act.

Mr. CANNON: No, they get their expropriation power under this act, not under the Railway Act. In exercising that particular power of expropriation granted for a special purpose they have to follow the clauses of the general act. That is the law.

Mr. STEVENS: Will the Solicitor General tell me what general law they could have come under without getting a special bill enacted?

Mr. CANNON: I am sorry my hon. friend does not grasp my argument.

Mr. STEVENS: There is nothing to grasp.

Mr. CANNON: I am glad to argue with those who are prepared to conduct discussion in a gentlemanly way. Throughout the day I have done my very best to answer arguments intelligently, but if my hon. friend wishes to bully anybody I decline to be bullied.

Mr. STEVENS: My hon. friend is himself trying to bully. A moment ago I asked the Solicitor General, as the law adviser of the crown, what general act the promoters of this bill could come under in order to exercise the powers they are now seeking. He pointed out that the company chose to apply for a special bill. I submit that inasmuch as this bill invokes important portions of the Railway Act it should have gone to the railway committee. He has not answered that argument in the slightest degree. I think this bill is in exactly the same position as the preceding bill, and should stand with it until we have had time to examine the various sections and give notice of any amendments which we may consider necessary.

Mr. DUNNING: Without in any way entering into the merits of the question I would point out that this bill, which does not appear to be contentious, has been, rightly or wrongly, before one of the responsible committees of the house. I presume that the interested parties—I know nothing at all about them—have gone to the expense and trouble of appearing before that committee in order to make out their case, and apparently the bill has come back to the committee of the whole house in the usual course. Now inasmuch as the private bills committee is, to say the least, equally as competent as this committee to deal with a matter of this sort, would it not be dealing more fairly with the parties concerned to allow matters to proceed at this stage? I felt, as the leader of the opposition felt when these bills first came before the house, that they might more properly have gone to the railway committee. I understand that the clerk of committees, who is a student of these matters, gives the opinion that the bills in question could properly have gone to either or both of these committees. Why, then, should we put the interested parties to the trouble of appearing again before another committee of the house, no more representative—

Mr. STEVENS: That is not my motion.

Mr. DUNNING: I understood my hon. friend wished to have the bill referred to the railway committee.

[Mr. Cannon.]

Mr. STEVENS: No; I simply wanted to have the same procedure adopted as was followed in connection with the previous bill. We contend that the bill should originally have gone to the other committee, but let that go. I notice in clause 8 of the present bill that there arises the same question we have been debating under clause 7 of the last bill. Provision is made for vehicular traffic, street railways, and so forth. Our contention is that in this clause as well as in some of the others reference should be made to the railway board rather than to the governor in council. It is a rather important principle. I say, therefore, that in order to prepare the necessary amendments and to give due notice of them the committee should rise and report progress. That procedure was followed in regard to the previous bill and it should be done in this instance also. We shall only reach the point where the committee will be arguing on the very same question we have already decided. I move therefore that the committee rise and report progress.

Mr. CANNON: I suggest that we consider the various clauses of the bill until we come to one in connection with which some hon. member will indicate his readiness to move an amendment. Suppose we adopted my hon. friend's suggestion and had no notice of any amendment: what would be the position then? Let us proceed until we have a statement from some hon. member that he wishes to move an amendment to a particular clause.

Mr. STEVENS: I have no objection to that course. I simply wanted to be consistent and have the committee follow the same procedure which was adopted in relation to the other bill. We can pass some of these clauses if the committee so desires, although I notice that the very next one or so refers to works and undertakings which are to be declared to be for the general advantage of Canada. Under that clause the same question arises.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Capital stock.

Mr. BENNETT: This is a clause that should be very carefully considered. Any man familiar with the corporate structure of these enterprises will realize that for the first time in a bill of this character we have capital stock without nominal or par value, and the question suggests itself—on payment of what sum may the company commence operations?

Both the Companies' Act and the Railway Act are clear on this point. This section as at present drafted declares only that there shall be 100,000 shares of no par value. Each share, however, shall be of the same value, the issue and allotment of the shares to be made from time to time for such consideration as may be fixed by the board of directors, by by-law or resolution duly confirmed, which permits the issue of the whole of the common stock for services rendered in getting this charter. Now that is precisely the one thing which this parliament is endeavouring to stop, and I do think that the law officers of the crown failed to look into the full implications of the section; otherwise they would not have submitted it in its present form. I would certainly prepare an amendment covering this point. Even the Companies' Act itself, when shares are without nominal or par value, provides that the Secretary of State shall insist that a value be given the shares, for the purpose of fees, of not less than so many dollars per share. This section however, permits the whole capital stock to be issued for services rendered in getting the franchise. What we are asked to do in this bill is to create an entity, a transit company; in the second place we are granting it powers; and, thirdly, we are conferring upon the company a franchise which may or may not be valuable, and in regard to which I express no opinion at the moment. But to make the franchise valuable tolls may be imposed, and these tolls are to be approved by the governor in council. I would point out—and the Minister of Railways will bear me out—that nothing is so impossible of realization as the satisfactory exercise of these powers by a body like the governor in council, which has no machinery for the purpose. The proper body for the discharge of such functions is of course the Board of Railway Commissioners, whose business it is to deal with matters of this kind, and who have the necessary machinery as well as experts who may advise them.

It is important, in dealing with this question, that due regard be had to the actual money investment of the enterprise. A few years hence someone may come from Sarnia —if we build this bridge—and complain that tolls are too high. Thereupon people owning 100,000 shares will come forward and say, "These shares cost us an enormous sum of money, and parliament having recognized that fact, you must not interfere with vested interests and deprive us of dividends to which we are entitled in view of the price we paid." Now, I say, is the time to anticipate any difficulties of this nature. Now is the time to declare that these shares without any nominal or par value shall have affixed to them, for purposes of the statute, a value of not less than so much per share. The Solicitor General makes provision whereby, on the retirement of the shares, the works created under the authority of the statute fall into possession of the people—of the United States with respect to the American half of the undertaking, and of Canada so far as the other half is concerned. It becomes, therefore, a matter of transcendent importance that we do not deal with watered stock, lest my hon. friends from the west and from other sections of the country as well, say afterwards that what we have done is to give legislative sanction and authority to something which has created a vested interest that must be protected. I know that the Solicitor General is anxious to serve the public interest in this matter and I suggest to him, therefore, that the clause as it now stands is open to the gravest abuse, namely, the issue of the whole capital stock of the enterprise for the purpose of obtaining the franchise. That is exactly what will happen: it has happened times without number in this country. I could show my hon. friends statutes of that kind. As my hon. friend from Marquette (Mr. Glenn) knows, the common stock of an enterprise is often issued to the promoters, while the mortgage money builds the enterprise. Let us deal with this matter while we may and not when it is too late. That is my suggestion; and coupled with that I say in all seriousness to the government that it is a very grave matter, especially to the Minister of Railways, to enact that tolls shall be approved by the governor in council, a body which is without the proper machinery and without those who can give expert advice. Suppose the governor in council is suddenly called upon to decide some question of tolls. The government is faced with a political question and under the pressure that comes from political friends, who say, "This is our bill; this is our enterprise, and we want you to give us a square deal in relation to it." Then they suggest the results which will follow from it; "We will be able to assist you and support you; we want your assistance in getting this done." That is but the evidence of human nature as applied to ordinary politics, one party or the other. I am not saying this in particular to my hon. friends yonder; I refer simply to the government of the day. For the moment at least let us leave it at something better than that and say that the Board of Railway Commissioners, whether or not we have confidence in them, shall deal with the question of tolls and all these questions incident to the develop-

ment of a transportation enterprise, whether it be a bridge across a stream or railway which spans a continent. I submit that is the position this house should take, and for my part I propose to express myself in any way within my power and to offer the house such amendments as may be necessary to achieve that purpose. I ask the Solicitor General now to accept the motion that this committee rise and report progress, in order that he may consider the matters upon which I have just touched and that when the amendments are submitted he will have a clear understanding of the reasons in the back of my mind at least for making these suggestions.

Mr. CANNON: I agree with pleasure to the suggestion of my hon. friend.

Mr. DUNNING: In connection with bills of this character which in previous sessions have been submitted to the committee on railways and canals, very frequently the committee have included a provision giving control of the rates or tolls to be charged to the Board of Railway Commissioners, taking cognizance of the fact that that board have the necessary machinery with which to determine such matters. I should like to point out to my hon. friend the leader of the opposition that there are other matters in connection with this bill the control of which in the nature of things must be vested in the governor in council and not in the Board of Railway Commissioners. I have reference particularly to those features of the bill which deal with its relation to navigable waters; and there may be other such matters. I have only just read the bill for the first time, but in addition to the matter of tolls there is this other complication which has been many times discussed in the committee. It is that after all, whether it be the governor in council or the Board of Railway Commissioners, the decision as to the tolls to be charged cannot rest entirely with any authority in this country; whatever competent authority may deal with the matter in the United States will have to agree also as to the rates to be charged, because a man does not pay a toll to go half way across the bridge in either direction. He pays a toll to go completely across, and there must be some measure of agreement. In studies of these matters on previous occasions before the railway committee it has appeared that there are a variety of authorities in the United States dealing with them, dependent to some extent upon the state in which the United States part of the enterprise is located.

Mr. BENNETT: Or whether authority is vested in congress or in the state legislature.

Mr. DUNNING: Precisely. It is not an easy matter, and I can hardly approve of loading up the railway commission with matters with which it is not equipped to deal either by its constitution or by its organization. In matters of tolls generally, however, we have taken the view in the past that the railway commission is the most competent authority to decide such matters. I might point out that in all the bills which have been passed heretofore in many previous sessions, and which contained the provision that the governor in council shall decide upon certain matters, it has been the practice of the governor in council under all preceding governments—I do not know that such a case has arisen under the present administration—to refer matters affecting tolls to the body which is at the disposal of the government for determination. That is, although the governor in council has the power, it instructs the Board of Railway Commissioners to make a report as to what is desirable. So I do not know that there is any very important point involved, although conceivably it might be best to place the matter directly in the hands of the Board of Railway Commissioners.

There was one argument made in a previous session in favour of retaining the governor in council as the final authority—I submit it to the house for what it is worth—namely, that the Board of Railway Commissioners in making a decision has no authority to take into account considerations other than those dealt with in the Railway Act; it has no power to make an agreement with a foreign body. The governor in council, of course, has authority to take into account considerations having to do with what the competent body in the foreign country may have decided with respect to the same matter.

Mr. CAHAN: Could not the railway board do that also?

Mr. DUNNING: I am at a slight disadvantage as compared with the learned gentlemen on both sides of the house in a matter of this sort, but I am instructed that under the Railway Act the Board of Railway Commissioners cannot agree with another body, but must reach their conclusions based upon the authority which is theirs under that act.

Mr. CAHAN: Probably so, but taking into consideration the findings of any foreign railway commission or other authority. That is

certainly a matter which would be presented to the Canadian railway board for its consideration as one of the important factors in the case.

Mr. CHAPLIN: I am very glad indeed to hear what the Minister of Railways has had to say; I am glad to know that there is a possibility that the tolls of these other bridge companies may come before the railway commission. In all these charters we have been discussing—not particularly in respect to this bill because it is a new one—there are provisions to which I have formerly called the attention of the Solicitor General, that these tolls are to be reviewed and approved by the governor in council. I have not very much confidence in that part of the government; that is so vague and indefinite. For thirty years tolls have been collected which have never come before the governor in council, and I am very glad indeed, knowing what I do about the matter, to have the chance of getting those tolls before a commission which is alive, rather than before a dead one.

Mr. DUNNING: I do not want my hon. friend to misunderstand what I said; I spoke with no heat at all.

Mr. CHAPLIN: Neither did I.

Mr. DUNNING: I was simply discussing the practical aspects of the situation. In connection with those old charters, I presume if any party considered himself aggrieved by the tolls which might have been approved thirty years ago and never amended—

Mr. CHAPLIN: There is no record that they were ever approved.

Mr. DUNNING: Any person feeling himself aggrieved could find out by reference to the charter what was the controlling body, and it would then be necessary only to apply to any minister of the crown, or to the Prime Minister as president of the council, for consideration of any complaint.

Mr. CHAPLIN: If the hon. gentleman had been following the debate he would have known that 12,000 people on one side of the river and 24,000 people on the other side are complaining about these rates. Surely something about it must have leaked through to some of the members of the government.

Mr. DUNNING: Does my hon. friend mean to say that in the important position which he occupies on the parks commission he did not know there was an appeal to the governor in council in connection with these rates?

Mr. CHAPLIN: I was asked that question before, and my answer then was that we have tried to mind our own business. It was none of our concern.

Mr. DUNNING: My hon. friend represents those people.

Mr. CHAPLIN: I do not. I am a park commissioner, and we have nothing to do with that.

The CHAIRMAN: Order, please. The leader of the opposition made a motion some time ago, which is not debatable, that the committee rise and report progress.

Motion agreed to.

Progress reported.

NORTHWEST CANADA CONFERENCE EVANGELICAL CHURCH

Mr. J. L. BROWN (Lisgar) moved the second reading of Bill No. 68, to incorporate the Northwest Canada Conference Evangelical Church.

Mr. BENNETT: Explain.

Mr. BROWN: This is a bill to incorporate the Northwest Canada Conference Evangelical Church, and its purpose is set forth in the preamble. It is simply to grant to this body the usual powers that are granted to all such bodies, to transact the temporal business that is connected with any of the churches.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HUNTER INQUIRY

Mr. GARLAND (Bow River):

1. What was the total cost of the Hunter inquiry?
2. What is the total amount of money paid or to be paid to Mr. A. T. Hunter?
3. What is the total amount of money paid or to be paid to Mr. A. McGregor?

Mr. KING (Kootenay):

The information requested is not as yet available.

VANCOUVER ELEVATORS

Mr. CAMPBELL:

1. Does a physical connection exist between No. 1 government elevator at Vancouver and the Spillers' terminal elevator?
2. If so, was this connection put in with the knowledge and consent of the board of grain commissioners?

Mr. MALCOLM:

1. No physical connection exists between No. 1 government elevator at Vancouver and the Spillers' terminal elevator for the purpose of transferring grain from one elevator to the other.

2. On the advice of the board's chief weighmaster, the board approved of a tunnel being built through Spillers' elevator work-house to enable grain to be shipped from No. 1 elevator to No. 1 jetty at the east side of the Spillers' elevator. While grain can be shipped on the belt through this tunnel, it is impossible to load any of that grain into Spillers' elevator (which is now being operated by the Pacific Terminal Grain Co., Ltd.). Grain can also be shipped through this tunnel on another belt from the Spillers' elevator to boats at No. 1 jetty, and consequently, the board does not consider the facilities provided for these two elevators as being a physical connection for the purpose of allowing one elevator to transfer grain to another. This tunnel was built only for the purpose of facilitating despatch in loading without the necessity of moving vessels from one side of the pier to the other.

SASKATCHEWAN JUDICIAL DISTRICTS

Mr. CARMICHAEL:

1. How many judicial districts are there in the province of Saskatchewan, and what are the names of these districts?

2. How many district court judges are there in the province of Saskatchewan, and what are their respective names, salaries, and expenses?

3. What are the names of the judicial districts, in the province of Saskatchewan, without a resident district court judge, and what is the name of the judge who has charge of each of these districts, and the extra salary and expenses allowed, if any?

4. How many King's bench judges are there in the province of Saskatchewan, and what are their respective names, salaries, and expenses?

5. Has the government received from the district court judges of Saskatchewan a request for an increase of salary and expenses?

6. If so, what has been done or is likely to be done in the matter?

7. Has the government received from the King's bench judges of Saskatchewan a request for an increase of salary and expenses?

8. If so, what has been done or is likely to be done in the matter?

9. Has the government of Saskatchewan asked for an increase in the number of district court judges in that province?

10. If so, what has been done or is likely to be done in this matter?

Mr. LAPOINTE:

1. 23: viz: Arcola, Assiniboia, Battleford, Cypress, Estevan, Gravelbourg, Humboldt, Kerrobert, Kindersley, Leader, Maple Creek, Melfort, Melville, Moose Jaw, Moosomin, Prince Albert, Regina, Saskatoon, Swift Current, Weyburn, Wilkie, Wynyard, Yorkton.

2. 18: viz., His Honour A. E. Doak, Prince Albert; A. G. Farrell, Moosomin; E. A. C. McLorg, Saskatoon; Alex. Ross, Yorkton; R. Rimmer, Arcola; D. Buckles, N. Battleford; F. A. G. Ouseley, Moose Jaw; J. W. Hannan, Regina; W. O. Smyth, Swift Current; J. N. Fish, Weyburn; A. D. Dickson, Humboldt; W. J. Leahy, Kerrobert; C. H. Bell, Wynyard; E. R. Wylie, Estevan; H. M. P. deRoche Melville; S. A. Hutcheson, Shaunavon; H. C Pope, Melfort; A. Gravel, Gravelbourg.

Salaries, $5,000.00 each: expenses, actual travelling expenses and $6.00 per diem for living expenses ($10 00 per diem while attending court at cities).

3. Assiniboia, in charge of Judge Rimmer; Kindersley, in charge of Judge Buckles; Leader, in charge of Judge Smyth; Maple Creek, in charge of Judge Hutcheson; Wilkie, in charge of Judge Leahy.

No extra salary allowed; living and travelling expenses as in reply to No. 2.

4. 7: viz., Hon. J. T. Brown, Ch. J., salary, $10,000.00; Hon. D. Maclean, salary, $9,000.00; Hon. H. Y. MacDonald, salary, $9,000.00; Hon. G. E. Taylor, salary, $9,000.00; Hon. J. F. L. Embury, salary, $9,000.00; Hon. H. V. Bigelow, salary, $9,000.00; Hon. W. E. Knowles, salary, $9,000.00.

Expenses as in reply to No. 2.

5. A request has been received for an increase of salaries.

6. The matter is under consideration.

7. No.

8. Answered by No. 7.

9. No.

10. Answered by No. 9.

SALARIES OF POSTAL CLERKS

Mr. ROBINSON:

1. Has the hon. the Postmaster General recommended that the salaries of postal clerks should be increased to a maximum of $1,800?

2. Has such recommendation been referred to a sub-committee of the cabinet?

3. Has such sub-committee made a report?

4. If not, will report be made in time to enable the matter to be dealt with at the present session of parliament?

Mr. MACKENZIE KING: Mr. Speaker, this question asks first of all whether the Postmaster General has made a recommendation for certain increases in salary. It also asks whether the recommendation has been referred to a subcommittee of the cabinet, if the subcommittee has made a report, and so on. It is not customary for the proceedings of the cabinet to be divulged, and I think a question of the kind is out of order.

Mr. BENNETT: I do not think the first part of the question is out of order.

Mr. SPEAKER: The question will have to be redrafted.

UNCLAIMED BANK BALANCES—DISPOSITION

Mr. SPENCER:

1. What is the amount in the aggregate of unclaimed balances in the chartered banks of the Dominion of Canada as at the 31st December, 1927?
2. What was the disposition of these funds?

Mr. ROBB:

1. Unclaimed amounts, as reported under section 114 of the Bank Act as of 31st December, 1927, were $2,756,745.83.
2. They remain with and a liability of the banks until claimed and paid.

SUPERANNUATION FUNDS—POSITION OF DEPENDANTS

Mr. EDWARDS (Waterloo-South):

1. Are the dependent sisters of a collector of customs who paid into the superannuation fund for a period of thirty-five years, up to the time of his death, entitled to a pension?
2. If not, can they recover moneys which have been paid into the superannuation fund?

Mr. ROBB:

1. No.
2. With reference to the Civil Service Superannuation Act (Cap. 24, R.S. 1927) such dependants would, on the death of the contributor while in the civil service, be within the class of persons to whom the governor in council may grant an amount not exceeding the amount of the contributions made by the contributor.

There are still contributors to the superannuation fund established under Part I of the Civil Service Superannuation and Retirement Act, (Cap. 17, R.S. 1906), who did not elect to become contributors under the Civil Service Superannuation Act. There is no provision under the former Act for paying to the dependants of a contributor any portion of his contributions.

RIDEAU CANAL RETAINING WALL

Mr. GARLAND (Carleton):

1. How much money was spent on the retaining wall of the Rideau canal at Ottawa from February 1st to March 1st, 1928?
2. How many men were employed on this work during the same period?
3. How many of the men so employed were recommended by the two federal members of Ottawa, or their representatives?
4. How many of the said men were recommended by the federal member for the city of Hull, or his representative?
5. How many of these men were recommended by the federal member of the county of Wright, Quebec, or his representative?
6. How many of these men were recommended by the federal member of the county of Russell, Ontario, or his representative?

Mr. DUNNING:

1. $61,603.57.
2. 499.
3. 271.
4. 98.
5. 31.
6. 99.

CANADIAN NATIONAL TELEGRAPHS

Mr. CAHAN:

1. What were the annual expenditures of the Canadian National telegraphs for the years 1920 to 1928, both years included?
2. What were the gross profits of the same in the same years respectively?
3. What were the net profits of the same in the same years respectively?
4. Does the government or any department thereof nominate the officials who are from time to time employed by the Canadian National telegraphs?

Mr. DUNNING:

Answers covering the years in question, with the exception of 1928:

1.

1920	$ 2,619,036
1921	2,701,284
1922	2,869,500
1923	3,026,596
1924	3,166,876
1925	3,409,890
1926	3,695,105
1927	3,950,868

2.

1920	$ 211,008
1921	315,439
1922	351,471
1923	402,202
1924	406,182
1925	587,468
1926	665,696
1927	834,551

3.

1920	$ 102,492 deficit
1921	26,575 profit
1922	48,523 profit
1923	89,665 profit
1924	82,607 profit
1925	176,061 profit
1926	241,250 profit
1927	403,967 profit

4. No.

UNOPPOSED MOTIONS FOR PAPERS

INVESTIGATION INTO POLITICAL PARTISANSHIP, NOVA SCOTIA

Mr. CANTLEY:

For a return showing—

1. A copy of the commission appointing Charles Crockett of New Glasgow a commissioner to investigate charges of political partisanship against government employees in the province of Nova Scotia.

2. A list of names, addresses, and occupation of employees whose conduct was investigated, together with a copy of the charges made against such employees.

3. A copy of the evidence taken in each case investigated.

4. A copy of the report of the commissioner in each case.

5. A statement showing the salary allowance and travelling expenses paid to Mr. Crockett in connection with the said investigation.

DISMISSAL OF DAN J. MACDONALD

Mr. MACDOUGALL:

For a copy of all correspondence, letters, petitions and written charges, with the names of those making the charges, relative to the dismissal of Dan. J. MacDonald, postmaster at Fraser's Mills, in the county of Antigonish; and the appointment of his successor, Mrs. Mary Jane MacDonald.

DISMISSAL OF JOHN C. MACADAM

Mr. ERNST:

For a copy of all correspondence, evidence, and all other documents, relating to the dismissal of Mr. John C. MacAdam, from his position as postmaster at Lafleche, Saskatchewan, and the appointment of his successor.

BUSINESS OF THE HOUSE

POSITION ON ORDER PAPER OF MOTIONS AFFECTED BY CLOSING RULE

On the order: "Public Bills and Orders."

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I rise to a point of order. It is with reference to the transference of the notice of motion given by the hon. member for Bellechasse (Mr. Boulanger), discussed at last Wednesday's sitting, from Notices of Motion to Public Bills and Orders. I have always felt since I have been in this house that the rule laid down in regard to Wednesdays has not been observed in practice; at least it seems to me that the practice has not been in harmony with the rule. Now standing order No. 27 reads thus:

If at the hour of six o'clock p.m. on a Wednesday, or at the time of the adjournment of the house, a motion on the notice paper be under consideration, that question shall stand first on the order paper of the following day, next after orders to which a special precedence has been assigned by rule or order of the house.

It seems to me perfectly clear that under that rule the motions we were discussing last

Wednesday evening when the house adjourned should be first in order of discussion as soon as we reached that particular order of business. I will read further from the rules:

229. It is more favourable to the progress of a motion on the order paper that the debate should not be adjourned on Wednesday at six o'clock, because the motion shall then stand on the order paper for the next day as stated in this rule; if debate is adjourned, the motion goes to the foot of the orders.

Last Wednesday the debate was not formally adjourned. The house simply rose during the discussion. If we read article 230, we see further:

This rule seems to apply to Wednesday only, the words "or at the time of the adjournment of the house" referring to that day, according to the interpretation given by Bourinot, 3rd edition, pp. 336-337. Its purpose is to keep the motion on the order paper though on Wednesday the house may rise without debate being adjourned because at six o'clock on that day the Speaker adjourns the house without question put. On other days, if debate is not adjourned the question is superseded.

It seems to me that under that rule, where the house adjourns without the debate being adjourned, we would naturally take up the motion of the hon. member for Bellechasse. There is another reference to the same matter on page 21, section 63, which again deals with the subject as follows:

Bills occupy a more favourable position than motions, which, if the debate is adjourned on Wednesday at six o'clock, go to the foot of the orders. Consequently, it is more favourable to the progress of a motion on the notice paper that the debate should not be adjourned on Wednesday at six o'clock.

The house will notice that at the foot of article 230, it reads:

On other days, if debate is not adjourned the question is superseded.

Therefore it seems that for those who wish to have their motions given full consideration the proper course is that on Wednesday the debate should not be adjourned, while on other days formal adjournment of the debate would appear to be necessary in order that the motion may occupy its proper place on the order paper. That is the only conclusion I can come to from reading these rules. I raise the point of order, therefore, and hold that the motion of the hon. member for Bellechasse should now be the subject of consideration by this house.

Mr. SPEAKER: Does any other hon. gentleman wish to speak to the point of order? The hon. member for Lisgar claims that under this rule the subject of discussion now should be the motion made last Wednesday by the

hon. member for Bellechasse, the debate on which was not adjourned. But standing order 27 reads:

If at the hour of six o'clock p.m. on a Wednesday, or at the time of the adjournment of the house, a motion on the notice paper—

Such as was the motion of the hon. member for Bellechasse.

—be under consideration, that question shall stand first on the order paper of the following day, next after orders to which a special precedence has been assigned by rule or order of the house.

The hon. gentleman will see that on the order paper for to-day the motion of the hon. member for North Winnipeg is under notices of motions, whilst that of the hon. member for Bellechasse is under public bills and orders. So this is literally the application of the rule, which reads:

—that question shall stand first on the order paper of the following day, next after orders.

That is, public bills and orders, not notices of motion. I hope I have made myself clear.

Mr. BROWN: I may be wrong on that point. I must of course yield to the ruling of the Speaker, but I understood that this referred to the programs that were laid down in chapter 2, business of the house:

Monday (Private member's day).
Tuesday (Government day).
Wednesday (Private member's day).

My understanding was that as soon as we came to notices of motion, for instance, we would take up under that order on Wednesday the particular item that we were dealing with when we were at that order before.

Mr. SPEAKER: On Wednesday the motion of the hon. member for Bellechasse stood first under notices of motion. It was debated and it was continued at six o'clock without any adjournment. Standing order 27 says that in that case it passes automatically to orders, that is to say, public bills and orders, not to notices of motion; and automatically the motion of the hon. member for North Winnipeg comes first under notices of motion. His motion was second last Wednesday.

Mr. DUNNING: Mr. Speaker, to complete your explanation would you be kind enough to explain how it is that the motion of the hon. member for North Winnipeg is under notices of motion at all and not under public bills and orders like that of the hon. member for Bellechasse?

Mr. SPEAKER: It did not come up on a Wednesday.

Mr. HEAPS: I suppose the reason why I continue to-night is because my motion came up on a Thursday?

Mr. SPEAKER: Exactly.

UNEMPLOYMENT, SICKNESS AND INVALIDITY INSURANCE

The house resumed from February 16, consideration of the proposed motion of Mr. Heaps:

That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, the motion which is before us this evening is one that was before the house last year, and on that occasion I was pleased with the favourable reception the motion received from members on both sides of the house. Most of the members on the Liberal side were favourable to it, and I was also pleased to see that the hon. gentleman who now occupies the position of leader of the opposition (Mr. Bennett) spoke in favour of the principles underlying my resolution.

It is rather difficult for any member, or indeed anyone else, to obtain exact data pertaining to the amount of unemployment throughout the Dominion. The Dominion government publish no figures which give anyone a reliable guide as to how much unemployment there really is. In 1926 certain persons endeavoured to make a calculation and they arrived at the conclusion that in the month of December of that year approximately 75,000 people were out of work in the Dominion. This is about the only data that is of value for any one to base an opinion on. The Dominion employment offices throughout Canada have no figures of any value in regard to unemployment.

It has been argued by hon. members as well as by others outside of this house that the question of unemployment is one that should be left entirely to the provinces and the municipalities. I do not agree with that particular viewpoint. I believe unemployment is a problem that ought to be faced by the Dominion government. In this house we deal with and pass legislation that has a direct bearing upon this all-important question. We deal with tariffs, immigration matters, trade treaties, foreign policies, banking laws, and all these I claim affects the volume of employment or unemployment in this country. In our particular legislation that applies to labour, I claim there ought to be some uniformity of action as well as uniformity of

legislation. If we allowed the provinces to deal with the problem of insurance against unemployment, sickness and invalidity, I presume we would have the same conditions as we have in regard to workmen's compensations acts, mothers' allowances, and so on. We have the spectacle at the present time of a woman living in the province of Quebec, in the city of Hull, let us say, coming across to Ontario and living in Ottawa in order to benefit by certain legislation passed by the Ontario government which is not in effect in the province of Quebec. That merely goes to show the necessity for having uniform legislation in all parts of Canada.

For about four weeks, during the course of the budget debate, hon. gentlemen were discussing the question of unemployment as well as the volume of employment in the Dominion of Canada, and after that debate I do not think that anyone will claim that there is no large volume of unemployment. While hon. gentlemen of the Conservative party claimed that there was a large unemployment problem in Canada, hon. gentlemen of the Liberal party claimed that Canada was in the most prosperous condition since confederation. On the Liberal side they could see nothing but prosperity; on the Conservative side they could see almost nothing but unemployment. While the two viewpoints may appear to be contradictory, I claim that in both there is an element of truth. I claim that we have a large unemployment problem to deal with, and that at the same time there is a good deal of prosperity in this Dominion. What is the cause of this seeming contradiction?

In the year 1917 we had 120,695 more people employed in industry than we had in the year 1924, yet the volume of production was actually greater in 1924 than in 1917. At the same time, in that same period of eight years from 1917 to 1924 inclusive, we had an increased efficiency in individual production of 28 per cent. Taking the year 1910, as compared with the year 1927, we find this remarkable fact: In 1927, which was a record year so far as employment was concerned, about 20 per cent more people were employed in industry than in 1910, but during that same period production had increased almost three times.

Mr. WHITE (London): Are the hon. gentleman's figures based on the value of production or on units of production?

Mr. HEAPS: The volume of production.

Mr. WHITE (London): Units of production, or the value in dollars and cents?

[Mr. Heaps.]

Mr. HEAPS: On the volume as given by the Bureau of Statistics. You might call that units, if you wish, but I believe the Bureau of Statistics calls it the volume of production. During that period from 1910 to 1927 the production increased almost three times, whereas the number of people employed in industry increased about 20 per cent. In these figures I think you will find one of the main reasons for the unemployment at present existing in the Dominion. We in the Labour movement have no objection to the employment of improved machinery for productive purposes, but what we do object to is that this improved machinery, which ought to bring greater happiness and contentment to the people, does not have that effect. The more labour-saving devices that are introduced into the factories and the greater the volume of production, the greater ought to be the happiness of the people, but what we find is that labour is being displaced, and a greater amount of poverty prevails in the Dominion. At the same time we find on the other hand a greater amount of prosperity. As the Minister of Finance (Mr. Robb) said at the time he introduced his budget, the financiers and industrialists in this country claim that prosperity was never greater in Canada than it is at the present time. That was true so far as the financiers and industrialists were concerned; they were really prosperous, but the reason for their prosperity was quite obvious.

If you take the latest figures published by the Bureau of Statistics as to the amount of wages paid to labour, you will find that the amount paid in the year 1924 was approximately the same as in 1917, or to put it in another way, the whole of the benefit of that increased efficiency of the workers in industry went to the industrialists or financiers and practically none of it to the employee; in fact, he is so much the worse off, because he is receiving to-day less for that which he himself produces.

Mr. SPEAKER: The hon. gentleman's time is up.

Mr. HEAPS: I would like to call your attention, Mr. Speaker, to standing order 37, which deals with the forty-minute rule, and I would ask you to give a literal interpretation of that rule. I think you will find something in that rule to the effect that a member shall speak "for forty minutes at any time".

Mr. SPEAKER: I do not suppose the hon. gentleman is serious in raising that point.

Mr. HEAPS: I will give you my reasons, Sir, if you will allow me to do so.

Mr. SPEAKER: Yes.

Mr. HEAPS: I think you ruled upon one occasion in regard to the forty-minute rule that you would allow a speaker the time that was taken up by interruptions. Upon another occasion you stated that you would have to take the rule as it was, and that no time would be allowed for interruptions. I am going to ask you to rule the same way in my case. I claim that under the rule a member is allowed to speak for forty minutes from the time he commences to speak, and I think that a proper interpretation of rule 37 would give an hon. member a full forty minutes without any interruption whatever. I was interrupted for four weeks.

Mr. SPEAKER: The hon. gentleman commenced to speak on his motion several days ago, and spoke for a certain length of time. The time he took upon that occasion added to the time he took this evening has consumed his forty minutes, and I might add that I was very liberal this evening; I did not call time exactly at the hour—I did not exact the pound of flesh from the hon. gentleman. The rule is clear. On any given subject an hon. member has the right to speak for forty minutes and no more, whether he takes his forty minutes at one sitting or divides it into two periods.

Mr. HEAPS: Will you kindly read the rule, Mr. Speaker? I have not it here.

Mr. SPEAKER: The house can read it. It is standing order 37, which says:

> No member, except the Prime Minister and the leader of the opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "No confidence" in the government and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

The last words "in any debate" govern the forty minutes. The hon. gentleman spoke twenty minutes the other day and twenty minutes to-night in this debate. Twenty and twenty make forty.

Mr. A. W. NEILL (Comox-Alberni). Mr. Speaker, the rules nowadays are a wonderful grab bag into which we reach with no certainty of what awaits us there. I intend to support this motion, as I did last year, to the fullest extent of my ability, more particularly that section of it which deals with unemployment insurance, because I presume it is well known that health insurance is entirely a provincial matter. Indeed, in British Columbia, which is always in the forefront with social legislation of this character, we are already moving in this direction.

It may not appear to be a very auspicious moment for the labour members to ask the government to accept a resolution of this sort, following up the hint dropped by the Minister of Finance (Mr. Robb) the other day as to how a vote on the budget might influence certain actions of the government. But I give the administration credit for bigger vision than to visit on the general labour people of this country any particular action of the labour party in this house which might perhaps be ascribed to a merely temporary idiosyncrasy on their part. Besides, I would remind the government that there are many members on both sides of the house largely elected by labour, although we are not classified as labour members; and those who sent us here, and we ourselves, would be very much disappointed if the government did not give their consent to this resolution. After all, we are only asking that this be referred to a committee for investigation. I would also remind the government that by virtue of the treaty of Versailles and the Washington agreement, we as a nation are bound to initiate legislation of this character, and that when we signed those documents with all the status of a nation we at the same time accepted certain obligations to carry out what we had put our signature to.

The objection which most immediately suggests itself to the average man when the question of unemployment insurance is mentioned, in fact I think the only objection that immediately comes to the forefront, is that of expense. There is a popular idea that the general public of Canada, or of any other nation, do not pay for the cost of unemployment. It is a peculiar trait of human nature that we are willing to pay large sums provided they are camouflaged. We will pay, without much complaint, heavy taxes in the shape of customs duties and excise taxes. For instance, we will pay $30 tax on three gallons of whiskey, yet we object strenuously to paying $30 for income tax. We see the same trait apparent in a ladies aid society. Ladies will work all day in a hot kitchen cooking food, take it to a church social, and then pay for the privilege of eating it, when they would not give the worth of their contribution in a cash subscription. So I submit it is a mere figure of speech to say that we do not pay for unemployment; we pay in a thousand ways. In the first place, in the actual relief paid out. I do not know what the situation to-day is, but quite recently in the city of Vancouver, which is not a very big city as cities go, they were paying out relief at the rate of a thousand dollars a day, much of it at the rate of $1 per day per man. That is

when Canada is supposed to be prosperous. Do any of us think that a man getting a dollar a day is a very desirable citizen from the point of view of the manufacturer and the producer of food? His expenses under those conditions will be cut to the very minimum; in other words, his purchasing power is lessened to that extent.

As a fair example take a mechanic earning good wages in the city and supporting a wife and two or three children. He owns a house that he has not yet entirely paid for. Depression strikes the industry in which he is engaged and he is laid off. The first thing he does is to cut his expenditure on luxuries, and thereby he increases unemployment because he lessens the demand for manufactured goods, and to that extent slows down the wheels of industry, thereby causing more unemployment. If he cannot get work at his own particular trade he will break into some other branch of work, which generally means the casual labour market, thereby aggravating the condition because there is no more work in that market than before. Consequently he has to steal or share some other man's work, which generally means lower wages for both of them, and further decreases their purchasing power. Then he begins to form the bad habit of contracting debts and not paying them. I am talking of the good type of working man, not the professional bilk. It is wonderful how the habit of accumulating bad debts grows on one. Who pays the bad debts? Surely it cannot be denied that the general public shoulders the burden. Every man in business knows that an annual amount is set aside for bad debts just the same as for taxes, insurance, or any other expense. So let it be understood that the public pays absolutely for bad debts contracted owing to unemployment. As this man gets down the scale he loses his house because he cannot keep up his payments on it. This forces him into the slum district, and with poor food and inadequate clothing, ill health inevitably follows, particularly as regards his children. I think it has been calculated that over a long period of years there is a greater loss to the industrial wealth and welfare of a nation by preventable ill health, due to poverty in most cases, than to the ravages of war, unless the war is of recent date. Then there is the mental degeneration, all of which we pay for. Two months idleness make a man a potential hobo, six months make him a potential criminal. Now, I talk of what I know because I have been in a somewhat similar situation myself; I have seen the idea develop in other men's minds, and to a certain extent felt it myself. We talk of the idle rich and how disastrous they are to the body politic. Well, they do not hurt many people but themselves, and they make employment. But did you ever think of the danger of the idle poor? Not of what they are, but what they may become. That is a far greater evil than anything that may accrue from the idle rich. I think it was Josh Billings who said that the skids are greased once a man starts downhill. Before he will see his children starve he will steal. I would do the same under similar circumstances, and I think I could justify my action to my conscience and to my God, if I could not to the law of the land. What does that entail? Think of the endless cost of police, jails, law-courts. It may be said that crime has some other origin, that it is not due to poverty; but let me remind this house that during the great war crime in England almost disappeared. That happened under conditions most favourable for crime, the absence of policemen and towns in darkness, and yet crime almost disappeared because men were steadily employed in the army or in industries providing the army. There are men here and there who fortunately, by strength of character, or under favourable circumstances, manage to get their heads above water again, but even then as a rule these men are left with a searing bitterness of soul. They feel that the world has treated them badly. Such a man has a grudge against society; he carries a chip around on his shoulder and is hostile to any form of government. He is, therefore, a long way from being a desirable citizen under such conditions.

Now I will speak for a moment on the dole system. I am sorry to say that I believed a good deal of what I had heard in regard to the dole system in Britain, and I accepted as a fact the statement that it consisted of a great donation of millions by the government to people who had contributed nothing themselves and regardless of whether they had any claims or not. It was alleged that the system was sapping the life-blood of British integrity. And so on. I am ashamed to say that I was of the same opinion. Now I went home last summer and studied the question at first hand and I learned then a lesson about being too dogmatic in one's views unless one is personally acquainted with the facts. To begin with, the unemployment insurance was really a fraternal insurance such as we see in any society in this country—the Eagles, the Oddfellows or the Foresters. I may quote a few of the provisions of the organization. The system began in 1911, when it was limited to comparatively few people, and the payments were quite small—two pence halfpenny per week for the men, two pence

halfpenny for the employer and a penny and two-thirds for the government. The benefits were proportionately small, such as are given in any benefit society. The conditions also were pretty much the same as those that obtain in similar institutions. Until a man had been idle six days no benefit was payable, and there were certain restrictions: for example, he had to pay at least ten contributions. There was the one in five rule; that is to say, he could get only one week's unemployment pay for each five contributions he had made, and no man could draw more than fifteen weeks' benefit in any one year. Such provisions you will find in any fraternal society. By 1919 they had accumulated a surplus of £21,000,000, and they then largely increased the benefit. In 1920 they took in a great many more people, increasing the membership to something like eleven and three-quarter millions, all of whom were entitled to the benefits of the fund. Owing to increased unemployment following the war the rate had to be raised, and at one time it was as high as two shillings and two pence. During that time the contribution of the exchequer varied between one-fifth, one-fourth, one-third and one-quarter, the average being between one-third and one-quarter. In the year 1925-26 the exchequer contributed £13,000,000 in round figures, while the employers and employees together contributed £34,000,000. When we contrast £13,000,000 with £34,000,000, we can see what little ground there was for the allegation that vast sums were withdrawn from the taxpayers of the country for the benefit of people who contributed nothing themselves.

While I am on this subject I may consider another argument which has been used to a great extent against the system, and that is that there was a great deal of fraud. It was alleged that children came out of school and took the dole right away. A committee headed by Lord Blanesburgh, on which labour was fully represented, investigated the question. They took 52,000 cases at random and from among those they could discover only 83 in which there was any suspicion of fraud, although they did discover that in nearly 9,000 a strict interpretation of the rules might have rejected benefits. As regards absolute fraud, however, they could find only 83 cases subject to suspicion, and of them all only 7 per cent were open to reasonable doubt. A joint report was submitted disclosing that there had been very few fraudulent payments out of nearly 12,000,000 people who were receiving benefit.

The conditions following the war became so acute as regards unemployment that the system was unduly enlarged. The government then inaugurated a system of uncovenanted benefit; in other words, they enlarged the act when they should not have done so. The result was that in a few years practically all restrictions were abolished, and that of course led to a large increase in payments, so much so that by May, 1923, the deficit had reached £15,000,000. Steps were taken immediately to meet this situation and the result was that within a year this deficit had been reduced to £7,000,000. Then came the unemployment caused by the coal strike, which made things much worse. The result was that there was appointed a committee who decided to put things on a different basis. I have here a copy of the act —which I shall be glad to lend to the Minister of Labour—as introduced in Great Britain a few weeks ago. This new unemployment insurance bill puts the whole system on a sound actuarial basis. The contributions have been reduced to a low rate, five or six pence a week, and the conditions are made more restrictive, so that it is calculated that the system will be able to run for all time, carrying itself, and at a cost considerably less than the cost to this country of the superannuation of civil servants. That is the system in Great Britain as it is to-day or as it will be shortly. Evils did grow up, but I wish to emphasize the point that they were due to the fact that under the pressure of an unprecedented coal strike the government let the fences down and allowed too much laxity. They have now tightened things up and put the system on a sound basis, under which the cost to the employer will be not more than six pence a week and to the employee the same, while the cost to the government will be about a quarter or a third of these two sums together.

In this resolution we simply ask that the government allow a committee to investigate the matter. But if funds were needed, if it came to a question of paying something, I can tell you where we might get money: we might take some of the money we spend on futile schemes of immigration. That is one source I would suggest. At any rate I commend the matter to the government. I would emphasize this point, that it is cheaper than the present state of affairs, taking the most mercenary view conceivable of the question. Even if we have no regard for the poor, the wounded and the sick in our industrial warfare, asking ourselves only would this scheme benefit us financially, I claim that it would pay us in dollars and cents to do something towards the relief of the unemployment situation rather than have a slackening of the wheels of

industry and a piling up of a bank of idle people, entailing the loss, by ill health and mental and moral deterioration, of a large number of citizens, and the filling up of our jails—yes, and of our asylums as well. For these are all results of unemployment. How often have we heard men who have made their mark in industry or in public life boasting about how they had been brought up—born in the shepherd's or ploughman's cottage and raised under conditions of hardship and poverty, making their way to the top through a stern will and a strong brain. That is all very well, and it has been done time and again. But did you ever near any great man boast that he was born in a slum? Did you ever hear a great man say, "I was born and brought up in a room where the sun never shone and where two families lived together"? Yet these are the conditions that exist to-day—you can find them in Toronto. Did you ever hear any great man make that boast? Did you ever hear him say that he had been brought up under conditions such as these, ill clad, ill fed, living and gaining his education off the streets? You never heard a prominent man say that, because those who are born in the slums die in the slums, and they die young because of their heritage of broken health. Unfortunately, however, they do not die until they have left offspring behind them with all the inherited taints magnified and increased by the experience of their parents. We talk about the prosperity of Canada; what shall it profit Canada if that prosperity is confined to certain classes? I believe it was Goldsmith who told what happened to a country when "wealth accumulates and men decay". Decay is the right word; men decay when they are subject to long periods of unemployment. I once heard a celebrated divine preach in Scotland on the subject of charity. He impressed the need of giving freely and fully and he closed his remarks with these words: "He that giveth to the poor lendeth to the Lord; if you like the security, down with your money."

I would like to close somewhat in the same way. We spent lavishly of our men and wealth to maintain our national honour and national life during the great war, and we begrudged it not. Can we not afford to spend a little when the life and honour of our nation are again involved, in the preservation of the morale, mental and physical, of our citizens? Our national honour is also involved in that duty which we owe to people who have been less fortunate in life's battle than we have been. I would like to end my remarks by quoting a paragraph which I heard uttered by a member of the House of Commons in England when I was there, a Labour member speaking on this same subject of unemployment. This is what he said:

> It is brutal in the misery it inflicts, and it is brutalizing in its effects upon its victim. It needs but little imagination for the serious student to picture to himself the incessant shadow which hangs over the man, with wife and children dependent upon him, who may at any time, without fault of his own, find himself out of work. The descent into the pit is easy; and we need not wonder at the searing bitterness of him who has before him haggard wife and hungry children, and who finds himself helpless in the midst of plenty, homeless and starving in a world of luxury and extravagance. The better the man the more dangerous temper this state of things must breed. Not forever will he tolerate this horror; and if in his hopelessness he strikes blindly at a system under which he and his suffer such misery, who can blame them? With the weaker men the gulf between "unemployed" and "unemployable" is narrow, and equally narrow the gulf between "unemployable" and crime.

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, I desire to propose an amendment to the resolution, and before doing so I may say that I have discussed it with the mover of the resolution. I believe he agrees that it will not in any way affect the matters which he has covered, but will rather add to the powers of the committee in connection with the investigations which he suggested. I submit with all due deference to my hon. friend from Comox-Alberni (Mr. Neill) that the Dominion has something to do with health insurance, at least to the extent that companies which carry on a health insurance business come within the jurisdiction of the Dominion, and it is with the operations of these companies that I propose to deal for a very few moments.

I might add to what the hon. member for Comox-Alberni has said, as to the agitation which exists at present in British Columbia in regard to state health insurance. There has been a very strong demand that something be done in that direction, and meetings of various kinds have been held. I see that the matter was discussed the other day before the Board of Trade Health Bureau in Vancouver by Dr. J. H. MacDermot, whom I believe to be connected with the Vancouver General Hospital. A report of that meeting appears in the Vancouver Daily Province under date of Tuesday, March 8, and from this report it appears that Dr. MacDermot advocated state health insurance and also that, according to his statement, a great many of the medical men of Vancouver favour that plan. He went into details, which I do not propose to do; suffice it to say that Dr.

MacDermott thought there should be state insurance along the lines of the workmen's compensation scheme whereby contributions should be made and medical service provided for the men who made those contributions: there should be medical assistance for their families, not only in case of sickness but also in the prevention of illness, and the head of the family should receive compensation. This plan was unanimously adopted by the meeting to which I have referred. I might also say that Mr. C. J. Wynn, who is the chairman of the workmen's compensation board of British Columbia, has publicly advocated some similar scheme.

One of the reasons for this agitation in favour of state health insurance is the unfair and arbitrary way in which insurance companies carry on health insurance in this country. Mr. Wynn himself was very badly treated, I believe, and I had a similar experience. I am a firm believer in insurance, and for years have carried almost every kind; I have carried life insurance, fire insurance, accident insurance, health insurance, automobile insurance and burglary insurance.

Mr. NEILL: Has the hon. gentleman carried political insurance?

Mr. McQUARRIE: I have had almost every kind of insurance, because I believe in it, but I also believe that when I pay my good money for that purpose I should receive protection, and that I should not pay money to any company which is prepared to take that money only so long as it does not suffer a loss. When I find a company which is not prepared to meet a fair loss which it has sustained, then I say it is time something should be done. Now with regard to my own case, as I said, I carried health insurance for years. I had a few small claims, but it was not until last session that I really had a serious illness. I had been carrying a policy in The Employer's Liability Assurance Corporation, supposed to be a very good policy. It is a combination of accident and sickness insurance and covers all diseases or illnesses. It is called a standard disability policy. That policy was taken out by me in July, 1922, and was in renewal of another policy which I had been carrying in the same company for some years. I found that this policy was renewed from year to year as a matter of course.

Mr. STEVENS: As long as you were in health.

Mr. McQUARRIE: As long as I did not make any substantial claim against the company. But last year I had a very serious illness towards the end of the session. It arose to a certain extent in an accidental way, and the original illness that I had was not a serious one at all. I had to submit to a minor nasal operation, but resulting from it I got a very serious infection which laid me up for some time. I had to remain here in Ottawa for quite a long time after the session closed. I had two trained nurses at an expense of $37.50 each per week, and I had to take a nurse with me when I went back to the coast. When I returned to my home I was confined to the house for some time; I was not able to return to my office for several months. Now I thought in the first place that I was covered for one nurse up to the extent of $25 a week because when I took out this insurance policy in the first place I was told that it did provide for a nursing allowance of $25 a week. But the policy itself is misleading in this way: The ordinary individual having been told that much and having received the insurance policy would conclude that he was entitled to a nursing allowance. My claim for nursing allowance was refused. When I first took ill my wife sent a notice to the insurance company advising the agent that I was ill and describing the nature of the illness. The first word I received from the company, before I had put in any claim whatever, was a letter, dated July 22nd, 1927, addressed to myself, and reading as follows:

Dear Mr. McQUARRIE:

I have just been advised by head office that they do not wish to renew your accident and sickness policy which expires to-day.

I am very sorry that the company has decided to do this, but they give me no reason whatever.

With appreciation of past favours.

Yours very truly,

J. J. JOHNSTON.

That was before I put in my claim even. They sent me this letter on the very day the policy expired; and mark this: in the face of their repeated renewals, without any request from me from time to time previously when I had not made any substantial claim against them. What was the result? The infection that I unfortunately suffered from was such that my illness might possibly recur. When this company refused to renew the policy I was in this position, that it was impossible for me to get any other sickness insurance. As hon. gentlemen know, when an application is made for insurance of this kind one question that is asked is: Has any company ever cancelled a policy of yours or refused renewal thereof? Well, of course, in my case I had to say, "Yes, the Employers' Liability has refused to renew." As a matter of fact, I had not made any re-

quest for renewal, but the company had, in effect, refused to renew. What did that mean? I tried it out and I found that other sickness insurance companies said: No, under those circumstances we do not think we will give you a policy. I started to enquire into this matter and I found that the same thing had happened to a great many people. There are hon. gentlemen in this house who have had similar experiences, and I suppose there are hundreds, perhaps thousands of people in this country who have been treated the same way that I have been treated. The policy of the sickness insurance companies seems to be that they will take your money if you don't get sick but if you do contract a serious illness they will do one of two things: They will eliminate the disease from which you have suffered or they will refuse to renew your policy. Of course I must admit the policy is one that is issued from year to year, one on which the premiums are paid for one year and the insurance is only for that period. As a matter of law they have a perfect right to refuse to renew your policy, and possibly it would be unfair to require that insurance companies be compelled to issue a policy which would be renewable from year to year up to the time the insured reached a certain age, up to the age of sixty or sixty-five, which I believe is the uninsurable age. But what I say is that no insurance company should be permitted to decline to renew any policy when the insured is at such a stage of health that he is unable to get insurance from any other company. It is true also that before you obtain your money from an insurance company you must give a receipt in full for your claim in respect of this particular disease. What I contend is that every insurance company that is carrying on this business should at least be compelled to carry the insured during the time that he is not in a position, by reason of the disease that he incurred during the existence of the policy, to get insurance from any other company.

I promised you, Mr. Speaker, that I would not take up any time unnecessarily, and I do not intend to do so. I think this is a matter that should be investigated by the same committee which the proposer of this resolution has suggested. I beg to move the following amendment which is seconded by Mr. Dickie:

That the said resolution be amended by adding the following:

"That the said committee be authorized to investigate and report on the operations of companies carrying on sickness and accident insurance business in Canada."

Mr. HERMAS DESLAURIERS (St. Mary) (Translation): Mr. Speaker, I first wish to congratulate the hon. member for Winnipeg North (Mr. Heaps), for the unceasing interest he takes in the labouring classes and for whom I personally have much sympathy.

This resolution embodies one of the most serious problems which, at the present time, bears the stamp of great importance and actuality; it is perhaps the problem that has been foremost in the minds of people all over the world. Pledges of candidates, at election time, numerous publications on the subject, resolutions, measures introduced in legislatures and continuously changed, amended or cancelled, force us to conclude that this problem which exists everywhere is most complex. Its solution is impossible by academic rules and it can only be solved by each individual's thrift and backed by the good will of each and everyone, conditions without which all practical tests of systems have been failures in the past, and will also be in the future.

In Canada, in every province, the problem of invalidity, if we include old people, exists more or less of necessity, owing to the fact that we took part in the great European conflict. The result was that a great number of old people saw the staff of their old age disappear in the clash of arms on the battlefields. Many saw their sons return disabled, confined to hospitals, adding to the burden of their advanced age; others although unscathed returned home with a different disposition and undesirable habits. A sad state of affairs which spoiled the future of thousands of families. If there is such a thing as a national conscience, is it not held to compensate its victims, in the greatest measure possible?

Numerous other causes are responsible for invalidity. First old age, lack of natural gifts, want of foresight, trials of life, accidents, illness, forced unemployment, misfortunes, ill luck, these are as many explanations of God's word: "There will always be poor people as there will always be wealthy people". All nations are endeavouring to remedy this evil, without so far having quite succeeded. They have tried to provide for the lack of thrift, by insurances against fire, illness, old age, unemployment, labour accidents, maternity, as many things encountered along the path of life and ushering its victims towards poverty, when they have not the means of meeting the payments on their insurance policy or do not avail themselves of the advantages they afford when they are able to do so. Many have benefited by insurances. On the other hand, owing to uncontrollable circumstances, a great number are unable to take out an insurance, thereby creating the urgent and unavoidable

problem of invalidity which forces governments to act. The legislation should be rather of a preventive and corrective nature, and not one aiming at remedying the effects as they crop up, but having for its objective the removing of the various causes which create invalidity, and therefore tends to reduce the problem to its very minimum.

All the systems advocated heretofore are alike and only differ from one another by the way they are tested. Workmen's superannuation funds in connection with national banks, associations of employers or mutual assistance, are already in existence. They are maintained by the triple contribution of workmen, employers, and the state, and based on the same principles, proceeding in all cases by compulsory insurance or not—according to the countries where the problem is dealt with—and from birth up to the age of seventy. To-day, notwithstanding numerous trials, numerous theories or systems, the problem always remains unsolved, and we must conclude therefore that the rule of thumb has always presided over mutuality and association.

Thrift was not taught by qualified professors, but by too zealous people more or less shrewd, prophets more or less enlightened, heralds more or less interested, with whom method and precision were entirely wanting.

To obtain that end, it is necessary that chairs be founded to take up the study of this difficult science of providing for one's future—for after all is not thrift the economic hygiene of man? Yet the thing does not exist in any country.

Some countries have tried compulsory insurance, for instance Germany, with indefinite results. Others like France advocate optional insurance and obtain insufficient data. Others like Belgium have tried subsidized insurances which gave rise to abuse and injustice. England and Denmark tried the system of supplementary pensions which perhaps would be the system approaching the nearest to the solution of the problem of invalidity if it were supported by the good will of each.

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

Tuesday, March 20, 1928

The house met at three o'clock.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, a number of hon. members have made inquiries as to the government's intention with respect to an Easter adjournment, and it might enable hon. gentlemen to make their arrangements for the Easter vacation if I were immediately to intimate to the house what the government has in mind. It is our intention to ask that when the house adjourns on Friday of next week it stand adjourned until the Tuesday following Easter Monday, which is April 10. This would mean that hon. members would have opportunity for a vacation of ten days, with a loss in that period of time of only two and a half days of the time that otherwise the house would be sitting. Seeing that parliament was called together in January, we feel that for this and other reasons it would be desirable to have such an intermission. Therefore, with the consent of the house, I move:

That when the house adjourns on Friday the 30th March instant it stand adjourned until Tuesday, the tenth of April next.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, most of the members from Ontario and Quebec can go home, but the government should remember that we from the west cannot take advantage of the proposed adjournment unless we spend all our time travelling. I think a vacation, say, from Wednesday preceding Good Friday until the following Tuesday is long enough for Easter holidays. I protest against the length of time suggested.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: Carried on division.

Sir GEORGE PERLEY: No.

Mr. SPEAKER: Is it carried unanimously?

Some hon. MEMBERS: Carried.

Motion agreed to.

THE GOVERNMENT'S LEGISLATIVE PROGRAM

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, in view of the observations he has just made, the right hon. Prime Minister may think it well to intimate to the house what legislation we may expect to complete the government's program, so that we may have that matter also in mind.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be pleased to give my hon. friend and the house the information desired in the course of a day or two.

JUDGES' SALARIES

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER QUESTION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That a special committee consisting of fifteen members to be selected at a later date be appointed to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada, and all matters pertaining thereto, with power to call for persons, papers and records, to examine witnesses under oath, and to report from time to time.

He said: Mr. Speaker, during recent years legal associations and other bodies have passed resolutions asking parliament to consider the remuneration of judges. Those resolutions have been received from time to time and the matter has been referred to incidentally, especially during last session. Since then the Canadian Bar Association has taken formal action and adopted certain resolutions, which have been submitted to the government by a committee of the association. As Minister of Justice I have been receiving resolutions from the law associations of every province with regard to this matter. Moreover, a committee of various county court judges is to meet the government in support of the claim that they have submitted for higher remuneration. We promised at the time that the matter would be called to the attention of parliament for consideration and study. I believe that inasmuch as the judges are servants of the people and therefore more properly servants of parliament rather than of the government the question should be considered by parliament, and I do not see any better way of dealing with it than by the appointment of a special committee for the purpose.

Hon. R. B. BENNETT (Leader of the Opposition): I greatly regret that I am entirely opposed to the appointment of a committee to deal with this matter. As I explained to the Minister of Justice (Mr. Lapointe) on a previous occasion, I am wholly in accord with the idea of increasing the salaries of judges in this country. I have so stated publicly, and I was one of those who constituted a committee to wait upon the government as representing the Canadian Bar Association. I have long taken the view that if we are to command for the public service as judges the best men in the legal profession we must pay them salaries commensurate with the dignity and the responsibility of the position they hold. But I cannot agree with the appointment of a committee to examine witnesses under oath and to send for papers and persons; I do not believe that this would serve the purpose intended. The appointment of a committee would be, in my opinion, fraught with the gravest possibilities of disaster to the whole project. Moreover, it is not the method that should be followed in dealing with a matter of this kind. All that is necessary is to amend the Judges Act. All that is essential to accomplish the object which the government has in view is for the minister to bring in the necessary measure—because obviously the opposition cannot introduce a bill involving the payment of moneys from the public exchequer—and I venture to say that most of those who sit on this side will be glad to give it their support. But to appoint a committee at this time is in my opinion not only wrong; it shifts responsibility and makes it impossible to deal with the question as it should be dealt with. I cannot think that the calling of witnesses, the bringing of papers, and a general discussion in a select committee of this house would be anything but injurious to the very purpose we hope to accomplish; and I can only say on behalf of myself and of those associated with me—

Mr. LAPOINTE: Will my hon. friend indicate in what way the consideration of the question by a committee of parliament might be injurious to the object in view?

Mr. BENNETT: The very bringing of papers and the examination of witnesses, as suggested in the motion, would bring about such discussions as would, in my judgment, render it impossible in the end to carry into effect the purpose which the minister desires to achieve. That is my view. I may be altogether wrong, and I am only expressing my own opinion, as I did to my hon. friend the other day. It seems to me that the Minister of Justice should introduce a bill to amend the Judges Act, increasing the present salaries of the judges by such an amount as in his opinion, and in the opinion of the executive of the country, the cabinet, would be a reasonable addition to the stipends they now receive. Certainly most of those associated with me on this side would be glad to support such a measure. That is the only position I can take.

Mr. WOODSWORTH: May I ask the leader of the opposition whether he implies that this is a matter that will not stand investigation?

Mr. BENNETT: Had that observation come from anyone less educated than my hon. friend I would treat it with contempt. The hon. member is perfectly well aware that the judges of this country are discharging by all odds the gravest, the most serious and

the most difficult duties with which men can be charged in a free country, and it is essential that the compensation paid them for the services they render should be at least consistent with the obligations that are imposed upon them, as well as with the dignity of the position they hold. Any investigation that might be held in this house certainly would not disclose any facts other than these, while on the other hand much extraneous matter would be dragged in. The result would be that instead of the committee being able to focus its attention upon the one point that would be considered in this house in committee on a bill for the purpose, a great deal of irrelevant discussion would ensue with respect to whether John Smith might not be able to live cheaper, whether John Jones was receiving enough to cope with the high cost of living, or whether he ought to keep an automobile or a pair of horses. For these reasons I am opposed to the motion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): On different occasions we have heard in this chamber the suggestion that the government, in respect of measures of this kind, should seek to take parliament more into its confidence before bringing down legislation. We felt that in this particular instance there was strong ground for acting upon that suggestion. If all of us were members of the legal profession, as are my hon. friend and the Minister of Justice, we should have no difficulty in appreciating fully the reasons that make it all-important that the judiciary in this country should be well paid. But we are not all in that position, and there are some hon. members of the house, and many persons throughout the country as well, who find it difficult to appreciate the reasons why members of the judiciary should receive not only increases in their salaries but the salaries which at the present time they are actually being paid. The government believes that if a committee were appointed representative of all groups in the house and occasion afforded to interested parties to appear and submit their views, the probable result will be that an agreement will be reached whereby the house will be saved a controversy which might be unduly protracted and might in some other respects be unfortunate. For these reasons, and following to some extent a parallel method of procedure—I will not call it a precedent—which has been adopted elsewhere, we have thought it advisable to suggest the appointment of a committee. The United States congress last year, I am informed, had under consideration a proposal to increase the salaries of judges. Preceding the discussion of the question in congress a committee was appointed before whom representations were made by interested parties. The result there was apparently satisfactory to the administration in meeting just the kind of difficulties I have indicated may arise. The government considering, as I have said, the frequent expression of the view that some of these matters involving executive action might be proceeded with the better, if in the first instance hon. members were taken more largely into its confidence, deemed it advisable to have a special committee appointed for the purpose.

Mr. L. J. LADNER (Vancouver South): With reference to the points mentioned by the Prime Minister, does he not think that the proposed method of procedure is putting the judges in a very undignified position? Why have them come as suppliants before a committee of parliament on a question which parliament, of its own volition, should consider without the unpleasant discussion which would be inevitable if a committee were appointed to investigate the matter? Would it not be better for the government to formulate and submit a measure, and have it discussed in this house? That would be much more dignified and would place our judiciary in a more desirable position.

Mr. LAPOINTE: No one suggests that the members of the high courts of the land should come here as suppliants. No one wants them to do so. The bar may be represented in the committee. In the committee which considered a similar question before congress in the United States former Secretary of State, Mr. Hughes, came and addressed its members, the president of the American Federation of Labour, Mr. Green, supported the request, and Mr. Lewis, the president of the United Mine Workers also appeared. Various interests were represented. I do not suggest, and no one does, that the judges themselves should come in the capacity indicated by my hon. friend. But what would be the harm in a committee considering the question and inquiring into salaries paid in the various dominions of the empire as well as in foreign countries, and making comparisons, bearing upon the cost of living, with the salaries paid in other professions? I think this is a proper matter for investigation; there is nothing unworthy or undignified in it, and I believe it is the only way properly to deal with the matter. If everyone would help instead of criticising a point of procedure I think we would more speedily come to a satisfactory conclusion.

Hon. HUGH GUTHRIE (South Wellington): I cannot agree with my right hon. friend the Prime Minister in the precedent which he has cited for the present procedure, or with the proposal for the appointment of a committee of this house to consider the question of the salaries of our judges. The judicial system in the United States is entirely different from the judicial system of this country; it has little relation to the system which we enjoy in Canada. Futhermore the legislative and administrative system in congress is very different from the system adopted in this parliament. In Canada it has been a usage, and indeed a law, that all measures involving public expenditure shall be initiated by the government of the country; in congress the system is entirely different. There it is done by a committee on appropriations, called by some a committee on the budget. In every instance in this country, however, by the rules of procedure and by the usage of parliament, when a public expenditure is proposed the government of the day must accept the full responsibility.

During the last twenty-five or thirty years the salaries of our judges have been increased on several occasions by this house, and it has always been done by amendments to the Judges Act. That is the constitutional procedure. The government have all the information in their files with regard to the salaries received by judges in other countries; that information has been there for a long time, having been carefully gathered by the bar associations and placed in the hands of the Minister of Justice. He has every facility for knowing what should properly be paid to those high officials in this country. The cabinet should formulate their scheme, if they think the salaries paid to-day are too low; let them take the bold course and announce what they think should be paid. Do not let this question of judicial salaries go before a special committee, where evidence of all kinds will be given and where the discussion will probably degenerate into a consideration of the high cost of living or something of that kind. We have had committees of that sort in this parliament, one of which I remember particularly. A committee on the high cost of living sat for about three months in 1919, I believe, and we all know the utter lack of result in their work. In this case, the parties most interested in the result, the judges themselves, are the very people who should not be called. Why does not the government take the parliamentary course, the bold course, and formulate their plan, decide what they think should properly be paid to the judges of this country, and bring it before parliament? They have all the information before them, and after the second reading of the bill, and when the house goes into committee, the fullest information can be placed at the disposal of parliament. Surely such is the course which should be pursued in this instance. Personally I favour reasonable increases in judicial salaries. I have heard it rumoured that on the government side there is anything but unanimity on this question, and that as a solution of the difficulty in which the government find themselves this committee is proposed. I do not believe we should depart from well-known parliamentary procedure simply on account of some difference of opinion in the government ranks upon this very important question.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, I wish to say just one word in answer to my hon. friend. When he said that in the United States the initiation of legislation which meant the expenditure of public money was in the hands of congress and not in the hands of the executive government, whereas the rule in Canada is different since the executive must take the initiative in all legislation involving the expenditure of public money, he was perfectly correct. In this matter, however, considering its importance, the government think that parliament, through a committee, should inquire into the whole subject, secure the requisite information and report to the house. Then, when that report is made, the government will introduce legislation accordingly, if legislation be necessary. I do not think this is a matter which should be treated in a partisan or political way at all.

Some hon. MEMBERS: Hear, hear.

Mr. CANNON: If my hon. friends opposite wish to help the administration of justice in Canada, do they consider they are doing so by adopting the narrow stand which they now take in the house? If the salaries of our judges are to be increased, let us treat this matter in an open, frank and sincere fashion. When my hon. friends say it would be undignified to have such a parliamentary committee, they seem to forget that after all this parliament of ours is the highest court of justice in Canada, and that whether we sit as a House of Commons or as a committee of the house of our own appointment, we sit as a tribunal where all matters, including those relative to the salaries of our judges, will always be treated in such a way that the dignity of no one will suffer thereby.

Mr. LADNER: Does the Solicitor General suggest that the judges themselves should appear before the committee?

Mr. CANNON: I do not.

Mr. LADNER: They are the chief witnesses.

Mr. CANNON: Not at all. There is no more reason for that than for calling civil servants before us when coming to a decision with regard to increases of their salaries. The basis for our decision in such matters does not come from the evidence of the civil servants themselves, but from considerations which have a bearing on the whole question considered generally.

To sum up, Mr. Speaker, by moving that a committee should inquire into this matter I believe the Minister of Justice has taken a safe and sound constitutional procedure. After all, this government is but a committee of parliament—

Some hon. MEMBERS: Oh, oh.

Mr. CANNON: —when viewed from a constitutional standpoint, and as a government we are supposed to do the will of parliament. We can do so only when and as long as we retain the confidence of parliament. Therefore, when the minister moves that a committee of this house should inquire into this matter and that the government as such should suspend all action until that committee has sat and reported, he has suggested a sound constitutional theory, which I think should meet with the approval of this House of Commons.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, notwithstanding the reprimand administered to me by the right hon. leader of the opposition I venture to say just a word in regard this matter. So far lawyers only have spoken in this discussion. Although they are present in very large numbers in this house, I venture to say that there are a very considerable number of non-legal people in Canada who when it comes to a matter of this kind cannot quite see why lawyers—

Mr. MACKENZIE KING: My hon. friend forgets that I apologized for not being a lawyer.

Mr. WOODSWORTH: I beg the right hon. Prime Minister's pardon but he is very closely associated with lawyers sometimes.

Mr. CASGRAIN: They are very useful too.

Mr. WOODSWORTH: The suggestion was made that it was beneath the dignity of the judges to have this matter submitted to a committee. I think that was the point in the objection taken by the leader of the opposition, and I was quite sincere in questioning that position; I do not think that we ought to allow that contention to go unchallenged. I notice that we as private members are, not infrequently, solicited by candidates who want to be appointed to judgeships. I do not know whether that is quite in keeping with the high honour of the bench or not.

Mr. BENNETT: It is not.

Mr. WOODSWORTH: I notice further that a memorandum has been sent to private members with regard to this matter of salary increases, and that those who sent it, some of them judges, go into the cost of living; in fact, they make the increased cost of living the basis for the appeal for higher salaries. I do not quite see that there is anything that is beneath the dignity even of judges in having this matter judged on its merit. I know that it is very common to take the word of the bar association in such matters, but I hope that I am not offending the members of the bar when I remind them the bar association is a professional organization akin to a trades union organization, and I do not see why the members of one particular trades union should be permitted to decide just what salaries the graduates from that union should receive.

Mr. McPHERSON: Do not the trades unions fix the salaries of the labour men?

Mr. WOODSWORTH: Sometimes they do, but I would suggest they have never had the assurance to come to parliament and lay that down as a principle.

Mr. BENNETT: What about the fair wage scale?

Mr. WOODSWORTH: It is said the discussion before the committee would degenerate into a discussion of the high cost of living. Personally I should rejoice if some of the discussions in this house did centre upon the high cost of living, and that we got down to business methods in this matter. I would say that a good many of us are not prejudging this matter at all. If the cost of living has gone up I presume that the salaries of the judges should go up, just as the salaries of the civil servants should go up, and the wages of people outside the government service should go up. I was very glad the Minister of Justice drew attention to what has happened in the United States where the officials of the American Federation of Labour were among those who were advocating in-

creased salaries for the judges. That is in keeping with the general policy of labour organizations with regard to wages.

I would, however, add this: It seems to me that when the committee is appointed it should have on it not merely members of the bar who are keenly interested in such matters, a great many of them having a vague idea they may some time be elevated to the bench—

Mr. LAPOINTE: Order.

Mr. WOODSWORTH: —but should have on it representatives of all groups and of the other professions and callings. Personally I am very glad that the government has seen fit to appoint a committee and to take the house into its confidence to that extent.

Mr. POULIOT: Is the hon. member not acquainted with the fact that most judges are not as well paid as the high officials of labour organizations?

Mr. WOODSWORTH: I do not quite see what that has to do with the matter under consideration. I have not been comparing the salaries paid to high officials of labour organizations with those paid to judges. As far as Canadian officials are concerned the statement is not true. I am not particularly concerned in defending high salaries to officials; I am considering the matter before us on its merits. I would simply urge that this is a subject for the consideration of the public at large, and not one to be decided merely by a special group in the house.

Mr. ROCH LANCTOT (Laprairie-Napierville): I should like to know if I gathered a wrong impression in understanding the hon. member for South Wellington (Mr. Guthrie) to say a little while ago that all hon. members on this side were in favour of an increase in the salary of judges?

Mr. GUTHRIE: What I meant to say was that there were differences of opinion among hon. gentlemen opposite.

Mr. LANCTOT: I will not undertake to speak for other members on this side; I shall only speak for myself. Judging from what I have seen since I have been in the house a great many members seem to be in politics with the hope ultimately of going on the bench. In that respect there is the same feeling prevalent as there was twenty-four years ago when I first entered the house. If we undertake to discuss the cost of living here why not consider how the cost of living affects the poor people of the country? It has been urged in this house that we should increase the salaries of the judges because they are suffering actual hardship by reason of their present salaries. But why not consider the plight of the common people many of whom are confronted with actual starvation? I hope it will not cause any surprise when I say that I am entirely against increasing the salaries of the judges.

Hon. CHARLES MARCIL (Bonaventure): I have had the opportunity of hearing this question discussed on many occasions, and I agree with what has been said that no more important question could be considered here than that of the administration of justice. It forms the basis of our institutions, and is all important to the people of Canada. When previous increases were granted to judges they were not always granted unanimously; there were dissenting voices on both sides of the house. I think, however, that in the interests of the judges themselves, above all the interests of the administration of justice, and in the interests of the public at large, this question should be dealt with openly and no suspicion should be aroused that we are doing a favour to any particular class. I agree that no man works harder or more conscientiously than the man occupying the exalted position of a judge.

Mr. GERVAIS: Are we debating the appointment of a committee or the merits of the question?

Mr. SPEAKER: The house is discussing the question raised by the motion itself.

Mr. MARCIL: I understand, Mr. Speaker, that the judges would be free to go before the committee or not, just as they please. I am sure that the committee after investigating the situation—

Mr. SPEAKER: If the hon. member will pardon me. The motion is:

> That a special committee consisting of fifteen members to be selected at a later date be appointed to consider the question of the adequacy of the remuneration paid to the judges—

And so on.

Mr. GERVAIS: By committee not by the house.

Mr. MARCIL: This question will have to be dealt with ultimately, of course, by the government, but some serious objections have been raised of which we have had evidence to-day. In any event the government will have to assume the responsibility, but in doing what they may be called upon to do they will be backed up by the opinion of a committee appointed by this house representing, I understand, all classes and interests, and all sections of the people. They will be

in a position therefore to deal not only with the salaries to be paid the judges, but some of the conditions arising in connection therewith such as we have already been discussing. On the last occasion, some three or four years ago, when this question was under discussion, Sir Lomer Gouin brought up a measure dealing with some matters connected with the judiciary, and the question was raised as to pensions paid to judges and the privileges that were allowed certain judges, after they had retired from the bench, to engage in other avocations. Strong objection was taken at the time.

There are many classes of judges throughout Canada; we all know their importance, and I for one am quite in favour of the proposal made by the government that this matter should be thoroughly investigated. In view of the present position, financial and otherwise, of the country, it is only on a strongly favourable report of such a committee that the government would be justified in bringing about an increase in the salaries of judges and this could be done only by the procedure which is now suggested and which, I believe, is quite a proper one.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I wish to bring to the attention of the house one feature of this resolution which I do not think has so far been dealt with, and that is the latter part of the resolution which states:

—with power to call for persons, papers and records, to examine witnesses under oath, and to report from time to time.

Mr. LAPOINTE: Those are the usual words.

Mr. STEVENS: I am not complaining of the wording, but I want to point out that what I consider to be a very unfair position, will probably arise. The Minister of Justice intimated that there was no intention of summoning judges to appear before the committee; but on the other hand other persons, persons who may be critical, for instance, of the position of judges and the judicial system of Canada, might come before the committee. There are those who consider that judges' salaries are high enough or too high. For instance, the hon. member for Laprairie-Napierville (Mr. Lanctot) intimated a moment ago—

Mr. LANCTOT: I did not say they were too high; I said they were high enough.

Mr. STEVENS: He said that they were high enough and should not be increased; but all such persons will have the privilege of placing their views before the committee while the judges themselves will not be able to appear.

Mr. LAPOINTE: Why not?

Mr. STEVENS: It would be lamentable if they were called before the committee, and I will give my reason for making that statement. It would be most unfortunate if the committee were to summon judges to appear before it.

Mr. LAPOINTE: I agree that judges of the higher court should not come before the committee, but judges of the county and district courts have themselves asked to be heard before a committee of this house and I do not think there should be the same objection in regard to that.

Sir GEORGE PERLEY: When this committee is appointed, will it not have power to summon judges to appear before it?

Mr. LAPOINTE: That will be for the committee to decide.

Sir GEORGE PERLEY: The committee, as I understand the matter, will have the power entirely in their own hands. What my hon. friend says to-day will be of no authority in regard to the power of that committee to summon judges if they see fit to do so.

Mr. STEVENS: That is precisely the thought that is in my mind. The committee has power in the first place to summon before it and to examine witnesses under oath. The intention of the Minister of Justice, who undoubtedly will have considerable influence in the committee, is that judges shall not be called. On the other hand, on a majority vote of the committee they may be summoned to appear, and such a situation would be most unfortunate. I am speaking as a layman and I want to assure hon. members who are afraid of the legal fraternity that I am not one of that group. The reason I take this stand is that my observation of the judiciary of Canada leads me to believe that, on the whole and in the vast majority of cases with very rare exceptions, men appointed to the bench have discharged their functions with honour to themselves and to the country. It has been a matter of great surprise to me to note men of opposite political faith to myself, whom perhaps in their political life I have found it necessary to criticize very bitterly and who I thought were scarcely proper appointees for judgeships, after they have assumed the duties and, indeed, in a remarkably short space of time, seemed to be so influenced by the traditions and ethics of the judiciary that they measured up far beyond what we originally expected of them. I shall

not do so of course, but I could name and I have no doubt other members have in mind many gentlemen appointed to the bench who are to-day, as I said a moment ago, gracing that position with honour to themselves and the country, who at the time of their appointment were looked upon rather askance and as probably not fitted for the position.

My point in this somewhat disjointed argument is that the traditions of the judiciary itself seem to have influenced those who have been appointed to it so that they measure up to those traditions. It is very desirable in the interest of the country at large that nothing should be done that will bring the judiciary of Canada into the realm of, what shall I say, a wrangle or discussion or dispute about such a thing as salaries. In other words, in days gone by and up to the present the judiciary have trusted parliament to supply a reasonable and sufficient salary for them, and my opinion is that it would be better to leave this subject to parliament rather than to have an investigation.

The Minister of Justice cited the fact that a committee in the United States had been appointed to consider this question and that was offered as a sound precedent for us to follow. If our following the United States in that respect had any danger of inducing us to follow them in their process or method of appointing judges, that is by the two-year elective system, then heaven save us from following precedents of the United States.

Mr. LAPOINTE: I was referring to federal court judges who are not elected but who are appointed by the United States government.

Mr. STEVENS: Thousands of judges in the United States are elected every two years.

Mr. LAPOINTE: Those were not dealt with by the committee of congress. They are placed by the various states.

Mr. STEVENS: That does not alter my point, if the minister will catch what I am driving at. I do not think a precedent established by the United States congress should govern us in a case of this kind. Our system of appointing judges, the traditions which surround our judiciary, the reputation and the record of our judges generally, with very few if any exceptions, are so much better than they are on the other side of the line that we should do nothing that would interfere with or jeopardize that very high standard. It is unfair to submit one side of a question to a committee when the other side is not supposed to come, and it would be most unfortunate if the judiciary of Canada were called before a committee of parliament on the question of salaries.

Mr. A. L. BEAUBIEN (Provencher): I just want to ask the minister a question. The resolution states:

> That a special committee. . . . be appointed to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada.

In view of the remark of the Solicitor General (Mr. Cannon) that this is the highest court in Canada, I would ask if it is the intention that the committee shall inquire whether the judges in this particular court are paid high enough salaries or not.

Mr. LAPOINTE: I suppose it will be for the committee itself to decide whether the judges of this court should be included in the salary revision.

Hon. J. W. EDWARDS (Frontenac-Addington): I have only one or two observations to make as to why I shall vote against this motion if it comes to a vote. I shall vote against it because I do not propose to assist the government in carrying out obligations which should properly fall upon them. If the government is prepared to say that in the appointment of judges they will consider representations made by members on this side of the house, then I am prepared to join with them in the appointment of a committee to fix the salaries, but I am not prepared to assist them in lifting from their shoulders the burden which should fall upon them by appointing a committee without consideration of the views of anybody else.

I do not concur in the remarks made by the hon. member for Vancouver Centre (Mr. Stevens), and concurred in by the hon. Minister of Justice (Mr. Lapointe). The hon. member for Vancouver Centre thinks it would be a terrible thing to have judges come before the committee to give evidence or to be questioned. Well, if it is derogatory to the dignity of the judges to come before a committee and give evidence, than it must also be derogatory to their dignity when they make representations in writing to the government and to parliament asking for an increase in their salaries. If it is not lowering to the dignity of judges to make representations in writing to members of parliament for an increase in their salaries, I submit that it is not derogatory to their dignity to appear before a committee and give evidence.

There seems to be an opinion in the mind of the Minister of Justice, concurred in by the hon. member for Vancouver Centre, that we can place these judges in different categories. The hon. member for Vancouver Centre made no classification. He said that it would be against the dignity of any judge to appear

before a committee and give evidence. Oh no, says the Minister of Justice, I would not go quite that far; I would object to having the higher judges come before the committee to give evidence, but you might bring before the committee the county court judges. Carried to its logical conclusion, that means that in the mind of the Minister of Justice the dignity of a judge is expressed in the salary he draws, and it is not derogatory to the dignity of a judge drawing five or six thousand a year to appear before the committee and give evidence in favour of an increase in his salary, but it is derogatory in the case of a man who is getting a salary of fifteen or sixteen thousand a year, and who will get an even bigger increase than the lower judge. But the higher judge must get his increase without lowering his dignity to the extent of appearing before a committee and telling the reason why he is starving to death on his salary of fifteen thousand a year. I do not exactly see it in that light myself.

There is one other thing in connection with the appointment of this committee. If you are going to appoint a committee to consider this matter, in the first place I say let the government take the full responsibility for appointing the committee. In the second place, I submit that there should not be one single lawyer on that committee—not one. My regard for them is so extremely high and my love for them so great that I would not for the life of me stand here and permit them so to jeopardize their dignity, or the dignity of the position they may ultimately occupy. In the third place, I would warn the government, for very obvious reasons, against appointing to that committee the hon. Minister of Justice, and certainly they should not appoint to that committee the Solicitor General (Mr. Cannon), the Minister of Marine and Fisheries (Mr. Cardin), or the Minister of Public Works (Mr. Elliott). None of these gentlemen should be appointed to that committee because it would always leave them open to the reflection that they were getting on that committee for the purpose of seeing that the judges' salaries were made adequate to their own brilliant intellects when the time should come for them to occupy this high and dignified position. So I say, appoint your committee, if you wish, but leave the lawyers off it.

Mr. VENIOT: On both sides.

Mr. EDWARDS (Frontenac): On both sides, certainly. I hope that so far as this side is concerned none of them will go on the committee; I do not know but what I would exclude them even from the meetings of the committee, for fear they might be doing a little lobbying with regard to the bright future that lies before them.

Another thought which I have, and which should be considered by the committee is this: are we going simply to sit back and have a committee of fifteen appear before parliament and tell us what we ought to do in this matter? I say at once that the judges should be given a remuneration commensurate with the position they occupy, although I am not so terribly impressed with the dignity of their office to the degree that has been expressed almost entirely by lawyers in this discussion; but we will include the dignity too, if you like. But the matter which should be considered by the committee is this, whether you are going to carry with these salary increases a pension for the judges. Personally I am opposed to that. I do not say that because I have anything against the judges personally. I say, make the salaries of the judges fair and reasonable and just, and let them provide for their own old age out of the salaries they receive. I have maintained that position in this house before, and I assert it again. The majority of the fathers of those who sit in this house, I venture to say, did not get any provision made by parliament for a pension for them in their old age. They had to provide for their own old age out of a great deal smaller salary than the judges are getting, and I say that it is up to the judges and everybody else to provide for their old age out of the salaries they receive, and the country should not hand to them on a silver platter, with all the frills around it, both a very fine salary and the assurance that when they get tired of sitting on the bench they can retire on a pension and go into politics, as has been done sometimes in this house in the past.

Mr. LANCTOT: Like Mr. Doherty.

Mr. EDWARDS (Frontenac): And D. D. McKenzie also. Do not forget him when you mention Mr. Doherty. When they tire of the bench, when they find their duties too onerous and too hard upon them and they cannot stand the strain any longer, they resign on a pension of five or six thousand a year, and some of them go into politics. That has happened on both sides of this house, and then when they get tired of politics, when political life becomes too strenuous for them, they go back to the bench, possibly to make provision for another pension when they retire a second time. I protest against that. I say, fix the salaries of the judges at a fair and reasonable figure as compared with similar positions elsewhere, and having regard to

their responsibilities and duties, and let them provide out of their own salaries for their old age, the same as everybody else has to do in this country.

Mr. JOHN MILLAR (Qu'Appelle): I am aware that this is not the proper time to go in detail into the question of increasing the judges' salaries, yet I wish to make a few remarks. We are being asked to increase the salaries of the judges, some of whom I believe are now receiving in the neighbourhood of ten thousand a year, and I am not sure that some of them are not getting twelve thousand or more a year, and when they retire they receive two-thirds of their salary as a pension. I have a very high opinion of the judiciary of Canada. I would like to see them properly paid, and I am very glad to see that the proposal is that this question shall go before a committee where it can be thoroughly investigated. I have noticed in connection with this resolution, as with others of a similar character, that when a request comes before the house to increase the salaries of the rich it meets with very great favour in some quarters, and any member who dares to dissent is treated with more or less contempt. The Minister of Justice gave as a reason for making this motion that he had received a request from the judges themselves for increased remuneration; but let me remind the house that very persistent requests for better pay have been made by the rural mail carriers. Why is it that the poor, being greater in number, do not receive the same consideration as those who are in receipt of big salaries? I do not say that I would not favour increasing the salaries of some of our lower paid judges, but I think the matter should be very carefully considered before any action is taken. I might point out that in dealing with this matter we are not in the same position as we were when we increased the salaries of our deputy ministers. We were in danger of losing their services because of the higher salaries they were offered by private corporations; but I have not heard of any shortage of applicants for appointment to the bench. As a matter of fact, you find them everywhere. What, then, is the reason for this proposal? Is it because judges are not receiving sufficient remuneration in comparison with thousands of other men who have not one-half, one-quarter, yes, in some cases not one-tenth the income enjoyed by the judiciary to maintain and educate their families? I am very much inclined to oppose increasing the remuneration of our higher paid judges until others who are more needy have their requests for increase of salary dealt with.

[Mr. J. W. Edwards.]

Mr. JOHN EVANS (Rosetown): I doubt, Mr. Speaker, if I should discuss this motion at all, seeing that the right even of my desk mate (Mr. Woodsworth) was questioned by the hon. member for West Calgary (Mr. Bennett) when he rose to ask for information; but, you know, "fools rush in where angels fear to tread." If he had been a gentleman of less attainments I suppose he would have been treated with contempt by the leader of the opposition. This matter has come before the country during the past six months in various ways, and I think most of us have been circularized by the judges themselves. I wonder why it should be beneath the dignity of any body of men to appear before parliament, since parliament is the highest court in the land. We should maintain our dignity and not think of ourselves as a "rabble". Certainly the member for Vancouver Centre (Mr. Stevens) has no right to even hint that the proceedings of the committee itself will be anything more than a wrangle. After reading a despatch in to-day's paper I doubt very much that the dignity of these judges will be hurt by appearing before a committee of this house. Let me quote a short paragraph:

> Last year there were 38,000 meals served in the restaurant at a cost of $1.00 per meal. There is now a deficit of $27,000 facing the officials, which includes arrears of $300 from four former members of parliament, and a prominent civil servant. One of the former members is now a Nova Scotia judge.

Mr. BANCROFT: What paper is the hon. member reading from?

Mr. EVANS: The Ottawa Journal of to-day.

Mr. BANCROFT: If I may be permitted, I should like to state that there is no such deficit facing the restaurant.

Mr. EVANS: Since the judge referred to allows his name to be used in a daily journal in such circumstances, I wonder if it would hurt his dignity very much to appear before a parliamentary committee.

Mr. WOODSWORTH: It is a good argument for higher pay, though.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I rise to correct a statement made by the hon. member for Frontenac-Addington (Mr. Edwards). I want to say to him and to this house that the late Mr. Justice McKenzie did not draw a pension; he died in office. Neither does his widow draw a pension. I do not think it adds to the dignity of our discussion of a matter of such serious importance as this for an hon. member to suggest that a gentle-

man, now deceased, who occupied an honourable position in the public life of this country and on the bench, drew a pension, when such is not the case. As a fellow-Nova Scotian I may say that we are proud of the services that the late Mr. Justice McKenzie rendered to his native land. I for one regret that a pension is not payable to his widow.

Mr. EDWARDS (Frontenac): Might I ask the hon. gentleman, would my observation have been less objectionable if the person to whom I referred was still living?

Mr. RALSTON: I do not think the question is intended seriously. My hon. friend was endeavouring to find somebody as a horrible example, and there was suggested to him the name of a gentleman who happened to be one of his own political faith. He immediately shifted and suggested the name of the late Mr. Justice McKenzie, but the facts show that Mr. Justice McKenzie was not in the class he endeavoured to describe. The late Mr. Justice McKenzie did not draw a pension either as a county court judge or as a supreme court judge.

Mr. EDWARDS (Frontenac): All I have to say is that my hon. friend should direct his attention first of all to the hon. gentlemen on his own side who introduced the question.

Mr. L. J. LADNER (South Vancouver): I wish to say a few words on this question, which I think is of paramount importance to the country. It is of great importance because it is vital to the administration of justice that competent and able men should be on the bench, and that they should be enabled to carry themselves in keeping with the dignity of their position. At first I was favourable to the appointment of a committee; that was my first impression: the idea seemed to be sound. But upon reflection it occurred to me that it was not a dignified position for the judges to be placed in, to have them appear before the committee and advocate their request. And if they are not to appear personally then the chief witnesses, the interested parties, are denied presence in the court which is to determine the matter at issue. The Minister of Justice (Mr. Lapointe) and the Solicitor General (Mr. Cannon) failed to tell us what witnesses would appear before the committee or what evidence would be given beyond the facts which are now in the possession of the government or available in the departments.

My real object is to point out that there is not a single indication given that any witnesses, apart from the judges or those representing their point of view, could give any evidence that would be of the slightest use beyond such evidence as the parliamentary committee could secure from the Department of Justice or from the formal presentation of the case with respect to applications for increase in salary. I would ask the Minister of Justice this question: Can he conceive of any evidence which might be adduced either equal to or of comparatively the same importance as the evidence of the judges themselves, whose presence before the committee will be denied? Or can he conceive of any witnesses who, if they appeared before the parliamentary committee, could give any information of real and vital importnace to that committee in addition to the facts which are already at his disposal?

Mr. LAPOINTE: I have already spoken, but in answer to my hon. friend I will repeat that the judges of the high courts of Canada have made no application. If any application has been made it has been made by representatives of the bar associations in the various provinces and by the Canadian Bar Association, and surely these people can come and lay their case before the committee.

Mr. C. H. CAHAN (St. Lawrence-St. George): I cannot see that the matter which we have before us would be advanced by referring it to a committee. Who are going to oppose it? Will the government require a recommendation of the whole committee—a unanimous recommendation? Will they act upon the recommendation of a minority or will they act upon the recommendation of the majority? Because a committee of fifteen cannot, I am convinced, be appointed by this house which will represent the general view of the house upon the question. For my part, although I may not be presumed to have much confidence in the committee of fourteen or fifteen who compose the government of Canada at the present time, I have far more confidence in their judgment than in the judgment of any special committee in dealing with a matter of this kind; and if they are prepared in the constitutional way to recommend increases in the salaries of judges who are appointed by them, I stand ready to vote for any reasonable measures proposed to that end. And so far as my personal knowledge goes, as regards the majority on this side, they are prepared to assume a similiar attitude. I have no doubt that although there may be differences of opinion on this side of the house, the majority of the members over here would support the government in any reasonable measures it might take to increase existing

salaries so as to give adequate recompense to the judges of the land. I regard this innovation in constitutional practice, which we have before us to-day, not as an effort to deal with the question seriously but really as a method of postponing consideration of it until the Greek Kalends or to some other distant date. I cannot conceive that the government, being anxious to deal with the question in the way of providing adequate recompense for the judges, would have taken the course now proposed. In this matter, as in others, the government must take full responsibility for presenting to the house any measure for the expenditure of public money. There is no reason why they should now prove recreant to the trust which the constitutional practice of the country vests in them. There is no adequate reason why we should have a change in the constitutional procedure in the present instance and not in respect of every other vote that is to come before parliament when the estimates are brought down for consideration. Not a single serious ground can be suggested, it seems to me, why the proposed vote—if there is to be a vote—should come before parliament in any way other than in the estimates which are brought down by the government for the consideration of the house. The present proposal is simply an effort to preclude the serious consideration of the question in the future and to prevent parliament as parliament dealing with it; because we can deal with it pertinently and successfully only when the actual vote is submitted to parliament. I personally believe, despite the differences of opinion which prevail on the other side of the house, despite also some dissent on this side, that if the government would take their courage in their hands and bring down a vote which they might consider sufficient to provide adequately for the judges of the land, a large majority in the house would sustain them. We know that hon. members of the government would deal with such a matter in a perfectly disinterested temper, notwithstanding that some of them may be candidates for judgeships in the future. I will vote against the resolution which proposes to refer this matter to a committee. The result, in my opinion, would be ineffective. This house must decide the question. Every member in this house has now, or would have in the course of the debate here, all the information he would require on which to base a conscientious decision. I therefore regard the remission of this matter to a special committee as an indefinite postponement of its consideration, and for that reason I intend to vote against the motion. At the same time,

I believe that if the government will bring down a measure in the ordinary course, they will find themselves sustained by a large majority in this house, including, as I believe, the large majority of my confreres on this side.

Mr. HENRI BOURASSA (Labelle): I agree very largely with the remarks of my hon. friend who has just spoken (Mr. Cahan). So long as the present system obtains, whereby the government controls the preparation of all the estimates, exercising arbitrary powers with respect to every money proposition submitted to the house, the view taken by my hon. friend will be absolutely right. But it does not follow that this or that method should be maintained, or some other practice substituted in its place, simply because it may have been adopted in the United States congress or anywhere else. It seems to me that there is too great a disposition in Canada, in the country at large and in parliament in particular, to say that we should or should not do this or that, merely because it is done in Washington or London or elsewhere. When we have an opportunity to exercise our responsibility for the good of Canada, for heaven's sake let us do so in our own way. Of course, that does not mean that there are not certain things which we should imitate, but too often we invoke a precedent from across the ocean or from south of the 45th parallel to justify us in doing this, that or the other thing, which displays too much of the subservient colonial spirit still prevailing in this country.

When the rules of debate were subjected to our judgment, upon which I do not think we acted with very much judgment, I suggested one real reform in the management of the affairs of the country, one that would, I think, be conducive to public good, and result in abridging the work of the house, while enabling both the government and the individual members to deal with general matters without being clap-trapped for weeks and months in the consideration of small details. My suggestion was that all the details of the estimates should be submitted to a committee of the house, before which the permanent officials of each department should appear to give that information individually which they now give like schoolboys to their masters from two chairs in front of the minister, while the poor minister must repeat to the committee what he is told by his officials.

Therefore I am going to support this resolution, because I consider it to be the beginning of a new system which may prove to us that many matters connected with the

management of the country could be dealt with more properly, as to their details, their preparation and their presentation, by a small committee where witnesses could appear, where the facts could be exposed and where reasons for or against any expenditure of public money could be given. That committee would report to the house, and the house would pass final judgment upon its findings. I do not say this especially in view of the object of this resolution; but I believe this is a start which may bring us to the point where we can get away from the absurd system which we have copied from the British House of Commons. There, however, without changing the letter of the law, they have radically changed the manner of dealing with the budget, and in about one-quarter of the time we devote to the voting of our estimates they adopt a budget ten or fifty times as large as ours, with at least equal efficiency.

I do not think this is the proper time to go into the question of the "dignity" of the judges; I do not think that dignity will be preserved by mere platitudes, or by putting the judges in such a position that they will not be reached by public opinion or by the scrutiny of public conscience. The dignity of the bench must be sustained by the manner in which the judges exercise their functions, and I do not think their dignity will be placed on any higher level by the fact that we raise their salaries by a few thousand dollars. I do not think the dignity of the bench will be impaired by the fact that the judges, if they find their remuneration insufficient, will be called upon to state frankly and under their own responsibility before a committee of this house why they desire a larger salary, instead of making use of representatives of the bar, who will demonstrate to the judges before whom they plead that they have been to parliament asking that the salaries of the judges be increased. It has been my experience, during a fairly long life, connected in a rather detached fashion with the bar, that some lawyers find it very helpful to plead cases either before parliament or elsewhere for the benefit of the judges; they find that in carrying on their profession they reap very tangible results by the manner in which they are treated by some of the judges. I think it much less dignified for the judges to have a few lawyers petitioning members of parliament to increase their salaries, than for those judges to appear before a committee of this house and state simply, in a dignified fashion, what they desire and why they desire it. Dignity is in the man, not in the procedure; it is in the soul, in the frankness of language and the rectitude of the mind of every individual, whether he be the King or his representative, a judge, or the humblest servant of this house. Among the papers I have received during the session I have noticed two or three petitions with regard to an increase of salaries, one from the charwomen who clean our rooms and another on behalf of the judges. This latter petition was submitted by proxy, but I do not think the charwomen of this house have sacrificed their dignity as women by petitioning for an increase in their salaries. Neither do I think the judges will sacrifice their dignity, if they really think they need an increase, by appearing before a committee of this house and allowing that committee to consider their case.

Therefore, I see no reason why we should reject the proposal. I agree that if the government are to stick to precedent and continue to walk in the narrow trail in which governments have walked for the last fifty years in presenting estimates to this house, there is no sense in this resolution. The government should take the responsibility for these increases of salaries, as my hon. friend from St. Lawrence-St. George (Mr. Cahan) has said, just as they take the responsibility for the estimates. We have to take human nature into consideration, of course; I know, as everyone knows, that many members on this side of the house are opposed to increasing the salaries of the judges. On the one hand the government do not want to displease the judges and the laywers, while on the other hand they do not want to displease their friends. All governments have resorted to such expedients, and I am not going to vote against the government because they have taken this way of escaping the direct responsibility connected with this issue. I give my vote in favour of this resolution, because it is a departure from a custom which may have been quite proper in the past but which is not now adequate for the amount of business done in this house or for the various complicated and technical questions with which parliament is called upon to deal. When you and I, Mr. Speaker, were young members of this house, many matters were dealt with directly by the house which are now considered by various special committees, and therefore I consider this a good departure in the right direction.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I do not intend to detain the house for more than just a few moments. I wish to say a word in favour of this resolution, not that I know anything about judges' salaries, as to whether or not they should be

increased; I am quite willing to leave that question to the proposed committee, but I do welcome this slight departure from our established custom, as the previous speaker has said. I have protested against cabinet government ever since I came into this house, and I shall continue to protest against it until there is more responsibility placed upon parliament. Of course it is easier for the government of the day to entrust a matter of this kind if it is not a popular one to a committee, so that the committee may assume the responsibility which the government is not willing to do. But even so I am glad that there is this departure, if indeed it can be regarded as such, of entrusting a little more power to a committee of this house and a little less power to the cabinet. I trust that this will only be the beginning of a much larger departure in that regard, for I believe it will mean a much better type of government and will give each member of parliament some real reason for being here. I shall be glad to support the motion.

Hon. R. J. MANION (Fort William): I should like to say a few words on this question. In the first place the discussion has departed from the question under debate which is the appointment of a committee to decide whether the judges should get an increase in salary or not. I object to it on this ground: The whole question is one of responsible government. That is the question before this house. If the government has decided and apparently it has—we have listened to the Prime Minister, the Minister of Justice, the Solicitor General, and I think one or two others, taking the attitude that they are favourable to the whole proposition —if the government has decided that the judges should get an increase in salary it seems to me it is the responsibility of this government to take the attitude frankly and openly before this parliament. The hon. member for Labelle (Mr. Bourassa) very often stands up in this house and talks about responsible government, and about the traditions of responsible government in Great Britain. I think when we appoint committees to decide what the government has already decided upon we are getting far away from responsible government in Canada. Now, sir, if you appoint a committee to decide a question of this sort you are going to shift the responsibility from the government to a committee of the house. That is what is happening. There are times and there are questions, questions which the house cannot decide itself without interminable debate, when committees should be appointed, but here is a question as to which there is no difficulty in coming to a decision. The house is full of lawyers who are in close touch and contact with the judiciary. Any one of them can stand up here and give ample reason why the salaries of the judiciary should be increased, and I am not saying that out of any disrespect to the distinguished gentlemen on the bench. But because of that very fact, because the Minister of Justice already knows to-day the arguments which should be put forward and the reasons which should be advanced in justification of an increase in salary, I do not think there is any reason why this question should be turned over to a committee of the house. Let the government take the responsibility as a government should do in regard to measures upon which it has made up its mind. If this committee is appointed here is what will happen: Should criticism be advanced later the blame would be placed upon the committee, the whole house will be held to be responsible. But we are supposed to have responsible government and under that system this is what happens: If the government brings forward measures and those measures are not supported by the House of Commons then it goes to the people and the people decide whether that government shall continue to handle the affairs of this country or not. If that course be not followed we do not have responsible government at all. I do believe there are certain matters which could well be dealt with by committees. The estimates submitted to parliament could very well be dealt with by a committee; but here is a question which could be decided by the house itself probably in the course of an afternoon sitting, or at most an afternoon and an evening, and the whole question settled without submitting it to a committee which will tinker with it for weeks, taking members out of this house where they should be taking part in or listening to the debates. I repeat it is the duty of the government to submit this question to the house and have it decided here.

I have one other observation to make and it is this: The Minister of Justice in presenting the resolution quoted the United States as having adopted this system of deciding about the salaries of judges. That brought back to my mind the speech of the Prime Minister a few days ago in which he twitted me for having quoted United States statistics regarding immigration. He said, "Surely we can stay at home for our figures". I apply the Prime Minister's remark to the present question. Governments in the past have decided

questions of this kind by themselves without the aid of committees. I think the present government should come courageously forward on this question and I think they would be supported by the house. The matter could have been decided in about the same period of time as has been taken up in deciding whether or not we should appoint a committee.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I cannot be accused of being a lover of lawyers; anything I say on this question will not be attributed to that. But we are discussing a very important arm of government. The functions of government are said to be executive, legislative, and judicial, and the resolution deals with the men who are engaged in doing the work of the judicial arm of government. One of the most important factors in connection with that arm of government is that it should be, unlike the other two, completely non-partisan in character, completely above disputations of a party nature. I ask what would be the result as relating to the judicial arm of government if any government came to this house with a proposal relating intimately to judges and their salaries and it were carried on a purely party division, or anything approaching a party division, or if one party—one of the parties in the corner let us say—were, on a question of this sort affecting the judges of the country to be placed in the position of voting against the others? That possibility is to my mind one of the best reasons why a question of this kind should be considered by a committee of the house. That procedure does not relieve the government of responsibility.

Mr. MANION: Nor parliament.

Mr. DUNNING: Nor parliament, but it does involve a method of approach to the subject which enables it to be settled, may I say, on a rather higher plane than has characterized some of the discussion which has taken place here this afternoon. I think that is the chief merit of the proposal of the Minister of Justice. I am sure we all have a very high appreciation of the services of the judiciary in this country in the past and it is rather unfair to say—and I have been guilty of saying it I will admit—that there is no reason to worry about judges because there are plenty of applicants for judgeships. That is not fair because there are many of the most eminent lawyers in this country who for the good of the country should be on the bench who have refused appointment. That is not generally known. There are always plenty of candidates for any public office which carries any sort of a salary, and for some that do not carry a salary at all, but that does not necessarily mean that the interests of the country are not to be considered rather than the interests of the individuals occupying positions or of those who may aspire to occupy them. After all our great object is to have the judicial arm of the government manned with the very best men we can get. But it does strike one as peculiar to know that a man sitting on the bench as a judge frequently has before him two or three lawyers pleading each of whom is in receipt of an income seven or eight times as large as that of the judge before whom the case is being tried. I know that has no fundamental bearing on the question but it furnishes a comment on the situation. I have no fixed opinion as to what should be done with regard to the indivdual salaries of judges, but I do think that calm reflection by a committee of the house upon a question so essentially non-partisan as this one, a question upon which a non-partisan decision is above all things to be desired, is to the advantage of the house and the country.

Mr. PETER McGIBBON (Muskoka): It appears to me that the weakness in the arguments of the hon. gentleman who has just taken his seat (Mr. Dunning), is this: If it is so very important for a non-partisan committee of this house to fix the salaries of judges, how much more important would it be for a committee of this house to appoint the judges? I should like to ask the government if it is not a fact that the appointments of all judges in the past have been partisan appointments. There is a story told of a conversation between a Canadian and an American. The Canadian made the remark to the American: In your country the judges have to be elected. The American made the reply: Yes, and I believe that in Canada they first have to be defeated.

What is the basis of this resolution? Is it not simply that the government has trouble in its own ranks regarding the matter and it wants to shift the responsibility on to parliament? If it has not, why are the reasons held back that the government does not assume its responsibility and bring down a measure as it does in connection with every other matter? This is a violation of the regular order of procedure of government. As the hon. member for Fort William (Mr. Manion) has rightly said, it is the duty of a government to assume responsibility for its actions. This government is prepared to do that only when the road is easy. When there is any difficulty ahead it wants to make parliament share the responsibility. You will

pardon me, Mr. Speaker, and I hope the house and the country will pardon me if I refuse to be one of those who hold the judiciary of this country in the idolatry in which it is generally held. They are human like everybody else. As I said before, they are mostly political appointees, sometimes of one party and sometimes of another, and the difficulty that I see in this matter is that you are not rewarding men according to the services they perform on the bench, but attaching salaries to positions. Nobody in this house, for example, will say that every man on the bench is equal to every other man in any of the different courts. Is that not something that should be taken into consideration? Should we not also consider the fact that men who go on the bench do not necessarily go there for the money? Do men come into parliament for the money? Do men go into the cabinet for money? Is there not in the case of nearly every member of parliament and of the cabinet a financial sacrifice when he takes a position of that kind? Does a man not accept a position in the high courts of Canada for something outside of the monetary consideration? Is it not worth something to him, to his family and to the record that he will leave behind him, to think that he has held a high position in our courts?

I am not opposed to this measure in the least; I think our judges should be paid in proportion to the service they render and to their ability, but there is more to be taken into consideration than simply the monetary award a man receives when he ascends the bench. Many of them are well-off when they accept a position of that kind. Many of them do not need the money. I say this without any disrespect, that there are in this country some minor judges who do not work more than one or two months in the year. Are we going to raise the salaries of them all, or are we simply going to pick out certain courts and raise the salaries there, or how is this matter to be handled? It is the duty of the government to formulate its policy, to bring it before parliament and to ask parliament to sanction it. We got the clue to the difficulty from an hon. member on the other side when he said that he was opposed to this resolution. It is the trouble in the ranks of the people behind the government and not any principle which is at stake, that has forced the government to come to parliament with this resolution. Consequently, I for one say that it is the duty of the government to come to parliament with a bill, if they think fit to bring one in to raise the salaries of judges, and to ask parliament to sanction it.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, the Solicitor General (Mr. Cannon) said that the cabinet was a committee of parliament. Everyone, including the Solicitor General, knows that is not true. The cabinet is a committee of the Liberal party and nothing else, and because by referring this matter of the salaries of judges to a special committee, we would be referring it to a committee of parliament, I am very much in favour of the resolution brought down by the government.

May I say I was astonished and pained to hear the leader of the opposition (Mr. Bennett) say to the hon. member for Winnipeg North Centre (Mr. Woodsworth) that had he been a man of less education, he would have treated his question with the contempt it deserved? I have very much less education and I would have asked the same question. We are in this house as equals—I am not sure that the lawyers will agree with that—we are here to represent the Canadian people, and while I do not mind taking a position which might cause me a loss of dignity personally, because I do not suffer from dignity, I refuse to take a subordinate position for Southeast Grey. The people of my constituency have just as much right to say what they think on any question, and to ask any question they like in the House of Commons, as the people of any other constituency, even though the other constituency be represented by a high light in the legal profession. Therefore I resent what has been said and I think on further consideration the leader of the opposition will be sorry that he made the remark.

I am interested in the question of crime, and I think it would be true to say that if as much consideration was given to the standard of living and to the salaries of people we now know as criminals, or to all the people of Canada, as has been in the past and, I have no doubt, will be in the future given to the salaries of judges, we would need no judges. I am not going to go into the question whether judges need an increase in salary or not, but I can most heartily approve the method the government has taken. They may have done it for reasons of expediency but at least it is a democratic move and I approve the fact that they are sending the question to a committee on which all sections of the house will be represented. I do not think that is asking too much because this is just a class group coming to parliament and asking for an in-

crease in salary, and we have just as much right to pass upon it as members of another group would have supposing we came to them and asked for an increase in salary for our class.

Mr. SPEAKER: Carried.

Mr. GUTHRIE: On division.

Mr. MACKENZIE KING: No, we will take a vote.

The house divided on the motion (Mr. Lapointe) which was agreed to on the following division:

YEAS

Messrs:

Adshead, Auger, Baldwin, Bancroft, Beaubien, Bird, Bissett, Blanchard, Bock, Bothwell, Bouchard, Boucher, Bourassa, Bowman, Bradette, Brown, Cahill, Campbell, Cannon, Carmichael, Casgrain, Chevrier, Coote, Delisle, Denis (St. Denis), Denis (Joliette), Desaulniers, Descoteaux, Deslauriers, Dionne, Dunning, Dussault, Elliott, Evans, Fafard, Fansher (Last Mountain), Fansher (Lambton East), Fiset (Sir Eugene), Forke, Foster, Gardiner, Gershaw, Girouard, Glen, Goodison, Hall, Heaps, Heenan, Hepburn, Howard, Howden, Irvine, Jelliff, Jenkins, Johnson (Long Lake), Kellner, Kennedy, King (Kootenay East), King, Mackenzie (Prince Albert), Lacroix, Laflamme, Lang, Lapierre, Lapointe, Lovie, Lucas, Luchkovich, MacLean (Prince), McLean (Melfort), Macphail (Miss), McDiarmid, McIntosh, McKenzie, McMillan, McPhee, McPherson, Malcolm, Marcil, Mercier (Laurier-Outremont), Mercier (St. Henri), Millar, Milne, Morin (St. Hyacinthe-Rouville), Morrissy, Motherwell, Odette, Perras, Prévost, Ralston, Rinfret, Robb, Robitaille, Ross (Moose Jaw), Rutherford, St-Père, Sanderson, Séguin, Smith (Stormont), Speakman, Spencer, Steedsman, Stewart (Edmonton West), Taylor, Telford, Tobin, Totzke, Vallance, Ward, Woodsworth, Young (Saskatoon), Young (Weyburn).—111.

NAYS

Messrs:

Anderson (Toronto-High Park), Anderson (Halton), Arthurs, Barber, Bell (Hamilton West), Bell (St. John-Albert), Bennett, Black (Yukon), Black (Halifax), Bowen, Cahan, Casselman, Chaplin, Charters, Clark, Cotnam, Dickie, Edwards (Frontenac-Addington), Edwards (Waterloo South), Embury, Ernst, Esling, Fraser, Garland (Carleton), Geary, Gott, Grimmer, Harris, Hodgins, Johnstone (Cape Breton North-Victoria), Kaiser, MacDonald (Cape Breton South), Macdonald (Kings), Macdonald (Richmond-West Cape Breton), MacLaren, MacNutt, McGibbon, McGregor, McQuarrie, Maybee, Peck, Perley (Sir George), Robinson, Rowe, Ryerson, Senn, Short, Simpson, Sinclair (Wellington North), Spence, Spotton, Stevens, Stinson, Stirling, Thompson, Tolmie, White (London), Young (Toronto Northeast).—58.

PAIRS

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

Messrs:

Power, Veniot, Sinclair (Queens), Kay, Edwards (Ottawa), Cardin, Euler, Parent, Jacobs, Lavigueur, Fontaine, Gervais, Rhéaume, Pouliot, Guérin, Dubuc, Donnelly, Thorson, Letellier, Bettez, Raymond, Langlois, Wilson (Soulanges), Boulanger, Goulet, Bourgeois, Ilsley, Allan, Cayley, Hay, Blatchford, Rennie, Hanson, Jones, Wilson (Wentworth), Preston, Ryckman, Manion, Boys, Cantley, Stewart (Leeds), Drayton, Hocken, Church, Lennox, Maloney, Guthrie, Quinn, Brady, Ladner, Matthews, Bell (St. Antoine), Tummon, White (Mount Royal), Pettit, McDougall, Ross (Kingston), Price, Cowan, Smoke, Hubbs, McRae,

Mr. SMOKE: I was paired with the hon. member for South Oxford (Mr. Cayley). Had I voted, I should have voted against the motion.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted, I should have voted against the motion.

Mr. GUTHRIE: I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I should have voted against the motion.

Mr. MANION: I was paired with the hon. Minister of National Revenue (Mr. Euler). Had I voted, I should have voted against the motion.

Mr. HOCKEN: I was paired with the hon. member for Berthier-Maskinonge (Mr. Gervais). Had I voted, I should have voted against the motion.

Mr. PRESTON: I was paired with the junior member for Ottawa (Mr. Edwards). Had I voted, I should have voted against the motion.

Mr. TUMMON: I was paired with the hon. member for Chambley-Verchères (Mr. Langlois). Had I voted, I should have voted against the motion.

Mr. CANTLEY: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I should have voted against the motion.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted, I should have voted for the motion.

Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I should have voted for the motion.

Mr. HAY: I was paired with the hon. member for Prince Edward-Lennox (Mr. Hubbs). Had I voted, I should have voted for the motion.

Mr. POWER: I was paired with the hon. member for East Hamilton (Mr. Rennie). Had I voted, I should have voted for the motion.

Mr. CARDIN: I was paired with the hon. member for East Toronto (Mr. Ryckman). Had I voted, I should have voted for the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I should have voted for the motion.

[Mr. Mackenzie King.]

Mr. GUERIN: I was paired with the hon. member for Renfrew (Mr. Maloney). Had I voted, I should have voted for the motion.

Mr. DONNELLY: I was paired with the hon. member for Halifax (Mr. Quinn). Had I voted, I should have voted for the motion.

Mr. THORSON: I was paired with the hon. member for Skeena (Mr. Brady). Had I voted, I should have voted for the motion.

Mr. ALLAN: I was paired with the hon. member for Port Arthur-Thunder Bay (Mr. Cowan). Had I voted, I should have voted for the motion.

TRANSPORTATION OF COAL

On the orders of the day:

Mr. J. STEEDSMAN (Souris): I desire to ask a question of the Minister of the Interior (Mr. Stewart). In view of the fact that immense quantities of American coal find their way to Manitoba in competition with Alberta coal, on which high rates of freight are charged, I would ask if the same rate per mile will apply on Alberta coal coming into Manitoba as it is proposed to apply on coal coming from that province into Ontario; and if not, why not?

Hon. CHARLES STEWART (Minister of the Interior): The present order does not provide for a rate on coal from Alberta to Manitoba. That question has not been raised up to date.

GRAIN SHIPMENTS—CONDITION ON ARRIVAL IN GREAT BRITAIN

On the orders of the day:

Mr. JOHN MILLAR (Qu'Appelle): I would ask the Minister of Trade and Commerce (Mr. Malcolm) a question, which I wish to precede by a brief statement. In an address delivered before the Calgary board of trade, Major Strange, a well-known winner at the international grain show, said, "Canada's reputation in the wheat markets of the world is in danger." An editorial in the Winnipeg Free Press confirms Major Strange's statement, and I would ask the minister if he or any other member of the government has received complaints direct from one or more corn trade associations in Great Britain concerning the condition in which Canadian grain in arriving in that market.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): In reply to my hon. friend, I may say that a letter was received from the Liverpool Corn Exchange pointing out that during the last two years there

appeared to have been a decided lowering of the grades of Canadian grain. Whether this was due to bad seasons or a lowering of inspection they did not know, but they expressed the opinion that if the grades were not maintained serious injury might be done to Canada's reputation as a wheat-producing country.

NOVA SCOTIA LEGAL FEES

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I wish to point out to the Minister of Justice (Mr. Lapointe) that on February 20 an order in my name was passed for a return showing the amounts paid to various counsel and solicitors in the province of Nova Scotia in the prosecution of cases arising out of the Customs and Excise Acts. To date no return has been made to that order.

Hon. ERNEST LAPOINTE (Minister of Justice): I may inform my hon. friend that every department is paying the fees of counsel who are engaged to look after its cases. We appoint a lawyer to recommend the names of counsel, but fortunately the various departments pay the fees. So I suppose the information will have to come through the Secretary of State when all the departments have reported to him.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr Johnston in the chair.

Customs tariff—535. Grasses, seaweed, mosses and vegetable fibres other than cotton, not coloured, nor further manufactured than dried, cleaned, cut to size, ground and sifted; oakum of flax, hemp, or jute; coir and coir yarn: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROBB: No change.

Item agreed to.

Customs tariff—535a. Grasses, seaweed, mosses and vegetable fibres other than cotton, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 17½ per cent.

Mr. KENNEDY: What were the imports under this item, and where from?

Mr. ROBB: There is no separate classification of the imports. "Practically no change in revenue," is the note I have. My hon. friend will observe that there is a reduction in the British preference.

Mr. KENNEDY: Were there any imports at all under the British preference?

Mr. ROBB: There is no separate classification from which we could trace returns.

Item agreed to.

Customs tariff—535b and 535c agreed to.

Customs tariff—535d. Garnetted material obtained by disintegrating yarns or fabrics, prepared for use, n.o.p.; wiping rags and wiping waste, n.o.p.; waste portions of unused fabrics, machine-cleaned waste, n.o.p., not to include remnants nor mill ends: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. BENNETT: There is a change in this item, is there not?

Mr. ROBB: Yes. The words "rags and waste, sold by weight" are struck out, and the words, "machine-cleaned waste, n.o.p." are inserted; the letters "n.o.p." at the end are also struck out.

Mr. KENNEDY: How are we going to tell the difference between the waste portions of unused fabrics in the two preceding items which are free and the waste portions of unused fabrics in this case where they are dutiable?

Mr. ROBB: This change has been recommended by the officers of the department as being better for administrative purposes. There is practically no change in the tariff.

Mr. BENNETT: Unenumerated waste apparently carried a higher duty heretofore, 15, 17½ and 17½. Is that right?

Mr. ROBB: Yes.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—536. Batts, batting, sheet wadding and carded sliver of vegetable fibres, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff 22½ per cent; general tariff, 25 per cent.

Mr. BENNETT: Is there not a change in that?

Mr. ROBB: There is a reduction in the British preference from 15 to 12½ per cent. There is no separate classification of the imports, and practically no change in the taxation.

Mr. BENNETT: But the vegetable fibres now under that item were under another item before, were they not?

Mr. ROBB: They are all here except the cottons.

Mr. KENNEDY: What is the reason for the reduction in the British preference if there is no separate classification? Was any

business done under the British preference, or is there likely to be as a result of the reduction? Who asked for it?

Mr. ROBB: There will be a separate classification in future. My hon. friend will notice that in these items the linens have been separated from the cottons, and there is a reduction in the British preference.

Mr. BENNETT: Two and a half per cent. But were there any imports of batts and batting to which this alleged decrease will apply, or is it just a little window-dressing?

Mr. ROBB: There is no separate classification of imports that I can trace. There are very few imports.

Mr. BENNETT: Just so; it is the old bluff.

Item agreed to.

Customs tariff—537. Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk, nor wool: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. STEVENS: A question arises here which affects several items. Briefly, this is the situation. There is a duty put on fibre yarns, but not a corresponding increase of the duty on the products made from these yarns. I think in the manufacture of carpets these yarns are retained free under the British preference, but in the manufacture of twine and cordage they are not. A question of principle arises there. Speaking for myself, I have no objection to reasonable protection being given articles of this kind, but when such protection is imposed it ought to be carried through to the manufactured article. Previously, under item 558, yarn was imported free and the twine into which this yarn was manufactured carried duties of 20, 22½ and 25. Under item 537 yarn is made dutiable at 12½, 17½ and 25, but the protection on the twine made out of that yarn remains the same—20, 22½ and 25. The spread between the semi-raw material and the finished article, the rates of which were 20, 22½ and 25, is now 5½, 5 and nothing. There is a grave injustice done to this manufactured article unless it is given added protection on account of the increase in raw material. It is unfortunate that the records of the so-called tariff board do not contain any information in regard to this particular case; I understand they did not take verbatim reports at the time this case was considered. So far as I can judge, there is one factory, in Kitchener I believe, which will receive the advantage of this protection. I am not objecting to that; I do not want the minister or others arguing the other side of the question to charge us with any desire to take away protection from any industry. That is not our point at all. If the industry is entitled to protection we want to see it protected. But we do say that protection should be applied intelligently and scientifically through the various processes of manufacture. In this instance, as I have pointed out, several very deserving industries in the country, which have been set up under the existing tariff, have been enjoying a measure of protection on their finished product, importing their raw materials under this free item. Now a duty is imposed on their raw materials but no corresponding increase is given them in connection with their finished product. Perhaps the minister can explain these items.

[Mr. Kennedy.]

Mr. ROBB: Every year since I have been presenting the budget, representations have been made to me, on behalf of this firm my hon. friend has mentioned, that they should be given a share of the protection enjoyed by those purchasing their goods. I observe that even now, with this change, they enjoy a considerable spread, the difference between 12½ and 20—or 18 net, because there is a discount. After looking into the matter carefully I am convinced that the recommendations of the board are sound. There is a sufficient spread in respect of that industry.

Mr. BENNETT: If the minister will be good enough to look at tariff items 542, 543 and 543a under the old tariff, the one in force at the date this budget was introduced, he will find that jute or hemp yarn and linen yarns were free.

Mr. ROBB: Only for certain purposes.

Mr. BENNETT: Under certain conditions, yes; but they were free. Now, if the minister will look at the new tariff, he will observe that there are no free yarns. Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk nor wool: this means, I take it, flax or jute or hemp, being vegetable fibres. What I should like to know is why these items are free for special purposes under the old tariff and are now dutiable at 12½, 17½ and 25 or, taking the next item, 537b, 20, 22½ and 25, or the next item, 537c, free under the British preference, 10 per cent under the intermediate and 15 per cent under the general, for use solely in factories. There would seem to be a combination of items, the effect of which is to remove from the free list, under certain conditions, vegetable fibres such as flax, hemp

and jute and to place them now under rates of 12½, 20, and, in one instance, free under the British preference, if used in the factory itself.

Mr. ROBB: I think the spread as between the finished product and the raw material in these industries affords sufficient protection. It is only fair that the protection should be divided. As regards the item which my hon. friend has mentioned, 542, only a very small portion came in and it was used largely for hammocks and twines. In 537a there is practically no change, but in 537b there is a reduction in the British preference, while in 537c my hon. friends will observe that it is free under the British preference. It is true the rates will now be 10 per cent under the treaty and 15 per cent under the general tariff, but the imports are principally from the United Kingdom. As a matter of fact, the total imports for the year were only $659,057.

Mr. STEVENS: The minister says that the spread is ample. Let me point out what it is. Under the British preference the spread would be 5½ and under the intermediate 5 per cent, while under the general tariff there is no spread at all. As regards item 537c the minister will find that the article is free to those who use it exclusively in their own factories in weaving fabrics or insulating wire.

Mr. ROBB: There is no change.

Mr. STEVENS: I am not complaining about that, but I suggest that it would be fair to include, in that provision, "for the manufacture of twine."

Mr. ROBB: That would give them a greater spread. The evidence goes to show that in the conversion of the product the estimated value of yarns in Dundee is $13 per 100 pounds, while the cost of conversion is $1.61. My hon. friend will observe that they have quite a protection there.

Mr. KENNEDY: I notice that in this group of items from 537 to 537c there is a general increase. Was this increase made for purposes of protection or for revenue?

Mr. ROBB: There is not a general increase; they remain free under the British preference.

Mr. KENNEDY: They were free before. There is an increase in the other items.

Mr. ROBB: There is an increase in the others which gives us something with which to trade in negotiating treaties. The imports for the year ending March 31, 1927, were principally from the United Kingdom.

Mr. KENNEDY: That is only one item. If you take the whole group you have six items all becoming dutiable at rates ranging from 12½ per cent to 15 per cent under the British preference. Thus we have one item at 5 per cent, 7½ per cent and 10 per cent becoming dutiable at 12½, 17½, and 25. Then we have another item at 15 per cent, 17½ per cent and 17½ per cent becoming dutiable at 20, 22½ and 25. These all show an increase, and I was wondering if the increase was made for protection or for revenue.

Mr. ROBB: My hon. friend will have to place his own interpretation upon that.

Mr. KENNEDY: I am afraid this will not bear out the statement of the minister that there will be a great loss in the revenue as a result of the tariff changes.

Mr. GEARY: I would like to ask the minister one question. I wonder if he has observed, in the item to which my hon. friend from Vancouver Centre referred, that the spread under the British preference has been very drastically reduced. I understand there is a difficulty as between different manufacturers, and that under the present schedule one manufacturer is helped while the other will lose. I suggest to the minister that probably the spread is too low, and that he should have a corresponding duty on the finished article as a means of compensation. This is a brief which has just been placed in my hands; I do not know very much about it, except that the matter came before the tariff board on an application for an increase, instead of which these unfortunates now find themselves faced with a decrease.

Mr. ROBB: Yes, but they still receive sufficient protection.

Mr. GEARY: Then the minister thinks this protection is adequate?

Mr. STEVENS: It is only 5 per cent under the British preference.

Mr. ROBB: The manufacturer has a protection of 5 per cent in $14.61, and he only puts $1.61 into it.

Mr. STEVENS: That makes no difference. The point is that he pays 12½ per cent duty on the yarns out of which he makes his cordage; previously those yarns were free. Under the British preference he formerly had a protection of 20 per cent less 10 per cent on his twine, but while he still has that protection he is now compelled to pay 12½ per cent on the yarn which enters into the manufacture of that twine, leaving him a protec-

tion of only 5½ per cent under the British preference, with no protection under the general tariff.

Mr. ROBB: I will leave it to the judgment of my hon. friend. If he had the responsibility of adjusting this tariff, would he not consider that where an industry has a protection, taking his own figures, of 5 per cent on $14.61, while the manufacturer puts only $1.61 into the venture, the protection is quite sufficient?

Mr. STEVENS: I cannot follow the reasoning of my hon. friend. I admit again that these matters are highly technical and rather difficult for us to grasp at once, but I have grasped the fact that whereas these yarns were once free the manufacturer now has to pay 12½ per cent duty on his raw material.

Mr. ROBB: He is dividing up with the other fellow.

Mr. STEVENS: The minister said he was appealing to my judgment, so I would suggest either one of two things: The yarns imported for the manufacture of twine should be included under item 537c, or the protection on twine should be increased to correspond with the increase in duty on the raw material.

Mr. ROBB: I have stood these gentlemen off for three years in their demand for increased protection on twine, and I would not like to concede it at the moment.

Mr. STEVENS: Perhaps the minister would concede the other alternative.

Mr. ROBB: I think they are pretty well protected.

Mr. STEVENS: I think the minister should be quite sure of the possible effect of this change. My information is that it seriously affects a number of factories, possibly to the extent that they will be unable to carry on this branch of their business, while it benefits only one factory. I am not attacking that one factory: I would not want the minister to come back at us and say we are attacking one factory, but I do point out that this is not in accordance with the Canadian tariff as it always has been. It is not in line with our policy in the past to have an increase in the duty on raw materials without some corresponding protection on the finished article, and so I suggest to the minister, if he is obdurate with regard to the other suggestion, that he insert the words "for the manufacture of twine" at the end of item 537c. That item already provides for the free entry of yarns used for manufacturers in their own factories in weaving fabrics and insulating wires.

[Mr. Stevens.]

Mr. ROBB: No, I think I shall have to stand by the information I have before me. This has been a redistribution of the protection enjoyed by that industry in its various stages, and I am bound to say that I believe the protection is sufficient. I have had the same briefs submitted to me; these gentlemen have been here making their representations, but they are well taken care of and I am satisfied that they have a sufficient protection. The other factory, however, was entitled to something.

Mr. BENNETT: In order that there may be no difficulty about it I sent out for the revised statutes of this year, and at page 49 we have the jute, hemp and flax items. A large number of those items are free, as the hon. member for Peace River has observed, but they are made dutiable under the tariff now proposed by the minister. The hon. member was asking whether this duty affords protection to the industries engaged in the manufacture of these various articles. I am not going over what my hon. friend from Vancouver Centre has said, but I should like to know what were the operating causes which induced the increase in the tariff on item 537, which covers manufacturers of cotton, hemp or flax, or of which cotton, hemp or flax is the component material of chief value; manufacturers of jute, which is item 538 and item 539, covering fibre, Mexican, natural, and tampico or istle and vegetable fibres and so on. Then follow a number of other items, including linen yarn, down to binder twine, which is item 554. Most of these items are free, but when we turn to the new tariff, we find that the only free items are rovings, yarns and warps, wholly of vegetable fibres, and also cottons, not to include materials for sewing, stitching or tacking purposes, imported by manufacturers for use exclusively in their own factories in weaving fabrics or insulating wire. That is not the position under the old tariff. Those are free. Then binder twine is free, and that is the only item left on the page that is free. What I am asking, and I think it is a fair inquiry, is this: What are the reasons for making dutiable items that for years have been free? Are the duties protective or are they revenue duties? It seems to me these are relevant questions which we have a right to have answered.

Mr. ROBB: I may point out that 542 which my hon. friend has quoted is still free under the British preference.

Mr. BENNETT: But only under the British preference.

Mr. STEVENS: And only for certain purposes.

Mr. BENNETT: And limited purposes.

Mr. ROBB: Item 543 is fully covered under item 537c, and is still free in the case of certain materials.

Mr. BENNETT: But they were free under all the items before.

Mr. ROBB: We have adjusted this so as to meet the British preference.

Mr. BENNETT: But there are no importations under the British preference. This is a simple bluff on the House of Commons to use a plain, common, homely expression.

Mr. ROBB: Not at all.

Mr. BENNETT: Let us get down to rock bottom about this. There is no necessity of standing up here and saying something, and trying to induce us to believe it is so because we can read, and here is the tariff, and here are the items. The minister comes and says: Look at what I have done, look at what I have made dutiable and what I have made free. Look at what I have made free under the British preference. The facts are there were no importations under the British preference.

Mr. ROBB: There were importations under the British preference.

Mr. BENNETT: How many of them? The minister says he has done certain things and it does not alter anything at all. It is simply piffle for window-dressing so that they can go out into the country and say, "Look at what we have done." They have not reduced the tariff, they have actually increased it. My hon. friends from Saskatchewan can take that home and tell it to their constituents. The facts are as I have stated.

Mr. ROBB: My hon. friends are not following the items exactly because some of them are divided. The total importations for one of the items mentioned by my hon. friend amount to $418,716.

Mr. BENNETT: What item was that?

Mr. ROBB: Linen thread.

Mr. BENNETT: I have not touched that yet.

Mr. STEVENS: That does not enter into this at all.

Mr. BENNETT: I deliberately left that alone.

Mr. ROBB: Of that $418,000 a total of $391,000 came in under the British preference.

Mr. STEVENS: That has nothing to do with this at all.

Mr. ROBB: In the case of imports of yarn for weaving purposes, insulating and in hammocks the total importations were $513,191.

Mr. STEVENS: Yarns for hammocks?

Mr. ROBB: Yarns for weaving and insulating in hammocks.

Mr. BENNETT: Under 542, which under the old tariff were free.

Mr. ROBB: Of the amount mentioned $338,103 came from the United Kingdom. Then as to yarns for damask the total importations were $155,866 and $91,105 came from the United Kingdom.

Mr. STEVENS: Those were free before.

Mr. ROBB: Of linen traceable the imports amounted to $936. This came from the United States largely.

Mr. BENNETT: That was free before.

Mr. ROBB: Only $936 worth of importations came in.

Mr. STEVENS: The minister apparently has not got the point—or does not want to get it, one or the other.

Mr. ROBB: I should like to satisfy my hon. friend.

Mr. STEVENS: The minister is satisfied with his own findings. We are trying to point out that there is unquestionably a serious disability to important industries in this country. The minister has read certain figures but I have before me the customs tariff and these items that we have dealt with were all free under the old tariff. Now they remain dutiable.

Mr. ROBB: But they remain free under the British preference.

Mr. STEVENS: Just a minute. Under item 537 the duties are 12½ per cent, 17½ per cent and 25 per cent; under 537a, 20, 22½ and 25; under 537b, 15, 22½, and 25.

Mr. ROBB: That is what they were before.

Mr. STEVENS: They were free before.

Mr. ROBB: Item 537 was dutiable.

Mr. STEVENS: Now let us take 537c. We have a slight difference here. The item reads:

> Rovings, yarns and warps wholly of vegetable fibres, other than cotton, not to include materials for sewing, stitching nor packaging purposes, imported by manufacturers for use exclusively in their own factories in weaving fabrics or insulating wire.

That was previously free under all tariffs. Now it is free under the British preferential tariff, 10 per cent under the intermediate tariff and 15 per cent under the general tariff. But that is limited to that particular class of yarns. Yarns imported for twine, for instance—and that is what I am speaking of particularly at the moment—which were previously free are now dutiable at the rate of 12½ per cent, 17½ per cent and 25 per cent. My hon. friend must recognize at once that there is a very serious disability imposed upon the manufacturers ot twine. For instance, just for the sake of consistency, why should the weaving factories and wire insulating factories receive this protection, whereas the twine factories receive no consideration?

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

The house resumed from March 19, consideration in committee of Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company—Mr. Pettit—Mr. Johnston in the chair.

On section 7—Powers.—Construct bridge across Niagara river, etc.

Mr. CHAPLIN: I wish to refer to clause 7, which deals with the location of this bridge. The clause reads:

> The company may construct, maintain and operate a bridge across the Niagara river for the passage of pedestrians, vehicles, carriages, electric cars or street cars and for any other like purpose, with all necessary approaches from a point at or near a point between the property of the Canadian National railways on River road and the north limit of Bender street.

In other words, they may put their bridgehead on the Canadian side from the northern line of the Canadian National Railway property. I have called the attention of the Minister of Railways to this, and it seems to me the government is making a great mistake in proposing to allow a bridge to be built close to that property. The Canadian National Railways have been aided by the park commission to widen out their road for their own convenience; they have brought in their railway tracks there, and to have a bridgehead butting up against their property with the consequent cluttering up and congestion of traffic, is absurd. If the government were to leave this matter of location to the railway board I am quite sure they would never allow a bridge to be placed there; but under this clause, when the matter reaches the railway board, all they can do is to accept the point that we lay out. We say under that clause of the bill that the bridge must be between these two certain points. We do not give the railway board an opportunity to say whether that is the right place or not. We simply tell them the bridge is to go there, although that is no place for a bridge to be. If we were to say instead that this bridge can be placed between a certain point and another a mile away, the railway board would have an opportunity of doing something, but this clause limits them to about eight hundred feet. That is absurd; no government should allow such a thing, and I am surprised that the Minister of Railways or his department has not noticed that clause.

Mr. HEAPS: The hon. member for Lincoln, referring to clause 7, says that the railway board would have no right to say where the bridge is to be located. The first part of clause 8 reads:

> The said bridge shall be constructed and located under, and be subject to, such regulations as the governor in council prescribes.

Perhaps the Solicitor General might answer this question. Does that mean that the governor in council would determine where the bridge would go?

Mr. CANNON: There is no doubt about that.

Mr. CHAPLIN: If that be the case, why does clause 7 not say positively that the bridge shall be between two certain points? In other words the Solicitor General would say that the railway commission can determine at what point between those two points the bridge will be placed. I will agree that they can do that. But the minister will not say that the railway commission could determine the location of the bridge two hundred feet on the other side of Bender street. My complaint is that all that the railway board will be able to do is to determine at what point between the two particular points that are mentioned, the bridge will be located.

Mr. DUNNING: A few moments ago my hon. friend mentioned the Canadian National Railways and their interest in the matter. He was kind enough to speak to me in regard to the matter earlier in the day and since then I have caused inquiries to be made of the Canadian National Railways. I am now in a position to say that the Canadian Na-

tional Railways are not opposing the bridge. Their attention was called to the matter to which my hon. friend refers.

Mr. CANNON: They said so before the committee when my hon. friend from Lincoln was present.

Mr. CHAPLIN: They may not be opposing this bill because the bridge is not situated directly in front of their property, but if they thought for one minute that the bridge was going to sit alongside their property with the bridgehead two hundred feet away from them, and another bridgehead within fifty feet, they would have reason to object, and they would object. I know what I am talking about. There would be objection to it; there could not help being objection to it; there should be objection to it in the public interest. Somebody is proceeding without regard to the public interest; that is all I have to say about it.

Section agreed to.

Sections 8 and 9 agreed to.

On section 10—tolls.

Mr. CHAPLIN: I would ask the Solicitor General to insert the same wording here that he used before, to the effect that their tolls shall previously be approved by the governor in council.

Mr. CANNON: If my hon. friend will read the bill as reprinted, he will find that it says:

Provided that such tolls shall have been previously approved by the governor in council.

Mr. CHAPLIN: That is all right, then.

Mr. HEAPS: We have no control over the tolls charged against people coming from the United States, but this is a point that ought to be very carefully considered, because I can see where there might be a low charge to people going from the Canadian side to the American side, and a high charge when they are returning.

Mr. CANNON: On the American side they have in their legislation a provision for controlling the tolls. In any event we cannot go into that matter. All we can do here is to see that the Canadian public is protected.

Mr. HEAPS: But you might compel the company to give our own Canadians a return rate.

Mr. CANNON: It is a possibility, but I think a very remote one.

Mr. HEAPS: In other words, they would still have the chance of soaking our people when they return.

Mr. CANNON: I do not think the American authorities will allow that.

Mr. GUTHRIE: This section provides that the tolls shall be subject to the approval of the governor in council. I would ask the Solicitor General if he thinks that is the correct procedure. Should it not be subject to the Board of Railway Commissioners.?

Mr. CANNON: I have examined previous legislation covering similar matters, and I find that the tolls are subject to the approval of the governor in council. There was a discussion last night whether it should be the railway board or not, but for the sake of having uniformity in our legislation I think it would be better to leave it the way it is, with the understanding that the governor in council has power to refer these matters to the railway board for adjudication.

Section agreed to.

On section 11—issue bonds and other securities not exceeding $4,000,000.

Mr. CHAPLIN: This clause was discussed in committee, and I pointed out to the Solicitor General, who had really taken a very active part in advancing the bill through committee, that we were giving authority to this company to issue $4,000,000 in bonds before giving them authority to issue a lot of stock, and later on we give them authority to issue another $6,000,000, making $12,000,000 or $13,000,000 of securities which will be outstanding, if it is all issued, in connection with this proposition. In view of the dangling promise that is held out to us that, after the securities have been retired, the bridge will come back to the Dominion or provincial government, I would like to inquire if the Solicitor General has considered placing in the bill the terms upon which the stock will be retired. I suggested to him yesterday that we insert a clause similar to that used by a private corporation when it issues preferred stock, that the company may call in the stock at a premium, say at 110. That provision is printed on the stock certificate so that everybody who purchases the stock knows the terms on which it may be retired. Unless that is done in this case, this so-called promise to return the bridge to the Canadian people is not worth a snap of the finger, and the minister knows that as well as everybody else.

Mr. CANNON: Clause 11 must be read in conjunction with clause 18, the proviso in which meets the argument of my hon. friend. The proviso in clause 18 says:

Provided always that the period for the payment of the obligations—

That is what my hon. friend is referring to.

—of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies' by-laws in respect thereof shall have been previously approved by the governor in council.

Mr. CHAPLIN: That does not amount to anything unless we insert a provision that the stock is to be retired at a certain figure. Otherwise, it might be retired at 400, and that is what will happen in this case. I know the situation; I know that you are giving away a valuable franchise. The stock of this company will be worth a great deal of money, and you are not taking the warning that is being given to you.

Section agreed to.

On section 12—power to issue shares as paid-up stock in payment of acquired properties.

Mr. CAHAN: I simply wish to note that under this clause the entire stock of the company may be watered. The provision is that the capital stock of the company shall be $1,500,000, divided into shares of $100 each. That entire stock of $1,500,000 may be paid up by a fictitious or nominal consideration. It may be entirely watered, under the practice of these corporations at the present time.

Mr. BENNETT: The cost of getting the charter.

Mr. CAHAN: Yes, issued for the cost of getting the charter, and then, putting the best case for the public, when the company has earned sufficient to pay off its bonds, which may be issued for cash,—there is no limit to the price which will be paid for those bonds—and has retired the capital stock, which is watered, at a price of par at least, the bridge may become the property of the public. I have done it as a lawyer, and I will do it again—arrange for contracts to pay up capital stock by fictitious values—as long as this parliament authorizes it to be done. I have no moral scruples at all if I am engaged as counsel in organizing a company so long as parliament authorizes it; that is, I will draw contracts which will enable my clients to comply with the law. But sitting as a member of parliament, I say that I do not approve of legislation which enables companies exercising public franchises to water their stock to the full limit, and then provide means for the redemption of that stock for cash as if it had been paid up in cash.

Mr. CANNON: I am not as familiar with company operations as my hon. friend, not having had his long experience at the bar. I am quite sure that many abuses could be wiped out, but I do not think his remarks have any relation to clause 12, which authorizes the company to pay for certain things with paid-up shares of their capital stock instead of in cash. The original clause contained the word "services", which we have deleted. We did so to obviate exactly what my hon. friend has mentioned. As the clause reads now the paid-up shares can be given only in payment for any businesses, franchises, undertakings, rights, powers, privileges, and so on.

Mr. CAHAN: My objection is that the deletion of the word "services" leaves it wide open still. No counsel called upon to organize this company need exercise his imagination if he wishes to find either a business, or a franchise, or an undertaking, or a right, or a privilege, or some letters patent, or some invention, or some real estate, or some stock, or an asset, or some other property, which he can place in the contract as the consideration for the issue of the $1,500,000 of capital stock. There is no provision in this section and no provision under the general law which would enable a court to investigate and ascertain whether or not that consideration was of real value to the amount of the stock issued. That is my objection. I am simply calling attention to the present practice, so that the Solicitor General may act with his eyes wide open. I think the time has come when we should be very careful in authorizing these corporations exercising public franchises to issue their stock for a mere nominal value.

Mr. CANNON: The abuse exists in the general practice covering all these companies. This is no exception.

Mr. CAHAN: It is no exception at all.

Mr. KENNEDY: Why make it possible to do so in this case?

Mr. CANNON: The underlying principle of all legislation is that people are supposed to do what is right. People may take hold of a clause passed in entire good faith by this parliament and make a use of it that none of us could foresee; but if we attempt to legislate with that object in view we will never be able to frame clauses to meet all the eventualities which may be brought about by the ingenious brains of modern finance.

Mr. CAHAN: If the promoters of this company exercise the rights which parliament has created and bestowed upon them, I recognize no moral wrong in their so doing. I am

simply calling attention to the fact that these companies do it when authorized by law—as this company will be—and they do not regard themselves as abusing the law or as proceeding in any immoral manner whatsoever; nor do I. But we as trustees in this parliament are doing wrong, for we are creating the opportunity for abuse of the public franchises which we bestow upon such companies.

Mr. CANNON: This clause does not give anybody a legal right to do wrong.

Mr. CAHAN: Because it is not wrong.

An hon. MEMBER: How could they do wrong if they act under a legal right?

Mr. CANNON: The clause gives power to the company to pay with paid-up stock, something which is worth while.

Mr. CAHAN: It does not say so.

Mr. CANNON: Certainly. The clause says:

> The directors may issue as paid-up stock shares of the capital stock of the company in payment for any businesses,

And so on. But if those directors meet and decide to give their paid-up stock for something which is not worth anything, we are not conferring such a right upon them.

Mr. CAHAN: You are giving them legal authority to do it.

Mr. CANNON: They would be simply interpreting the clause in a sense altogether foreign to what it means.

Mr. CAHAN: This clause authorizes the transfer of $1,500,000, the entire capital stock of the corporation, for a patent or invention.

Mr. CANNON: Which is worth something.

Mr. CAHAN: For something which may have no actual value above $100 in cash, and we with our eyes open are authorizing the company to do that. When we once give such authority by statute it is no immoral act, so far as my conviction goes, if the promoters should exercise their statutory rights to the full extent.

Mr. PETTIT: Mr. Chairman, I want to assure hon. members that the water will run under the bridge and not through it.

Mr. CHAPLIN: By this section, Mr. Chairman, we are authorizing the directors to issue $1,500,000 worth of stock. We have an interest in the value of that stock, because the company hold out to us the prospect of this bridge being returned to us. Therefore we ought to put some value on the stock so as to know what it is going to cost us should we take over the bridge. I mentioned this more than once before the committee, but no notice was taken. Now that the hon. member for St. Lawrence-St. George has called the attention of the Solicitor General to the practice to be guarded against, surely he will take some cognizance of the matter.

Section agreed to.

Sections 13 to 15 agreed to.

On section 16—Amalgamated company may borrow money and mortgage property.

Mr. CHAPLIN: Six millions is given away pretty readily.

Section agreed to.

Section 17 agreed to.

On section 18—When property, etc., of company to be conveyed to Dominion and to state of New York respectively.

Mr. CAHAN: I wish to enforce my point; so long as I am a member I intend to do likewise in respect of any legislation of this kind. I have experience in this sort of thing. If the committee is prepared to approve of what I consider an improper provision, then it will do so with its eyes open. Section 18 provides:

> When the corporate obligations of the company and of any of the companies mentioned in sections 14, 15 and 16 of this act, with which this company shall join or unite in the construction of said bridge, shall have been paid—

So far this provision is reasonable, if these corporate obligations are issued at a proper price. But the section proceeds:

> —and their capital stock shall have been retired in the manner prescribed in their by-laws—

The capital stock of $1,500,000 may be issued for a patent right worth $100, and then the by-laws may provide that that stock, of which $1,500,000 has been issued for a real value of $100, may be retired at any price mentioned therein. That is what the section means. So that if the by-law which is passed by the directors of the company, and approved in due course by the shareholders, so provides, this stock of $100 par value, for which less than 1 cent has been paid in actual cash value, may be retired, not at $100 even, but at $200, $300, $400 or at any price they choose. I suggest that in the incorporation of companies exercising public franchises such as this we should direct attention to provisions of this nature. We should consider them with our eyes open and not approve so readily of a section such as this.

Mr. CANNON: The by-laws have to be approved by the governor in council.

Mr. CAHAN: It is quite true that there is this provision:

Provided always that the period for the payment of the obligations of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies' by-laws in respect thereof shall have been previously approved by the governor in council.

Mr. CANNON: In respect of their capital stock.

Mr. CAHAN: If the tolls are sufficiently high to pay, say, 12 per cent upon every share of $100 par value issued, the stock will sell in the market at say twice par; and if the stock is selling in the market—its nominal value being $100—at two or three hundred dollars, and the shareholders come to this government or to a Conservative government, these people who have bought and paid for their stock at this heavy premium will be allowed, under the by-laws of the company, to receive reimbursement on that basis. The difficulty is this: The promotor who procures the issue of $1,500,000 of stock for a consideration worth $100 in real value, or even $1,000, does not continue to own the stock; he is a stock speculator. He puts the stock out on the market and there is turnover after turnover until the stock reaches a premium of perhaps two or three hundred per cent. When the stock is finally transferred to the possession of the shareholder who has paid two or three hundred per cent premium, and when that shareholder comes to the government and asks for the approval of a by-law in respect of its redemption, the government will be in fact morally bound not to deprive him of the property for which he has paid full value. The promoter, however, has put one and a half millions or more into his pocket as a result of the transaction. In my judgment, these public utility companies exercising public franchise, whether they be tramway or railway companies, should not be allowed to issue their stock except for actual cash value, because they are exercising a public franchise, and their tolls should be kept in such ratio or proportion as will enable them to earn an income or dividend of a reasonable rate per cent upon the actual cash which has gone into the enterprise. It is different altogether from an ordinary industrial company, which is not speculative in this sense. They should be kept rigidly down within the usual limitations and restrictions imposed upon companies exercising a public franchise.

Mr. CHAPLIN: This is the last word I have to say on the bill—

[Mr. Cannon.]

Some hon. MEMBERS: Hear, hear.

Mr. CHAPLIN: Some of my hon. friends I know, are impatient, but even they sometimes would like to hear the truth. Some of these people, from the west especially, rail about capitalism and about the manufacturers raising their stock. Let them look at this; here is a chance for them to get busy. Here is a company purporting to hand back to Canada a franchise after they have got through with it and exploited it. When they have done with it they are going to hand it back, and I am trying to get the minister to ensure that they will not hand back a mere empty shell. I have asked him to put a few teeth into the bill, but instead of that every tooth is drawn; there is not one in it. I have asked him to fix the price of the stock, as he can very well do. It is done every day. I ask him for the protection of the country to make some provision in this regard, and if he does not like to do so I am through. I have said my last word.

Some hon. MEMBERS: Carried.

Mr. CHAPLIN: Hon. gentlemen from the west say "carried."

Mr. GEARY: I would point out to the Solicitor General that the proviso in section 18 refers only to the period for retirement; it has nothing to do with other by-laws as regards retirement. The intention is not carried out in the proviso.

Mr. McGIBBON: It seems to me that the Solicitor General, who is piloting the bill—

Mr. GEARY: Pardon me; I should like the Solicitor General to reply to the point I have raised.

Mr. CANNON: First of all, this is a private bill, not a government bill. In the second place, I have taken a special interest in this bill because of its importance. If the bill can be improved, so much the better; there are many lawyers in this committee with a wider experience than I possess, but I thought section 18 as drafted met the situation. If other gentlemen of the committee do not think so, the bill can be amended either here or some other place. This is private legislation.

Mr. McGIBBON: Will the Solicitor General answer the question asked by the hon. member for Lincoln—whether or not he is willing to place a clause in this bill which will provide that the stock shall be retired at a certain price, namely, $110? That will not interfere with the principles of the bill, but it will protect the public.

Mr. CANNON: This is not a matter for me to decide; it is for the committee.

Mr. McGIBBON: Yes, it is: you are the whole works.

Mr. CANNON: I am very glad my hon. friend has that opinion for once.

Sestion agreed to.

Section 19 agreed to.

On section 20—Labour and materials.

Mr. HEAPS: This section refers to Canadian labour, and consequently I think I am entitled to say a few words at this point. Anything which can be placed in this bill to give protection to Canadian labour will have my hearty support, but I am wondering who was responsible for the insertion of this clause. Whoever he may be he deserved to have monuments erected in his honour on both sides of the bridge. Yesterday the Solicitor General told us that this parliament has no jurisdiction on the American side of the bridge, and I am just wondering what effect this clause will have on persons employed on the American end of the bridge.

Mr. CANNON: None at all.

Mr. HEAPS: Then I suppose that when this measure comes before the New York state legislature a similar clause will be included providing that American labour will be employed and American material used as far as it may be practicable to do so.

An hon. MEMBER: Half way across.

Mr. HEAPS: This clause goes all the way across; it says Canadian labour and material must be used in connection with the construction of the bridge as far as it is practicable to do so. The people who will have to interpret this clause may not have to use one cent's worth of Canadian material or the labour of one Canadian workman, and I do not see the use of including a clause of this nature if it cannot be carried into effect. I should like to see a section added to this bill which would give some protection to the men employed on the job, and I would suggest that the Solicitor General insert a subsection giving the men employed on the Canadian side of the bridge the benefit of the fair wage schedule prevailing in that particular part of Ontario. That would be some protection to them at least.

Mr. CANNON: Again I may say to my hon. friend that he is absolutely free to introduce any amendment he may wish, subject to the rules governing discussion in committee, but the work in connection with this bridge will have to be carried on under the general laws prevailing in this country, and labour will be protected by those laws.

Mr. HEAPS: May I ask what laws we have to protect labour as far as wages are concerned?

Mr. CANNON: There is a general law, I understand, having to do with fair wages.

Mr. HEAPS: A Dominion law?

Mr. CANNON: Certainly, and my hon. friend may rest assured that my colleague the Minister of Labour gives a great deal of attention to that particular law. I may add that if my hon. friend has any suggestions to make to my colleague who is in charge of the Department of Labour, they would be very welcome indeed.

Mr. McGIBBON: I rather think the last remarks of the Solicitor General were meant as a joke. In this bill he is giving a private corporation something which should not be given; that is, he is granting a franchise which will create millionaires. Then he is asked what protection he is going to give labour.

Mr. CANNON: The hon. member for Welland is sponsoring the bill; I am not.

Mr. McGIBBON: I agree that the hon. member for Welland is nominally responsible, but the Solicitor General is the main force piloting it through this house.

Mr. CHAPLIN: And through the committee also.

Mr. McGIBBON: Without the support of the Solicitor General it would get nowhere, and I leave it to the consensus of the house if that is not a fact.

Mr. POULIOT: He shows his good judgment there.

Mr. McGIBBON: Perhaps so and perhaps not; I am not disputing the principle of the bill or the good intentions of the Solicitor General; I am merely asking a question. When he is willing to give a franchise which will result in the creation of millionaires, is he willing to protect the public who will have to pay? He has been asked that question before and has refused to answer it.

Mr. CANNON: I take no credit for that clause; it was introduced by the members of the committee, who even went a step further. They received assurances from the people who are behind this bill that Canadian labour would be protected, Canadian material used and Canadian engineers employed.

Mr. McGIBBON: I admire the skill shown by the Solicitor General in evading this question. I am not concerned with anything but this point: The Solicitor General, and the government through him, are willing to grant a franchise which will create millionaires. What is the hon. gentleman going to do to protect the public who will have to pay for all this? That question has been asked a number of times already and he has skilfully evaded an answer. I ask him now whether he is willing to incorporate in this bill a clause providing that these bonds must be retired at a certain price, as suggested by the hon. member for Lincoln.

Mr. CANNON: I am sorry my hon. friend would not take any assurance from me; I will have to ask my hon. friend from Welland to give that assurance.

Mr. McGIBBON: The member for Welland can give us nothing; it is the Solicitor General who can give us everything.

Mr. CHAPLIN: The rather naive way in which the Solicitor General now dissociates himself from the bill is really laughable. I would remind him, however, that more than once he told the committee that he had amendments to offer to different sections of the bill. Now he says, "I could not put in an amendment; such a thing is impossible. Look to the member for Welland for the amendment."

Mr. HEAPS: I should like to move an amendment to section 20 of the bill, to the following effect:

And that the fair wage schedule be paid to the men employed on the Canadian side of the bridge.

Mr. GUTHRIE: I think that is the law of the land as a result of a resolution adopted by this house, and incorporated in all government contracts.

An hon. MEMBER: This is not a government contract.

Mr. GUTHRIE: That is true. I see the point.

The CHAIRMAN: The amendment suggested by the hon. member cannot be accepted at this stage. Standing order No. 113 reads as follows:

No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

The hon. gentleman's amendment is certainly an important one.

Mr. GUTHRIE: He can give notice of the amendment.

[Mr. Cannon.]

Mr. HEAPS: I point out to you, Mr. Chairman, that a few moments ago the Solicitor General informed the house that the fair wage schedule would operate as far as this particular bill was concerned. Now in proposing this amendment I am only proposing something which may be accomplished by some other method, or may be made effective through existing law with which personally I am not very familiar. I cannot understand, Mr. Chairman, how you can call an amendment of this nature an important amendment when it does not change the character of the bill in any way, shape or form.

The CHAIRMAN: My ruling was not based on the importance of the amendment at all. According to the rules it cannot be admitted. If we admitted the amendment at this stage we should only be establishing a precedent that would give us trouble at another time.

Mr. HEAPS: A few minutes ago the Solicitor General suggested that we could make amendments to the bill.

Mr. CANNON: Under the rules, I said.

The CHAIRMAN: There is a way by which amendments can be considered. One day's notice must be given to enable the amendment to be printed in the votes and proceedings.

Section agreed to.

Section 21 agreed to.

The CHAIRMAN: Shall the preamble be adopted?

Mr. EVANS: Before the preamble carries I should like to say a word on the principle embodied in this bill. You are giving power in this bill to a private company to construct a public utility. This bridge is to be constructed over the Niagara river, and no doubt in the future it will become very valuable to the company which owns it. To my thinking private ownership of a public utility is always an evil. We have found that out in the west, and sooner or later the government, or parliament, or the public themselves, have to deal with the situation thus created. We in the west have found that it has been necessary to take over practically every public utility with which we have had to do since settlement started in that country. There is some difference in eastern Canada and western Canada regarding public utilities. The idea in connection with a public utility is that all the work shall be done at cost. It seems that in eastern Canada, owing to protective privileges, it is possible to pass on the cost ultimately to a portion of the

community that has no means of obtaining relief from the burden. This bill grants to a company a charter which I believe is being secured for the purposes of trading. It is a piece of legislation which gives power to the company to do a great deal of charter mongering. I have more than a suspicion, by the way, that certain clauses of this bill will permit this company to amalgamate with other companies, and that the charter is being secured for no other purpose than to rake in the dollars.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Order.

Mr. EVANS: Levity is all very well, gentlemen, but this legislation is too serious to go through without a good deal of thought, and I am surprised to see men representing constituencies in the west sitting down and taking this thing so coolly. Whether this enterprise is to be located in eastern Canada or in the west the matter is one which affects the whole nation. It is in reality a national affair, and I feel that the putting of this great public utility in private hands is an evil that will be felt more and more in the years to come. When this measure came up in the committee on railways and canals last year I opposed it on the ground that it was a public utility which should never be allowed to go into private hands. It is international in its character, and if it is needed the two nations concerned should carry out the work. It should be done as the result of a joint agreement between the two countries, just as is proposed in the case of the St. Lawrence deep waterway. It can only be carried out as the result of a definite plan carefully studied in advance. It is certainly in the interests of the whole of Canada that the granting of charters of this kind to private companies—

Some hon. MEMBERS: Carried.

Mr. EVANS: —for the sake of gain should be stopped.

Some hon. MEMBERS: Carried.

Mr. EVANS: This may seem odd to some hon. members—

Mr. SPEAKER: The hour for private bills having expired, the house will now revert to the order: House in committee of ways and means.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: We are considering item 537:

Customs tariff—537. Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk nor wool: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. ROBB: Prior to six o'clock there was some inquiry and some uncertainty as to how the change would affect the industry and certain comparative statements were made as between the former yarn items and the proposed yarn items.

Mr. BENNETT: The hon. member for Vancouver Centre (Mr. Stevens) has to be absent for an hour and I wonder if the minister would go on with another item. The hon. member would like to speak further to this one.

Mr. ROBB: I will wait until he returns.

Item stands.

Item 538 agreed to.

Customs tariff—538a. Articles which enter into the cost of the manufacture of binder twine, or twine for harvest binders, when imported for such use exclusively by manufacturers who manufacture such twine only: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. KENNEDY: Does this include machinery for making binder twine?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—539. Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. BENNETT: What change?

Mr. ROBB: No change.

Item agreed to.

Customs tariff—540. Woven fabrics, wholly of flax or of flax and cotton, not bleached, mercerized nor coloured, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. ROBB: I beg to move that the following be substituted for item 540:

Customs tariff—540. Woven fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton, not bleached, mercerized nor coloured, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. MANION: Is this another increase? The rates are increased, are they not?

Mr. ROBB: Yes.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—540a. Woven fabrics, wholly of flax, or of flax and cotton, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 32½ per cent.

Mr. ROBB: I beg to move that the following be substituted for item 540a:

Customs tariff—540a. Woven fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 32½ per cent.

Mr. KENNEDY: Does this represent an increase or a decrease in the duty generally, the imports being taken into consideration? It looks like an increase.

Mr. ROBB: It is an increase in part. Also, it puts hemp in along with flax.

Mr. KENNEDY: What is the purpose of the increase? Is it to protect some particular industry in Canada, and if so, what industry?

Mr. ROBB: It is to encourage the flax industry particularly that has been started out in the western provinces.

Mr. BENNETT: May I direct attention to the fact that at the last sitting we dealt with the cotton schedules? Is the repetition of the word "cotton" in items 540 and 540a not unnecessary?

Mr. ROBB: There is "n.o.p." there.

Mr. BENNETT: But there was "n.o.p." in the cotton schedules also. This says:

Woven fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton.

Mr. ROBB: The cottons are wholly of cotton. These are mixtures.

Mr. BENNETT: As the item is amended it reads:

Woven fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton.

That is covered in the cotton schedules.

Mr. ROBB: This may be a mixed product. The others are wholly of cotton.

Mr. KENNEDY: Why is there a cotton item in this? I thought we were separating the cotton altogether from the flax, hemp or jute?

Mr. ROBB: This may be a mixed product.

Mr. FANSHER (Lambton): Is this item not passed on by the tariff board?

Mr. ROBB: Yes.

[Mr. Manion.]

Mr. FANSHER (Lambton): Is this increase their recommendation?

Mr. ROBB: Yes.

Mr. ADSHEAD: Do I understand the minister to say that the tariff board had recommended something? I thought they were a fact-finding body.

Mr. EVANS: I wish to point out to the minister that this is a finished article upon which the consumers have to pay about the highest rate of duty. He says that the tariff board have considered this and have given their advice on the matter. We have been placing on the free list certain yarns and other things that go into the manufacture of this article. The government is, under this item, again by legislation discriminatng between the rights of one citizen and another. I am wondering if the minister can say that this is a scientific tariff. That has been the slogan in this house for a number of years. Is it a scientific tariff when the consumer has to pay about the highest rate of duty on an article while everything that enters into its manufacture comes in free? Why cannot this go on the same plan as the binder twine where the material is allowed to come in free and the finished article is free of duty to the consumer? It is rather strange to me that we shall go on year after year—and we have revised the tariff many times during the last twenty-five years—carrying on in this way which is calculated to keep up the cost of living and to put an undue profit into the pockets of the manufacturers. We are told that this is a scientific tariff. Not only have we been carrying on in this way, but this year we have passed items that are calculated to impair the public revenue without any compensation whatever to the consumer. It it time that we called a halt to this kind of thing. Perhaps free trade is not advisable at the present time, but let us have a uniform tariff. Are we a commonwealth or are we not? Is there in this house a ruling class that has a divine right to rule? It looks as though the government has again, without any consideration whatever, coolly set this item down for the benefit of a privileged class. I could not let the item go through without entering this protest.

Mr. ADSHEAD: I did not spring my question with the idea of trapping the Minister of Finance at all. Perhaps the minister just made a slip of the tongue. It is very important that we should know whether the tariff board made recommendations or not. I understood the minister to say yes. I think we are entitled to the information whether the tariff board is simply a

fact-finding board or not. If they have made recommendations, I think the committee should know as to what schedules they have made recommendations.

Mr. ROBB: I thought I made that clear last week when we were first discussing these items. The tariff board is called in consultation and sits around a table with the ministers and the officers of the departments, not only the Department of Finance but the Department of National Revenue. Having heard all the inquiry, the tariff board naturally have a round-table talk as to what is fair and best to the producer and the consumer, and this is the result that I now bring to parliament.

Mr. KENNEDY: When the minister says the tariff board, does he mean the three members of the board?

Mr. ROBB: I mean the three members of the tariff board if they are present in the city, and if they are not all present, the members of the board who are here.

Mr. FANSHER (Lambton): I notice there is quite an increase in some of these rates. Was this item passed on by the tariff board and an increase in the rates recommended?

Mr. ROBB: This is the same item in regard to which I gave an explanation a moment ago.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—540b. Woven or braided fabrics wholly of flax or cotton, or both, generally known as tapes or webbing, not exceeding twelve inches in width, with cut pile or not: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 540b:

Woven or braided fabrics, wholly of flax, hemp or cotton, or of flax, hemp and cotton, generally known as tapes or webbing, not exceeding twelve inches in width, with cut pile or not: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—541. Woven fabrics, wholly of hemp, or jute, or both, not bleached nor coloured, n.o.p.: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 541:

Woven fabrics, wholly of jute, not bleached nor coloured, n.o.p.: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Amendment agreed to.

Mr. KENNEDY: Is this an increase or a decrease, or is it simply a balancing of two items?

Mr. ROBB: There is a net reduction in taxation on the basis of last year's importations of $374,032. The importations last year under item 545 were $400,577 from the United Kingdom, $33,122 from India, $65,435 under treaty rates, and $26,513, under the general rates, from the United States. That makes a total of $525,647. The imports under item 546 were, British preference, $5,066,069; general, $1,298,888. The net reduction in taxation is $374,032.

Mr. KENNEDY: This is a manufacturer's item, is it not?

Mr. ROBB: Yes, but not entirely.

Mr. KENNEDY: In item 541 we have a reduction, and in item 540a, which we have passed, apparently we have an increase in the finished article. So we are giving a little more free trade in what they buy, and a little more protection on what they sell.

Mr. ROBB: No, it does not work out that way.

Mr. KENNEDY: I think I ought to have an answer. The two items are surely related.

Mr. ROBB: I cannot give my hon. friend any more information than I have given him already. I have given the importations and stated that there is a net reduction in taxation of $374,032.

Mr. KENNEDY: But my point is that item 540a covers the same material, except that it is advanced a further step in the finishing process. One fabric is bleached and the other is unbleached. The unbleached gets a reduction and the bleached gets an increase; that is the point.

Mr. ROBB: My hon. friend probably has not noticed the amendment which has just been read. Item 541 deals with fabrics wholly of jute under the amendment that has been submitted.

Mr. KELLNER: The minister quoted a reduction in taxation of something over $300,000 with respect to item 545. That item was on the free list, so how could there have been any revenue from importations under that item? Where does the reduction come in?

Mr. ROBB: I did not quote a reduction in taxation on that item. I estimated that there was an increase of taxation of $5,000, but that the net reduction in taxation on the two items was $374,032.

Mr. BENNETT: If the minister will look at the schedules, he will find that commencing with item 540 and going on to 542a, which includes fabrics of jute, hemp, flax and woven or knitted fabrics, under the proposed rates there is but one of these items free under the British preferential tariff, and that is the largest one. Before the minister touched the tariff, there were several of these items free, according to the tariff I have under my hand. Now how can it be that there is a loss in taxation in applying the new rates as compared with the old, when under the new rates there is only one item free under the British preferential, whereas there were several before?

Mr. ROBB: I am giving my hon. friend the net reduction.

Mr. BENNETT: But how can it be so when there is only one item left free, and there were several free before?

Mr. ROBB: The importations were small.

Mr. BENNETT: They must be coming in under the treaty rates or under the general tariff. Item 541 deals with woven fabrics, wholly of jute, not bleached nor coloured, and that is the only item free now under the proposed rates under the British preferential tariff.

Mr. DUNNING: Was that free before?

Mr. BENNETT: Yes.

Mr. DUNNING: I am advised the rate was 7½ per cent before.

Mr. BENNETT: That is the trouble. It is now a comprehensive item. Part of the item under the British preferential tariff is free, but prior to the tariff being changed, more than half of these items had the right to free importation either under the British preference or under the general or treaty rates. I cannot for the life of me see how the minister makes out a net reduction, unless he applies the general tariff to items that are now free under the British preference.

Mr. ROBB: The imports are very small. There is an increase of $5,923. The big reduction comes in the other item, where there is an estimated decrease of $379,000.

Mr. GEARY: Has the minister any figures under his hand to show what amount of jute cloth under 546 is manufactured in Canada?

[Mr. Kellner.]

Mr. ROBB: No, I have not those figures.

Mr. GEARY: We were told that item 546 was imported from the United Kingdom to the extent of some five million dollars. Is that article manufactured at all in Canada?

Mr. ROBB: Not to any extent.

Mr. GEARY: So that is not a tax on any manufactures here?

Mr. ROBB: No.

Mr. CHAPLIN: I noticed in the regular tariff schedule at page 74 that starting with 539 every item is free all the way down to 546. It looks to me as if somebody, perhaps the tariff board, has just mixed them all up so as to confuse everybody except those in the trade.

Mr. ROBB: My hon. friend is proceeding to argue on items that I have allowed to stand to suit the convenience of the hon. member for Vancouver Centre (Mr. Stevens), who is absent. When he returns I will explain that the imports under those items do not amount to anything substantial; one was less than a thousand dollars, and there were no imports of any kind under another item.

Mr. CHAPLIN: I am saying that from 539 right down to 546 there is not one single item but what is free.

Mr. BENNETT: That is in the old tariff.

Mr. CHAPLIN: Yes. Now we have a similar list with only one free item in it.

Mr. ROBB: I will explain it when the hon. member for Vancouver Centre returns, or I will take the items up right now. I am willing to do anything to suit my hon. friends.

Mr. BENNETT: My hon. friend the minister does not quite appreciate the point of the hon. member for Lincoln. We are not dealing with 537 or 537a. If the minister will look at the old tariff, commencing at item 539, which deals with fibre from Mexico and other places, and follow down the list to 545, he will find that in an amendment made by Mr. Fielding all the items were placed on the free list for the British preference, for the treaty tariff and for the general tariff. The new tariff now submitted by the minister removes every one of those items from the free list, except one which is left free under the British preference. The net result is that instead of being a reduction in the tariff there is an increase—very trifling, it is true, but still an increase.

Mr. ROBB: My hon. friend is now discussing the very items which he asked might stand until the hon. member for Vancouver Centre returns.

Mr. BENNETT: The items which stood at my request are 537 and 537a, rovings, yarns and warps wholly or in part of vegetable fibres. My hon. friend from Vancouver Centre is now here.

Mr. ROBB: But they include now 542, 543 and 543a. We might pass 541 and revert to item 537.

Amendment agreed to.

Item 541 as amended agreed to.

Customs tariff—537. Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk nor wool: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. ROBB: Prior to six o'clock we had some inquiry as to these items. The proposed items are 537, 537a, 542, 543, 543a, 750 and 711. For administrative purposes several of the former items are consolidated in one or two of the new, and these lose their identity as wholly free items; but the jute and hemp yarns for weaving which formerly entered free under item 542, and the linen yarns for weaving which formerly entered free under 543 and 543a will continue to enter free for weaving in so far as the British preference rate is concerned, and the British preferential rate is the effective rate. Such portions of these yarns imports as formerly enjoyed free entry for purposes other than weaving, that is, for making twines, will now be subject to 12½, 17½ and 25 per cent. That is, item 537, if single; and at 20, 22½ and 25, under 537a, if plied. The so-called twines will themselves enter under the latter item, thus leaving the spread in the British preference rates of from 12½ to 20 between the yarn for twines and the twines themselves. No single former item is absolutely comparable with any single new item. Portions of imports under various of the old may enter under various of the new items. The imports shown herewith are necessarily under the former items. I will give my hon. friends the importations. Under 542, jute and hemp yarn for weaving twines, and so forth, the total importations were $513,191. Two thirds of these importations, or $338,107, came from the United Kingdom. Item 543, linen yarns for weaving, the total importations were $155,866. About 60 per cent, or $91,105, came from the United Kingdom. Item 543a, linen yarns for hollands. What were the total imports of this item? Nil. There were no imports from any country. Item 750, yarns of all kinds for tape lines. The linen portions are not traceable. The total importations were $936—all from the United States.

It was intimated earlier in the day that the changes would be beneficial only to one mill, but I find that the home production of twines was 2,818,600 pounds. Of this total the Doon mills produced 807,296 pounds, or a little less than 29 per cent. In this connection may I point out that this particular mill spins its own yarns and converts them into twine.

Mr. STEVENS: Mr. Chairman, I have no quarrel with the statement made by the minister; I think it is quite accurate. The only point I desire to make, and which I had hoped we might manage to meet successfully, was the fact that the manufacturer of twine will now be placed at a disadvantage as compared with other manufacturers who come under section 537c. I suggested to the minister two alternatives, one of which was an increase in the general protection to the manufacturer of twine on his finished product, comparable to the increase in the duty on yarns which go into the manufacture of that twine. The other alternative would be to put the manufacturer of twine under item 537c. If, for instance, you are putting under item 537c the factory weaving fabrics or using yarns for insulating wire, it seems reasonable to me to bring the manufacturer of twine under the same head. It is such elementary justice as must appeal to the minister, and I thought that after the dinner adjournment he would be prepared to concede the point.

Mr. ROBB: I was fair before the adjournment.

Mr. STEVENS: I do not wish at all to irritate the minister; I am not offering these criticisms in any captious spirit. I quite appreciate the fact that these schedules are exceedingly intricate, complex and technical. But the point I have made is so utterly clear to me that it seems to permit scarcely of any argument. Even at the risk of being considered harsh, I would put it this way: it looks to me like penalizing the manufacturer of twine. I wonder whether the minister would consent to let this item 537c stand for a few days in order to give those affected by it an opportunity to discuss it further with him, just as he has been good enough to allow the other item in the cotton schedule to stand for a short time.

Mr. ROBB: If I allowed this item to stand from now until Christmas the various industries concerned would not get together. They all want to get the big end of the stick. I have looked into the matter carefully and the officers of the department have also gone

into it very closely and we feel that the division of protection is fair and reasonable. I do not want to repeat figures I have already given, but I would remind my hon. friend that under the division one of the industries thinks it's share of protection should be 13.33 instead of 12.50, as it is now. In another case the figures are 5.50 and 4.66 respectively. I do not think that either my hon. friend or I could make a tariff that would suit everyone in the trade, and I do submit that the division is fair.

Item agreed to.

Items 537a, 537b, 537c and 541a agreed to.

Customs tariff—541b. Woven or braided fabrics, wholly of jute, not exceeding twelve inches in width: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. BENNETT: This is the item as amended?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—542. Woven or knitted fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, artificial silk nor wool: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. BENNETT: What is the position of this item?

Mr. ROBB: The present rates, 22½, 30 and 32½, and 17½, 32½ and 35 are included in one classification, the new rates being 20, 27½ and 30 per cent. The estimated reduction in taxation, on the basis of last year's importations, is about $2,000.

Mr. STEVENS: The minister might explain one thing that is common to several of these schedules. Why is it that vegetable fibres are all grouped together? For instance, hemp, manilla, hemp fibre and jute are all grouped under "vegetable fibres." Is it considered by the experts a proper grouping? If so, why?

Mr. ROBB: The object is to separate the cottons, woollens, linens and flax and these other fibres and make a new classification. We are also providing for cases where the product is mixed.

Item agreed to.

Customs tariff—542a. Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

[Mr. Robb]

Mr. BENNETT: What change is there?

Mr. ROBB: There is no separate classification of imports, but there will be a slight reduction in taxation, which is included in the figures shown under 542. The changes are from 22½ to 20, from 30 to 27½, and from 32½ to 30.

Mr. BENNETT: Is that a fair way of giving information to the committee? My hon. friend tells us what the value of the imports is, and yet he says—

Mr. ROBB: I said there was no separate classification of imports.

Mr. BENNETT: Then how can the minister say what the loss in taxation will be?

Mr. ROBB: I say there is a slight reduction in taxation which is included in the figures shown in item 542.

Mr. BENNETT: Exactly. Then the figure the minister gave a little while ago included the importations that are now covered by this item?

Mr. ROBB: Yes.

Mr. BENNETT: That bears out the point I was trying to make, that the effect of regrouping these items is to maintain the taxation at a slightly higher scale than it was before. I estimate it anywhere from 2 to 5 per cent; taking the figures given to-day it cannot be less than that. The only point I wish to make is that there has been no reduction in the items but a steady increase, if you take them in the aggregate. It is perfectly clear; it is only a question of mathematics.

Mr. ROBB: I do not want to take up the time of the committee repeating the figures I gave last week, but I have already pointed out that the total reduction involves $1,000,000 odd.

Mr. BENNETT: Fortunately some of us have learned how to compute; some of us know a little about mathematics. When the minister expects us to believe that there has been a reduction, after telling us that there is no separate classification, he is putting an undue strain upon our credulity. If you cannot make a computation and are merely guessing, say so; if, on the other hand, you have data on which to make calculations, give them to us. But do not guess and try to mislead the country into believing that you are doing something which as a matter of fact you are not doing. Do not try to make us believe that you are reducing the tariff when as a matter of fact you are taking a number of items, lumping them together,

making some free and others dutiable, and presenting a tariff which involves taxation which is higher than existed the day before you touched the schedules. This adroitness and skill in the use of words cannot disguise that single-simple fact. That is the point. I can add two and two together and make four. I do object when the minister tries to take two and two and make five: he must take three and two to make five, and that is the whole objection. I sent for the statutes this afternoon and showed him the items which had been taken from the free list, but now he says that in the aggregate they are losing money. I say that in the aggregate the government will make something like 3 per cent more under these items than was the case before the changes were made.

Mr. ROBB: I am delighted to have that statement from my hon. friend; all I ask is that he try to convince the trade of the country that he is right. I venture to say that before these items are all passed we shall be told by hon. gentlemen opposite that we are reducing the tariff.

Mr. BENNETT: Once again we have the old story that hon. gentlemen on this side are standing in the way of this, that, and the other thing, while hon. gentlemen opposite are removing protection and so on. That is all so much piffle. Let us get down to business, and the point is this: Should this government endeavour to induce this house to believe it is doing something which in reality it is not doing? I say to the minister that on the statement he has given to the house in connection with these items we have been discussing, hemp, jute, flax, vegetable products other than silk and the combinations of cotton, there has been a slight increase which is capable of being shown in exact percentages. I am not objecting to the minister raising the tariff where he thinks it is desirable, but I do say he should make it clear to the house that he is not doing what he said he was endeavouring to do. In other words, the western Canadian should not be led to believe that there has been a lowering of the tariff, while the eastern Canadian is led to believe the tariff has been raised. Let us face the matter frankly; the minister is taking the responsibility of doing these things and that is all there is to it, but let us ascertain what the changes are and what the probable results will be. Surely that is not unreasonable. The minister seems to think it is necessary to offer an apology for raising the tariff, but he explained it very clearly when he said that it was considered desirable and reasonable that the protection should be divided in the manner indicated. We do not object to that: we have nothing to say when he states that he finds protection necessary and that he divides it up between these two classes as he thinks desirable. That is perfectly all right: that is what we think should be done, but do not let him say in the next breath that he is removing protection to give free trade as they have it in England.

Mr. ROBB: I did not say that.

Mr. BENNETT: I will admit that the hon. gentleman did not use those words, but at least the language he used this afternoon and this evening will prevent one of his distinguished colleagues from telling the people of western Canada how we have higher and higher protection on the one hand and lower and lower protection on the other. That is the position. We desire the minister to be frank with us, and I admired him a moment ago when he said protection had been found necessary and that it had been divided up between the two classes. That is the proper way to maintain a scientific tariff. We do complain, however, that you do not give us the facts upon which we may decide whether the tariff is scientific or otherwise except at odd intervals, and those intervals are so few that we are surprised when they do come along. However, when the Prime Minister gets loose in the hustings and tells us how his party has reduced the tariff, I will refer him to the language of his Minister of Finance, who now says that the government have found protection necessary.

Mr. STEVENS: Would the minister give us the imports of velveteen from Great Britain under these items?

Mr. ROBB: I will come to that later, and will give it to my hon. friend.

Mr. STEVENS: It comes under this item, unfortunately.

Mr. ROBB: I am told it is under three items.

Mr. STEVENS: In the absence of information I can only say that item 542, which covers linen velveteen, carries a duty now of 20 per cent, 27½ per cent and 30 per cent, while the old duty was 17½ per cent, 32½ per cent and 35 per cent, and it is obvious that the major importations are from Great Britain. Thus the British preference shows an increase in duty of 2½ per cent. I am not complaining about the increase, but I am pointing out that in the absence of information for which I have asked we cannot offer any intelligent criticism.

The CHAIRMAN: Carried.

Item agreed to.

Customs tariff—543. Sail twine and canvas of hemp, or flax, imported for use in the manufacture of boats' and ships' sails: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. ADSHEAD: May I ask the minister whether the largest importations are under the general tariff or under the British preference?

Mr. FRASER: And would the minister give us the details of the importations as well?

Mr. STEVENS: We have not passed item 542a yet.

The CHAIRMAN: I called it.

Mr. STEVENS: We cannot interject an observation if you simply read an item and then declare it carried. We ask that you pause at least long enough to enable hon. gentlemen to speak.

Mr. ROBB: Then let us consider item 542a.

Customs tariff—542a. Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Some hon. MEMBERS: Carried.

Mr. STEVENS: My hon. friends will not make progress by calling "carried" the moment an item is called and before we have time to look at our documents. We are going to have a look at these items if we do nothing else. Because some hon. gentlemen take no interest at all in the matter is no reason why others who are trying to take a little interest should not have an opportunity to do so.

Mr. FRASER: Is there any reduction in taxation under this item?

Mr. ROBB: A slight reduction, which is included in the figures given for item 542.

Mr. STEVENS: This is all right, as far as I am concerned.

Item agreed to.

Customs tariff—543. Sail twine and canvas, or flax, imported for use in the manufacture of boats' and ships' sails: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. ADSHEAD: I was asking whether the importations under that item come under the British preferential tariff or the general tariff, because it would appear that there is a reduction of 5 per cent in the British preferential, with an increase of 5 per cent in the general tariff.

Mr. ROBB: That is a very reasonable question. The total imports amounted to $4,400, of which $3,590 came in under the British preferential.

Mr. GUTHRIE: That will now come in free?

Mr. ROBB: Yes, it will be free under the British preferential.

Item agreed to.

Customs tariff—544 agreed to.

Customs tariff—544a. Handkerchiefs consisting of woven fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented. British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff 33½ per cent.

Mr. McGIBBON: I would like to suggest that we be given a little more information than is contained in this sheet which is placed in our hands. There is nothing in it at all, and I for one object to proceeding with the consideration of these items when we have practically no information before us. It is all very well for the Minister of Finance and perhaps two or three of the leading men on this side of the house to have more complete information, but I submit that we cannot intelligently discuss these matters with no information before us.

Mr. ROBB: The only change in the amendment I have just read is that the word "hemp" is put in. The total importations will be found under 544b. These classes are separated. The total imports were $412,000. It is estimated that one-half of them come into each class.

Mr. CHAPLIN: What was the old number?

Mr. ROBB: It was 575.

Mr. STEVENS: This again is an illustration of the conundrum with which the committee is confronted. Here we have an item indicating handkerchiefs — handkerchiefs of linen plain and handkerchiefs of linen fancy, two items. By this measure we have repealed item 575 in the old tariff. Item 575 in the old tariff is a very long one, and includes the following:

Embroideries, n.o.p.; lace, n.o.p.; braids, n.o.p.; tapes of cotton or linen not over one and one-quarter inches in width, not including measuring tape lines; fringes, n.o.p.; cords; elastic, round or flat; garter elastic; tassels;

handkerchiefs of all kinds; lace collars and all manufactures of lace; nets and netting of cotton, linen, silk and other material, n.o.p.; shams and curtains, when made up trimmed or untrimmed: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Now I presume, in the absence of any statement to the contrary, that these items appear in some other classification. I point out to the minister the difficulty with which we are confronted in estimating the changes that are made. It is rather amusing—though I am not complaining about the rate—that the minister made a statement the other day that the outside tariff he is going to permit in his rates is 30 per cent.

Mr. ROBB: On cottons.

Mr. STEVENS: Oh, that was limited to cottons? I see.

Mr. ROBB: Does my hon. friend suggest that we should reduce this?

Mr. STEVENS: No. That is an old trick of the minister, the minute we criticize an item or ask any question.

Mr. ROBB: I just wanted to know where my hon. friend stood.

Mr. STEVENS: I stand for the protection, I tell my hon. friend very frankly, of Canandian industries, a protection that is fair and reasonable.

Mr. CHAPLIN: The minister just said that no item was larger than 30 per cent in the case of cotton.

Mr. ROBB: With one exception.

Mr. CHAPLIN: What was that exception?

Mr. ROBB: I do not remember, but I made that statement with respect to cotton last week.

Mr. CHAPLIN: Here we have a new item 544b, handkerchiefs composed of flax or of flax and cotton.

Mr. ROBB: Those are mixtures.

Mr. CHAPLIN: Then you do not consider the mixtures although under the general tariff you provide a rate of 35 per cent? Why make the distinction between cotton in the one case and the mixtures in the other?

Mr. ROBB: These are cotton linens.

Mr. STEVENS: When it relates to cotton linens it changes its nature?

Mr. CHAPLIN: I must say I am quite satisfied.

Mr. KENNEDY: I want to ask the minister why he distinguishes between plain and fancy handkerchiefs, and if he thinks it will make it any easier to administer the law, or make it any easier for the customs officials? Under the old item 575 all kinds of handkerchiefs came in at certain rates. Now we have one rate for plain handkerchiefs and another rate for fancy handkerchiefs.

Mr. STEVENS: The rate is a little lower for the plain people.

Mr. ROBB: Both are reductions, my hon. friends will admit that. Is it not reasonable that what might be considered in part a luxury should pay a higher tariff?

Mr. KENNEDY: I do not think a fancy handkerchief is very much of a luxury.

Mr. BANCROFT: One is for show and the other for blow.

Item agreed to.

Customs tariff—544b. Handkerchiefs composed of flax, or of flax and cotton, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 544b:

Handkerchiefs composed of flax, or of hemp, or of flax, hemp and cotton, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—545. Lace and embroideries, wholly of flax, or of flax and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of underwear in their own factories: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 545.

Lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. KENNEDY: What does the general public have to pay for uncoloured lace when they bring it in?

The CHAIRMAN: Carried ?

Mr. KENNEDY: No, Mr. Chairman, it is not carried, I am asking for information. This relates to lace imported by manufacturers for use in their own factories. What rate of duty do other people have to pay?

Mr. ROBB: We have passed some of these in the cottons, and some in the linens.

Mr. KENNEDY: Under the old item 526 we had white and cream coloured lace and embroideries, of cotton or linen, and the rates were, 12½ per cent, 17½ per cent and 20 per cent just the same as is proposed here.

Mr. ROBB: Yes.

Mr. KENNEDY: This is a new item 545 which deals with lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories. What happens to the balance of the list that will not come in under this item but came in under the old item? Does it come in to a higher or a lower class?

Mr. ROBB: It has been passed in some of the other items. This is the manufacturers' raw material I take it. There is no change. Part of it is in 529.

Mr. KENNEDY: There is something wrong with that information. Item 529 is exclusively a cotton item. This 545 is a hemp and jute item.

Mr. ROBB: I gave my hon. friend the information some time ago.

Mr. KENNEDY: Does the minister say I have that information?

Mr. ROBB: I gave my hon. friend that information.

Mr. STEVENS: The hon. member is quite right. We are repealing an item which is a general item:

White and cream coloured lace and embroideries, of cotton or linen.

The rates of duty were 12½ per cent, 17½ per cent and 20 per cent. We are making a new item which is very similar, but it limits it to importations by manufacturers. Now the hon. member is asking what the general public, not a manufacturer, will pay for white and cream coloured lace and embroideries, of cotton or linen?

Mr. ROBB: Those are all in items 529 and 565.

Mr. KENNEDY: The point is with reference to cotton lace, flax, hemp and jute lace and wool. Flax, hemp and jute lace is brought in by the manufacturers at the old rate. What I am wondering is where is provision made for flax, hemp and jute lace to be brought in by the general public if they want it, because under the new definition they are excluded from importing it at this rate.

[Mr. Kennedy.]

Mr. ROBB: I am advised by the officials that most of it comes under the former item at the same rate as now. It was administered as a manufacturer's item before.

Mr. STEVENS: But it cannot come in.

Mr. ROBB: Not now.

Mr. STEVENS: It may have come in before, but where will it come in now?

Mr. ROBB: I am advised that the cotton items will come in under item 529, and the flax, hemp, jute and silk items will come in under item 565.

Mr. STEVENS: Then we have this rather peculiar position. Taking the minister's answer, we find that this item is increased from 12½, 17½ and 20 per cent, to 20, 27½ and 30 per cent in one case, and to 25, 32½, and 35 per cent in another case. So the minister again has made an increase in the tariff.

Mr. ROBB: On a very small portion.

Mr. STEVENS: That is what the minister says every time. One would gather that the amounts were very small. What were the importations under item 526 of the old tariff?

Mr. KENNEDY: I am not raising any special objection to this, but I am pointing out to the minister that there is need for another item or another definition. I do not see how you can classify flax, hemp and jute as silk and art silk, and if it is the purpose to divide the cotton from the flax, hemp, jute and wool, another item would be required to deal with importations of that kind. It is not so very important.

Mr. ROBB: If there is no objection we will let the item pass.

Item agreed to.

Customs tariff—546. Articles made from fabrics, finished or unfinished, and all textile manufactures, wholly of hemp or of jute, or of both, n.o.p.; fabrics, wholly of hemp or jute, or of both, coated or impregnated: British preferential tariff, 12½ per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 546:

Articles made from fabrics, finished or unfinished, and all textile manufactures, wholly of jute, n.o.p.; fabrics wholly of jute, coated or impregnated: British preferential tariff, 12½ per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. FRASER: What are the importations under this item, which is a rather complicated one?

Mr. ROBB: A number of items are included. Most of the imports come in under item 537. The amount is $197,413.

Mr. FRASER: Is that under the British preference?

Mr. ROBB: That is the total. I do not know what comes in under the British preference.

Mr. FRASER: The minister does not have them classified.

Mr. ROBB: No. There is an estimated reduction there of $18,654.

Mr. KENNEDY: I understood the minister to say that the important item was number 537, manufactures of flax. On page 187 of the Trade of Canada I find:

Other manufactures of hemp or flax, or of which hemp or flax is the component material of chief value, n.o.p. (dutiable).

That seems to be the only item. In 1926, the amount that came in under the general rate was $39,959; under the preferential rate, $34,886, and under the treaty rate, $4,434. The largest amount came in under the general rate. Unless there is a big change in the importations, there is practically no change under the two items except in the British preference, where there appears to be a reduction of approximately 7 or 7½ per cent. The general tariff, under which most of the imports come, is held at the old rate. That is the corresponding item.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—547. Bags or sacks of hemp, linen or jute, and cotton seamless bags; bags in which cement or lime mentioned in tariff item 290 is imported: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. KENNEDY: There appears to be a little discrimination in favour of the cement people and against the farmers. This is the item under which we get our grain sacks, bags of linen and cotton seamless bags—15, 17½ and 20 per cent. The rates are the same under the new item. Bags for cement come in under a tariff of 15, 20, and 20 per cent, or a difference of 2½ per cent in the intermediate tariff. The minister should have shown more consideration for agriculture. The farmer does not get much benefit from protection as we have it to-day, and as the cement manufacturers do receive some benefit, possibly they should not be considered in this slight reduction.

Mr. ROBB: There is a decrease in one column. This does not cover bags imported by the cement manufacturers in Canada. It is to cover the case where cement or lime is imported. The language is the same as it has always been in the past, but it is brought into this classification.

Mr. KENNEDY: This covers containers for cement?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—548. Clothing, wearing apparel and articles, made from woven or knitted fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing silk, artificial silk, nor wool, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 548:

Customs tariff—548. Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. KENNEDY: Is this an increase or a decrease? It has all the appearance of a pretty stiff increase.

Mr. ROBB: The imports for the year ending March 31, 1927, were $21,733.

Mr. KENNEDY: That is under the whole item?

Mr. ROBB: Yes. The estimated reduction is $396.

Mr. ADSHEAD: Were the importations mostly under the general tariff or the British preference?

Mr. ROBB: I have not that information.

Mr. KENNEDY: I called the minister's attention before to a tendency which seems to be fairly general, and that is to increase, with one or two exceptions, the rates on oiled fabrics and oiled goods. Here, for instance, we have an increase from 20, 27½ and 30 per cent to 22½, 30 and 35 per cent. Item 546 is an exception, but the general tendency seems to be to increase the tariff on oiled fabrics. What is the reason?

Mr. ROBB: I have the following memorandum on that: The oiled textile referred to as incorporated under new item 532, at 22½, 25 and 30 per cent, is not a clothing fabric,

but coated or impregnated fabrics. In the reclassification, coated or impregnated fabrics are placed in the fabric items and carry identical rates. These coated fabrics are in no way similar to oiled clothing, which is provided for under item 548a, and the rates on which are reduced from 20, 30 and 30 per cent to 15, 25 and 30 per cent.

Mr. KENNEDY: What do these oiled fabrics include which are increased 2½ per cent all along the line?

Mr. ROBB: A typical example would be the satin used in the manufacture of women's shoes.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—548a. Clothing and hats made from oiled fabric of cotton or flax, or both: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. KENNEDY: What are the importations?

Mr. ROBB: The importations for the year ending March 31, 1927, were $34,829. The estimated reduction in taxation is $1,100.

Mr. McGIBBON: What is the principle underlying these reductions? There are no importations of any consequence, and therefore the duty is not of very much importance.

Mr. ROBB: I think my hon. friend will admit that nobody will be hurt very much. These people apparently have the whole home market to themselves, and there is no reason why they should not stand a bit of a reduction.

Item agreed to.

Customs tariff—548b. Collars and cuffs wholly of flax or of flax and cotton: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 548b:

Collars and cuffs wholly of flax, or of hemp, or of flax, hemp and cotton: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Amendment agreed to.

Mr. KENNEDY: There is a reduction here of 5 per cent in the intermediate tariff and 2½ per cent in the British preference, while under a previous item wearing apparel of the same type, practically, celluloid articles, the preferential and intermediate rates are reduced from 20 and 37 per cent to 15 and 25 per cent. I wonder why there is such a big spread? Is the minister trying to encourage us to wear celluloid collars?

[Mr. Robb.]

Mr. ROBB: I am in the same class with my hon. friend; I do not buy them.

Item as amended agreed to.

Customs tariff—549. Wool, the hair of the camel, alpaca, goat or other like animal, not further prepared than combed: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. KAISER: The time has come in Canada when we should think in a national sense in regard to the question of wool. I know that a year ago, when this matter was spoken of, the Minister of Finance took objection to the placing of a duty on wool, under a misconception, I believe. I am not going to discuss this matter simply from the standpoint of the tariff or the effect the tariff may have upon the woollen industry.

This country to-day is suffering from a lack of sheep, and to a greater extent than probably any of us imagine. From time immemorial the flocks and the herds and the soil have been the three primitive assets of every nation. We stand to-night in the face of certain remarkable facts which I want to mention, and the first is this: Canada has less sheep per head of population than any other country on the face of the earth. There must be some reason for this. In 1911 the government of Sir Wilfrid Laurier appointed a gentleman from my constituency, Mr. Dryden, a great breeder of sheep and probably one of the best experts on sheep in this country, to investigate the industry. He went to the United States and England investigating the industry, and came back in 1912 and made his report to parliament. This report has never been acted upon, has never even been seriously considered by parliament. He points out in this report, in the first place, that a country must have sheep, that they are a fundamental necessity. We speak of combating noxious weeds by means of chemical compounds, but it is absurd to expect anyone to go to a laboratory and mix up a concoction of arsenic and calcium, and expect by such means to get rid of noxious weeds. Sheep is the natural scavenger of the soil, and anyone who has been through our section of the country and chased home a flock of sheep knows that he will never find a dirty farm where a flock of sheep is kept. Twenty-five or thirty sheep will keep the farm clean; that is a common observation. Next, that farm will be a fertilized farm. Sometimes we do not realize what is taking place in this country. Take the automobile, for instance, and how it is displacing the horse. I am not going to talk against the automobile, but if the number

of horses per head of population in Toronto in 1891 were maintained at the same rate to-day, Toronto would require 60,000 horses to carry on local transportation in that city. As a matter of fact, it has only 3,000 horses, and the same condition applies in all our cities and towns. It is simply beyond figures to estimate the value of the fertilization obtained from a source of that kind. We think we can supply this natural fertilization of our soil by artificial means, but this I claim is only an experiment; nobody knows whether or not artificial fertilization is going to last in our country. We do know, however, that in certain valleys in Asia and China where they have always resorted to natural fertilizers the soil is just as fertile to-day as it was two thousand years ago. Now I find that we have not as many sheep as we had even twenty-five or thirty years ago, simply because we are paying no attention to the development of our flocks and herds. I regard this as an extremely important matter.

Sometimes I have been asked how many sheep we have in Canada. We should have at least ten million; as a matter of fact we have only two million. There is no reason in the world why we should not have at least ten million sheep. Mr. Dryden and other stock men in my riding—and I claim that many of the best authorities on sheep and other live stock reside there—advise me that we can raise as good sheep in Canada as in any other country in the world. Proof of this is to be found in the fact that when we exhibit our sheep at the great stock shows they are awarded all the prizes. I am also advised that the wool is of just as good quality as that grown in Australia and other wool-producing countries. But we pay no attention to this question, although it is fundamental. We allow mohair to be imported free of duty. I am not quarrelling with that, for this reason: We consume $15,000,000 worth of mohair every year. Mohair is the fleece of the little angora goat. I have only seen one of these goats in Canada. I have been endeavouring to get some wealthy men to establish an angora goat farm in order to teach our people that in these little animals there is a source of great wealth. The farmers of South Africa raise immense flocks of angora goats on their waste land, and reap fortunes from the wool crop. The place from which to get those goats is in the Angora valley of Turkey. While making investigations as to where the best quality of angora goats are bred, I ascertained that the Turkish government regard the angora goat industry of such value to their people that they prohibit the sale and export of any of these animals.

Between this city and my home in Oshawa is sufficient waste land to accommodate all the angora goats needed to supply our market with mohair. Seventy million pounds of wool are required by our people every year, yet we grow only fifteen million pounds, and half of that we export to another country for weaving. This should be investigated. The very best market in the world for wool is to be found in Canada, and yet we go to no trouble to develop sheep and goat breeding to supply this market, largely because of defects in our ideas and in our government. I am not speaking of this government particularly. It would take ten years of concerted action to bring about a transformation in this respect. In the first place the government should impose a small tariff on all wool, just to establish the principle, and raise it each year for ten years, and so protect the market of Canada for those of our people who would go into this business.

I wrote to one hundred of our best sheep raisers in Ontario for their opinion as to the best lines on which to develop this industry. I asked them if they thought it would be of service to the country to standardize prices, so that a farmer for the next ten years would know what return he would get for his wool. I believe it would be an excellent policy for the government to take into consideration at this very moment. There are many phases of this question to be attacked, and they should be attacked in an intelligent way. One of our best known farmers said to me within the last two months. "Sheep are the most profitable thing I have on my farm to-day. They give me at least two crops a year, one of wool and the other of lambs. I say it is the business of the government to consider what should be done. We should appoint a board or commission to deal with this question in order that our farmers may be encouraged to go into the raising of sheep and goats to provide wool for the Canadian market. I have estimated that to raise sufficient sheep to provide our own requirements for wool would create a living for 72,000 people. Right at our door we have the market means of developing this industry for our farmers.

I feel very strongly about this thing. I have gone to considerable trouble to investigate the facts, and in my opinion it is our business to proceed to develop our flocks and herds as one of our best assets. Ten million sheep would add to the assets of Canada 200 million dollars. It is not merely a matter of tariff. We should deal with each phase of this question as it comes up, and aim at getting within the next ten or fifteen years at least ten million sheep in Canada.

Mr. KENNEDY: Mr. Chairman, I have heard a good deal about the experts in the department who have been engaged on this reclassification, and I notice that in this item sheep are described as "goats and other like animals". This covers the old items 554, 555 and 556. Item 554 is:

Wool and the hair of the camel, alpaca, goat and other like animals, not further prepared than washed, n.o.p.; noils, being the short wool which falls from the combs in worsted factories, and worsted tops, n.o.p.

Item 555 is:

Wool, namely, combing wools or wools known as lustre wools and other like combing wools, such as are grown in Canada.

Item 556 is:

Worsted tops made from such wools as are mentioned in the next preceding item.

Then we have, under the new item 549, wool, the hair of the camel, alpaca, goat "or other like animal" not further prepared than combed. Who is the scientist in the department that classes sheep with such animals as goats "or other like animal"? I would ask why we have a reduction here and apparently further on, in connection with woollen materials, an increase?

Mr. ROBB: There is a reduction in this item.

Mr. McGIBBON: With all due respect to the Minister of Finance, I do not think he has answered the question. I am subject to correction, but if I understand this item rightly it means that all the protection which the farmers of the country have had on wool is being removed. Am I right?

Mr. ROBB: I will answer the question when my hon. friend has finished his speech.

Mr. McGIBBON: What I am going to say will be based on the answer to that question.

Mr. ROBB: The total importations for the year ended March 31, 1927, under the item to which my hon. friend refers amounted to $93, and under item 556 the total was $5,099.

Mr. McGIBBON: The minister has not yet answered the question. What is the policy of this government in relation to protection to the farmers on wool? Is it the policy of the government to remove all protection? In other words, is the government endeavouring to justify its name Liberal by giving away all the markets of this country to our competitors abroad? Canada naturally, by environment and climatic conditions, should be one of the greatest wool producing countries in the world, but we know what the effect has been of the present government's policy from 1923 and 1924 on. I wonder whether this is a further extension of that policy to destroy the sheep and wool producing industry of Canada and to take away from our farmers the last little shred of protection which has been left them. It would be interesting to hear from the farmer members of the house sitting behind the government as well as, to use the expression of my former leader, from those sitting angularly opposite the government.

Mr. ROBB: Perhaps I might put on record the wool production of Canada so that we might have it for reference later on. Giving the fiscal years ending March 31, I would point out to my hon. friends opposite that in 1913 the total production was 12,983,300 pounds, and in 1914—under the administration which my hon. friend supported—11,706,920 pounds. For the following years the figures are these:

	Pounds
1915	11,319,247
1924	15,339,416
1925	15,111,719
1926	15,553,045
1927	17,959,896

We are sometimes told that the woollen industry is not growing and that under this government it has suffered materially. In 1922 the imports of wool amounted to 12,661,812 pounds; in 1923, 18,273,344; in 1924, 19,321,730. There was a reduction in 1925 and 1926, and in 1927 the total was 16,425,423 pounds. It is true that we export some of our own wool. For instance, in 1913 we exported 944,606 pounds.

Mr. EDWARDS (Frontenac): Where did that go?

Mr. ROBB: I have not the records, but most of it goes to the United States. It is a superior wool which is used for felting purposes. It is not regarded by the spinners as the best wool for the manufacture of fine textile cloths, but it is good for felting and for carpets. The exports in 1914 amounted to 2,878,029, increasing until 1927. The exports from 1924 to 1927, in round figures have been:

	Pounds
1924	7,008,000
1925	6,443,000
1926	6,671,000
1927	5,353,000

The important factor by which to measure the progress of the trade is, however, the retention of wool in Canada. In 1914, under the excellent administration of our predecessors, the retention of wool in Canada totalled

16,081,010 pounds, while in 1927 it amounted to 29,030,202 pounds. I submit that for the consideration of my hon. friend.

Mr. GUTHRIE: When the minister speaks of the retention of wool is he referring to our imports as well as that portion of our crop which we do not export?

Mr. ROBB: Yes, that is what I understand from the statement. I quite agree with my hon. friends that sheep are valuable to our farms; there is no question about that. But we have had some experience in this matter and we do not need to experiment. The United States had a very high tariff for many years and I am informed that there has been practically little if any increase in sheep for the production of wool in that country during the last forty years.

Mr. McGIBBON: Can the minister give us the importation of woollen goods for the same period for which he has given us the importations of wool? We cannot properly consider the question as a whole until we get not only the importation of wool but the importations of woollen yarns and woollen cloths.

An hon. MEMBER: They are different items.

Mr. McGIBBON: If they have a bearing upon the same industry it does not matter whether or not they are different items.

Mr. ROBB: I shall be very glad to give my hon. friend that information as we come to each particular item. I have quite a considerable file in connection with these items.

Mr. GUTHRIE: We are now on item 549; before the minister passes from it would he tell me the importations last year under item 544?

Mr. ROBB: The imports of wool amounted to 16,423,162 pounds valued at $5,655,667. Then I think perhaps I can give my hon. friend the other information for which he asked. The importation of tops amounted to 7,472,198 pounds valued at $4,381,459; noils, 407,812 pounds valued at $179,513, or a total value of $10,216,639. That is the raw material.

Mr. GUTHRIE: Then could I have the imports under the next item, No. 555?

Mr. ROBB: Yes, $93, and under item 556 they amounted to $5,099.

Mr. McGIBBON: I am quite sure of my facts; my point is that the importation of raw wool has been increasing at an enormous rate, and that very fact is responsible for the woollen mills of this country going out of business. To the same extent, it has also destroyed the sheep industry of Canada. You only have to take into consideration the imports and exports of the different articles over a period of time to see how they have been developing. I submit that when our neighbours to the south put on such duties against the wool of this country, we should give our farmers more protection than is given at present. I believe the United States duty at present is 15 per cent for unwashed wool, 30 per cent for washed wool and 45 per cent or 45 cents per pound for washed and scoured wool. This government, however, simply takes down the barriers and leaves the farmers of the country with no protection at all. The Minister of Finance has just said that there is a certain market in the pulp and paper industry in this country for wool, and that market is exclusive to the Canadian wool grower. If it were not for that fact growers of wool in Canada would be much worse off than they really are.

Mr. DUNNING: My hon. friend overlooked the fact that under the only item on which there is a tariff at all the importation only amounted to $93.

Mr. McGIBBON: The Minister of Railways did not get the point at all.

Mr. DUNNING: I am sorry.

Mr. McGIBBON: Probably you are; I am sorry for you also. The fact is that the great market for Canadian wool is in Canada, and that is due to the pulp and paper industry.

Mr. DUNNING: To the pulp and paper industry?

Mr. McGIBBON: Yes, and that is what the Minister of Railways has never grasped. It is only due to the fact that that market exists that the woollen industry of this country is not worse off than it is.

Mr. FORKE: I can tell my hon. friend that the market for western wool to-day is in the United States.

Mr. McGIBBON: The Minister of Immigration does not know what he is talking about.

Mr. DUNNING: No, he merely grows the wool.

Mr. McGIBBON: He does not grow very much of it. I will leave it to any manufacturer or grower of wool whether or not the great market in this country is created by the pulp and paper industry.

Mr. FORKE: There never was a better market for wool than the market this year, or if there was I never saw it.

Mr. McGIBBON: I feel sorry for the Minister of Immigration; there are none so blind as those who will not see. As a matter of fact, every man who knows anything about the industry knows that Canadian wool is especially adapted for that class of work, and that that is our biggest market.

Mr. FORKE: Yes, but we have to import Australian wool.

Mr. McGIBBON: For what purpose?

Mr. FORKE: To make cloth.

Mr. McGIBBON: It is not for cloth at all, and the Minister of Immigration has never grasped that fact. I will leave it to the Minister of Finance whether I am not right when I say that the great market for Canadian wool is not for making cloth but that the market has been created by the pulp and paper industry.

Mr. ROBB: And it is also used in making carpets.

Mr. McGIBBON: It is because our wool is especially fitted for use in that industry that it commands the present price.

Mr. DUNNING: Does my hon. friend know that we exported over 5,000,000 pounds of that wool last year?

Mr. McGIBBON: Where to?

Mr. DUNNING: Principally to the United States.

Mr. McGIBBON: For the same purpose, and against a tariff of 15 per cent.

Mr. BROWN: I would like to say a word or two in regard to this question of wool. I am very glad indeed to see the hon. member showing so much solicitude for the farmers and sheep growers, but I would like to remind the house that wool is not the only feature of the sheep industry. The sale of lambs plays a very important part, and many of us have thought that the larger market in the United States which would have been provided by the reciprocity treaty would have greatly helped that feature of the industry.

Mr. McGIBBON: Does the hon. member know that he had that market, and that the United States barred him from it?

Mr. BROWN: I know that very well, and I also know that we might have had it a great many years sooner if we had entered into that treaty. There is another very important feature to be considered, and if any hon. member is anxious to encourage the sheep industry especially in the western provinces I should like to enlist his sympathies in having woven wire fencing placed on the free list. There is nothing which handicaps us more in the west in the raising of sheep than does the cost of fencing. So you cannot consider this question only from the one angle.

With regard to the market for our wool, as I read the trade figures I believe we are getting the full market price for Canadian wool, or at least that we are able to sell to the Canadian trade all that can be absorbed at the present time. Not only that, but I have here the figures of Canada's trade for the six months ending in September, 1927, which show that in that period we sold to the United States 5,860,301 pounds of raw wool having a value of $1,595,801. That wool sold for 27 cents per pound. We imported wool also; during the same six months period our importation of raw wool, camel wool, alpaca wool and goat wool amounted to 5,450,020 pounds, with a value of $1,900,066, while from Australia we imported 204,278 pounds, having a total value of $91,442. That wool was bought at 45 cents per pound, and the very fact of that difference in the price per pound indicates that there is a reason for that trade. What benefit would it be to Canadian manufacturers of woollen goods if we placed an increased duty on that imported wool and compelled them to pay a higher price for their raw product? What advantage would such a duty be to the Canadian farmer who has not got that particular quality of wool to sell? Now those figures surely have some significance. The very fact that we import that quantity of wool from abroad indicates that wool is needed by our Canadian manufacturers.

Mr. McGIBBON: Will my hon. friend say that wool could not be grown in this country?

Mr. BROWN: Evidently it is not being grown.

Mr. McGIBBON: "Evidently" is no argument.

Mr. BROWN: Very well, it is not being grown—

Mr. McGIBBON: But it could be.

Mr. BROWN: —and the judgment of the men versed in the business is that that particular quality of wool could not be grown—

Mr. McGIBBON: No such thing.

Mr. BROWN: —in Canada. But I am reminded of a conversation that is supposed to

have taken place between a Scotch shopkeeper and a customer. You have to understand broad Scotch to appreciate it, but the conversation was in these terms:

Customer: Oo?

Shopkeeper: Ay, oo.

Customer: A'oo?

Shopkeeper: Ay, a'oo.

Customer: A'ae oo?

Shopkeeper: Ay, a'ae oo.

That means that the question was not only was it wool, but it was all the same kind of wool. Now this question of wool cannot be considered by thinking of wool all in one class. There is wool and wool, and there is a particular class of wool that is being imported for the benefit of the manufacturers. We do not want to hurt them in this matter, and the putting of a duty on this wool would not be an atom of protection to the Canadian farmer, because the export market in the United States fixes the price for the wool that is used in our Canadian industry.

Mr. McGIBBON: You cannot convince the Canadian farmer that you are taking proper care of him.

Mr. KAISER: I should like to add one or two words further. First of all, I should not like to have my hon. friend (Mr. Brown) get too badly mixed up in some of his figures. Some five million pounds of Canadian wool are exported, and that wool is exported to the United States. You may ask yourself the question, "Why is that?". Did the hon. member for Lisgar ever go to any of the leading exporters of wool and ask them some questions concerning this?—

Mr. McGIBBON: No, he never did.

Mr. KAISER: Well I have done so, and they told me this—

Mr. McGIBBON: The hon. member for Lisgar might learn something if he did that.

Mr. KAISER: They told me that one of the great difficulties about the wool business in Canada is that we have scarcely any men in this country trained to grade wool. I have been told by these men that if our large industries—as they will do sometimes—need 100,000 pounds of wool of a certain class and a certain grade, it is convenient for them to buy it in tremendous quantities. Unfortunately for us our people have never been trained to grade wool in the way those manufacturers require. Now these men tell me there are factories in the United States that can use one wool, no matter whether it is graded or not, for the purpose of making large quantities of rough blankets and Indian ware where grading is not required, and that is the reason they export their ungraded wool to the United States. What I want to get at is this: The men who know about sheep—and I claim that I have been associated with men in my county who are regarded as authorities on sheep not only in Canada but in the United States and in every other country—tell me, and I am inclined to believe it, that we can grow any kind of wool in Canada that can be grown anywhere else in the world and of as good quality, and that we have a market right at our door. But we require government assistance and government leadership in order that the fleece should be brought to certain centres in each province and men taught there how to grade and handle the wool. If we had a school of this kind we would be able in a few years in Canada to meet the requirements of this country with our own wool produced from our own sheep, and in that way help the Canadian farmer. I am satisfied that if my hon. friend from Lisgar would get in touch with the men who are authorities on this question he would change his mind in a great many respects. We have the best market for wool in the world. Our people use more wool per head than the people of any country on the face of the earth. We have the soil for raising the sheep, and we have the sheep that can produce the wool, but it will require concerted action and leadership on the part of the government, in co-operation with the stock raisers. When we secure that we shall be able to accomplish results in Canada equal to those achieved in Australia, New Zealand, or any other country that has faced this problem.

Mr. ROBB: Before you leave the chair, Mr. Chairman, let me refer to importations of wool from the United States which the hon. member for Lisgar quoted. I think the figures he quoted were 5,473,041 pounds. If those figures are for 1927 they are correct. The hon. member also quoted certain small importations from Australia running to a little over 200,000 pounds. I rose to point out that the importations coming into Canada from the United States are not United States products; it is largely wool that is centred in Boston and is distributed throughout the world. Every person in the wool business knows that the two world markets for wool are London, England, and Boston, Massachusetts. The wool we bring in from the United States is largely Australian, South African and New Zealand wool. We imported last year 6,145,684 pounds from the United

Kingdom. The importations from the United States are shown as 5,473,041, but I repeat it is not fair to assume that very much of it was the product of that country. We also imported from New Zealand 3,025,475 pounds.

Progress reported.

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

Wednesday, March 21, 1928

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

PRELIMINARY STATEMENT OF ACCOUNTS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I move that the preliminary statement of accounts of the Canadian National Railways for the year 1927, laid on the table of the house on Tuesday, March 6, be referred to the select standing committee on railways and shipping.

Mr. C. H. CAHAN (St. Lawrence-St. George): It is usual, on the motion of the Minister of Railways to refer these accounts to the committee, to have a presentation by the minister to the house of the financial affairs of the Canadian National Railways. It is impossible for members of the house to have access to the typewritten statement that has been presented, and it seems to me that another occasion should be afforded, after the printed return is brought down and distributed, for hon. members to make themselves thoroughly acquainted with it.

Mr. DUNNING: The preliminary statement of accounts was prepared in order to facilitate consideration, by a special committee of the house, of Canadian National matters as relating to the past year, and in the meantime every effort is being made by the management to get the completed accounts ready, together with the annual statement which accompanies them. Just as soon as that is in my hands I will be glad to table it in the house. I would call attention to the fact, however, that in former years any statement by the Minister of Railways has been made not in connection with the tabling of the accounts but in connection with the motion to refer the estimates to the special committee, and in fact there are several occasions upon which the minister might make such a statement as that mentioned by my hon. friend. In the meantime, we are merely enabling the committee to get along with its work. I am assured by the management that in previous years there has been very little variation in the final audited statement of accounts from the preliminary statement which will be available for the members of the special committee, and I shall make ever effort to supply a complete statement of the accounts to all members of the house as soon as I possibly can.

Motion agreed to.

TRANSPORTATION OF COAL

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I desire to lay on the table a copy of the order in council passed by the government for the test movement of coal from Alberta to Ontario.

FERTILIZER ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 72, to amend the Fertilizer Act.

He said: The chief amendment to this act is a provision for increasing the percentage of active ingredients in the fertilizer used in Canada.

Motion agreed to and bill read the first time.

INSPECTION AND GRADING OF HAY AND STRAW

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 73, respecting the inspection and grading of hay and straw.

Some hon. MEMBERS: Explain.

Mr. MOTHERWELL: The provisions of this act were almost entirely incorporated in the old Sale and Inspection Act, which was under the administration of the Department of Trade and Commerce. This act is now being administered by the Department of Agriculture, and the main provisions of the bill have to do with certain changes in the grades of hay, to meet the requirements of each province.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PATROL BOAT "G"

Mr. ERNST:

1. Has the patrol boat "G", formerly of the customs preventive service, recently been sold?
2. If so, to whom?
3. Was the sale effected by public tender or by private negotiation?

4. If by private negotiation, on whose recommendation was the sale effected?

5. Were any representations made to the Department of National Revenue or any department of the government by any person or persons respecting this sale?

6. If so, by whom?

7. What was the original cost of patrol boat "G"?

8. When and from whom was she purchased?

Mr. LAPOINTE (for Mr. Rinfret):

1. Yes.

2. Mr. Amos Brannen, Yarmouth, N.S.

3. Tenders called for by advertisement and notices posted in usual manner.

4. Answered by No. 3.

5. No.

6. Answered by No. 5.

7 and 8. This boat was originally owned by the Department of Marine and Fisheries and was turned over to the Department of Customs and Excise in September, 1924, without cost to the latter department.

PURCHASE OF NEWSPAPERS

Mr. COWAN:

1. Did any department of the government, between September 30th, 1926, and September, 1927, purchase copies, in quantities, of the newspapers known as The Halifax Chronicle and The Daily Star, of Halifax, Nova Scotia?

2. If so, what was the total number of such papers purchased, by what department, and what disposition was made of such copies so purchased?

3. What is the regular retail price of such papers, and what price was paid for such by the government departments?

Mr. LAPOINTE (for Mr. Rinfret):

Department of Marine and Fisheries

1. Yes.

2. (a) 10,000 copies of the special New Year's edition (1927) and 10,000 copies of the special confederation edition (July 1, 1927).

(b) Department of Marine and Fisheries, as each edition featured the fisheries of the Dominion and the activities of the department in connection therewith.

(c) Mailed to fishermen in Nova Scotia.

3. (a) Three cents a copy.

(b) For the New Year's edition seven cents a copy, which covered the cost of wrapping and mailing. For the confederation edition five cents a copy, which also covered the cost of wrapping and mailing.

Department of Immigration and Colonization

1. The Department of Immigration and Colonization purchased copies of the special New Year edition (1927) of the Morning Chronicle and Evening Echo, published at Halifax.

2. Four thousand copies for distribution in the British Isles and the United States.

3. No information as to the regular retail price of this edition. The department paid 7 cents per copy, this to include individual wrapping and addressing, as well as the postage, the latter alone amounting to 5 cents per copy.

EAST END LIGHTHOUSE

Mr. CANTLEY:

1. Who is the keeper of the East End lighthouse, Pictou Island?

2. What is the remuneration paid to such keeper?

3. On whose recommendation was he appointed?

4. Who is in receipt of the subsidy paid for motor ferry service between Pictou Island and the mainland?

5. What was the amount of subsidy paid by the federal government for that service during the calendar years 1925-26-27?

Mr. LAPOINTE (for Mr. Rinfret):

1. William Creighton MacDonald, O.A.S.

2. $420 per annum.

3. He was appointed by the Civil Service Commission.

4. No information.

5. Answered by No. 4.

*BRONFMAN PROSECUTIONS

Mr. EVANS:

1. Have legal proceedings been instituted against the Bronfman liquor interests (who operated in Saskatchewan) in accordance with the advice of the Hon. N. W. Rowell, K.C., counsel for the customs commission?

2. What has been done regarding the evidence and exhibits submitted to the Department of Justice, on the advice of the Hon. N. W. Rowell, showing violations by the Bronfman company of, (a) the Criminal Code; (b) the Excise Act; (c) Food and Drug Act?

3. What has been done regarding the evasions by the above company of, (a) the income tax; (b) the business profits tax?

4. Has legal prosecution been instituted against the above company? If not, why?

Mr. EULER: Mr. Speaker, it is practically imposible to make a categorical reply to the questions asked, and perhaps for that reason I might be permited to make a verbal explanation. The hon. member for Rosetown makes inquiry as to whether legal procedings have been taken against the Bronfman liquor interests in acordance with the advice of Hon. Mr. Rowell, who was the counsel for the royal commission investigating the Department of Customs. I might say that the recommendations come from the commission itself and not from Mr. Rowell.

The hon. member also asked for information regarding violations of the Criminal Code, the Excise Act and the Food and Drugs Act by what he calls the Bronfman company. I might say that as far as I know

there is no distinctive Bronfman company; as a matter of fact there are no fewer than twenty-eight companies and concerns in which the Bronfmans are interested, in addition to some twelve individuals. All these companies and individuals are now under investigation with regard to the possible collection of taxes which have not been paid. The records of these companies and individuals are more or less incomplete, and I think the house will understand when I say that to cover the records of so many concerns will require a considerable time, but these investigations are being pursued.

With regard to the matter of criminal prosecutions, there is only one recommendation in this connection from the commission itself. That recommendation is that action should be instituted against Harry Bronfman for the alleged bribery of a customs official in the city of Winnipeg. Some time ago counsel was employed through the Department of Justice to carry on this prosecution, but unfortunately considerable delay has been caused by reason of the prolonged illness of the chief witness, who is an officer of the customs department.

With regard to the violations of the Excise Act and the Food and Drugs Act, I may say there was no question of revenue involved in those violations, and as far as prosecutions are concerned, in the words of the commission itself conviction is now impossible by reason of the limitations in connection with such prosecutions.

I might just add in conclusion, Mr. Speaker, that all the concerns as to which either investigations or prosecutions were recommended are being so investigated or prosecuted; I think I may say that without making any exceptions, and there are one hundred or more concerns mentioned in the report of the royal commission. They are all under investigation; in some cases prosecutions have actually taken place, and in a good many other instances we have collected the revenues concerned. I might add further that as far as the Department of National Revenue is concerned, we are taking action, and I assure the house that we will collect every dollar of revenue which is properly and legally owing to the government by the Bronfmans or by anyone else, for that matter.

*EXPORTATION OF BUTTER AND CREAM

Mr. FAFARD:

1. What quantity of butter and cream was exported to the United States during the year 1927?

2. What quantity of butter was exported to England during the year 1927?

3. What quantity of butter was exported to other countries during the same year?

[Mr. Euler.]

Mr. EULER: I would call attention to the fact that this question was answered on March 12.

PRISONERS IN PENITENTIARIES

Mr. BOURGEOIS:

1. Are prisoners confined in penitentiaries throughout the Dominion permitted to receive and despatch letters from and to relatives and friends?

2. If so, how many of such letters are they permitted to receive and send each month during their confinement?

3. Are there regulations prohibiting any correspondence until after the expiration of any specific time after their confinement?

4. If so, what is said specific time?

5. What provisions, if any, are made for prisoners' recreation or exercise?

6. When a public holiday falls on a Monday are prisoners compelled to remain in their cells from the close of working time on Saturday until the following Tuesday morning?

7. If not, for what purposes and under what conditions are they allowed out?

8. Are the same regulations in force in all penitentiaries throughout Canada?

Mr. LAPOINTE:

1. To or from relatives, yes; to or from friends, yes, if special circumstances require it.

2. Inmates are permitted to receive all proper letters. Inmates are permitted to write one social letter to relatives each month; also all necessary letters to transact bona fide business; also should necessity arise, permission is granted to write "special letters."

3. No. They may write as soon as received at the institution.

4. See answer to No. 3.

5. Inmates working on farm or at such outside employment are not given exercise. Instructions call for all other inmates employed in buildings, shops, etc. to have fifteen minutes outside exercise each forenoon and afternoon. A total of thirty minutes per day.

6. Instructions issued are that should a holiday and Sunday come together inmates are to work one-half of the holiday. This does not apply, however, should Christmas fall on a Saturday or Monday, as on Christmas day they go to church in the forenoon and are treated to concerts during the afternoon. On Sunday the inmates are out of their cells to their meals and also for the purpose of attending church.

7. Answered by No. 6.

8. Yes.

STEAMSHIP FERNFIELD

Mr. ERNST:

1. Are the owners, or any other persons directly or indirectly in receipt of a subsidy from the Dominion government in respect to the ss. Fernfield now operating out of Canso, Nova Scotia?

2. If so, what is the amount of such subsidy, and to whom is it paid?

Mr. LAPOINTE (for Mr. Rinfret):

1. No information.

2. Answered by No. 1.

SOLDIER SETTLEMENT ACT

Mr. NEILL:

1. What is the total cost, including interest, to date under the Soldier Settlement Act and including the 3,000 family scheme, divided into: (a) expenditure on purchase of land and improvement loans; (b) expenditure on stock and equipment; (c) cost of management, including cost of maintaining the Soldier Land Settlement Board?

2. How many families have been placed on the land under the above schemes, and the total acreage so settled?

3. (a) How many families are now actually resident on the said lands, and the total acreage involved?

(b) How many of these are in arrears of payment and to what total amount?

4. What is the estimated total loss sustained, or to be sustained under the Soldier Settlement Act and the 3,000 family scheme, divided as follows: (a) loss on land, including that on land already salvaged and sold at a loss; estimated loss to be incurred by the revaluation now being carried out; estimated loss on lands still held by the government but which will have to be sold at a reduction from cost; (b) loss on stock and equipment, including that on stock and equipment already salvaged and resold at a loss; loss by rebate ordered by statute a few years ago?

Mr. LAPOINTE (for Mr. Rinfret):

Department of Indian Affairs—

1. (a) $279,564.26; (b) $191,879.23; (c) $22,-727.92.

2. 224 families, 15,795 acres.

3. (a) 169 families, 14,685 acres; (b) 154 families, $46,877.84.

4. (a) Loss on land $38,614.27; there has not been a sufficient number of revaluations received to enable a reliable estimate to be made of the loss that may be sustained; will be rented to cover any loss; (b) Loss on equipment $19,307.14; loss on stock and equipment $15,458.38.

Department of Immigration and Colonization—

1.

(a)	$ 71,922,316 17	
(b)	28,871,875 63	
(c)	16,343,999 74	$117,138,191 54
Expenditure on Removal of encumbrances		2,708,022 55
Expenditure on Seed, feed, insurance, taxes, etc		5,424,124 27
Expenditure on account of loans to Indian soldier settlers		411,231 87
Interest charges		14,232,495 74
Total		$139,914,065 97

2.

Soldier settlers with loans	24,480
Soldier grant entries (without loans)	12,136
Indian soldier settlers	224
Civilian purchasers	2,523
British families	2,370
Total settlement	41,733
Acreage with loans	4,326,742
Acreage soldier grants	1,552,560
Total acreage	5,879,302

3 (a)

Soldier settlers with loans	15,373
Soldier grants without loans	6,469
Indian soldier settlers	169
Civilian purchasers	2,215
British families	2,283
Total resident on land	26,509
Total acreage involved	3,700,000

(b) 10,439 settlers; $5,933,972 in arrears.

Department of Immigration and Colonization—*Concluded.*

4. There is no loss in the 3,632 units of land that have been resold as at December 31, 1927, but a surplus of $412,676.52.

(a) Estimated loss on revaluation	$8,000,000 00
Estimated loss on lands still held by the government	4,600,000 00
(b) Estimated loss on stock and equipment	6,300 000 00
(c) Loss on rebate on stock and equipment	2,923 381 51

NAVAL STATIONS—HALIFAX AND ESQUIMALT

Mr. WOODSWORTH:

1. Who owns the naval stations at Halifax and Esquimalt?

2. In case of war, could naval operations be carried on from these bases independent of action on the part of Canada?

Mr. RALSTON:

1 and 2. The Dominion government own and control the Naval Stations at Halifax and Esquimalt.

IMMIGRATION AGENTS

Mr. GARLAND (Bow River):

1. What are the names, salaries and expense accounts of all immigration agents in the employment of the department during the past three years?

2. What companies or corporations, associations or societies have acted as agents for the Department of Immigration during the past three years?

3. Upon what class of immigrants does the government pay bonuses?

4. What is the total amount of such bonuses in each of the last three years?

5. If any of these bonuses are paid to agents, transportation companies or associations, what amount in each case?

Mr. FORKE:

1.

Immigration Agents in Canada

Name and Place	Fiscal Year 1924-25		Fiscal Year 1925-26		Fiscal Year 1926-27	
	Salaries	Expenses	Salaries	Expenses	Salaries	Expenses
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
W. L. Barnstead, Halifax	2,640 00	.....	2,640 00	.....	2,640 00	.....
A. G. Christie, North Sydney	1,350 00	11 10	1,575 00	22 00	1,650 00	.....
J. V. Lantalum, St. John	2,640 00	.....	2,640 00	.....	2,640 00	.....
E. J. O'Connell, Quebec	2,640 00	81 15	2,760 00	147 55	2,518 34	33 25
A. Regimbal, Montreal	1,680 00	36 25	.....	.....	.....	.....
H. C. Sweeney, Hamilton	1,620 00	5 75	1,740 00	.....	1,740 00	.....
John Riggs, London	405 00	.....	.....	.....	.....	.....
J. C. Mitchell, Toronto	2,880 00	231 80	2,880 00	185 50	2,880 00	189 02
J. Gronow, Lloydminster	480 00	.....	480 00	.....	100 00	.....
J. Deans, North Battleford	650 00	6 00	650 00	7 05	650 00	.....
E. E. Wilson, Edmonton	2,160 00	32 55	2,160 00	123 28	2,160 00	64 80
M. R. J. Reid, Vancouver	2,520 00	404 39	2,520 00	459 00	2,520 00	555 10
Dr. H. E. Tremayne, Prince Rupert	1,000 00	.....	1,000 00	.....	1,000 00	.....
S. N. Reid, Victoria	2,400 00	.....	2,520 00	.....	2,640 00	.....
E. C. Moquin, Montreal	.....	.....	2,700 00	221 63	2,820 00	17 25
Emigration Agents in Great Britain						
C. A. Allen, Liverpool	3,000 00	765 53	3,000 00	955 35	3,000 00	967 17
D. E. Lothian, Glasgow	2,010 00	2,441 34	2,040 00	1,834 60	1,950 00	1,641 46
W. Griffith, Bangor	2,560 00	1,012 33	2,700 00	1,154 05	2,820 00	1,173 09
J. H. Lough, Belfast	2,640 00	1,904 18	2,760 00	1,224 24	2,880 00	1,436 75
F. Campbell, Birmingham	3,000 00	1,771 24	3,000 00	3,355 08	3,000 00	2,219 67
E. G. Everett, Peterborough	2,400 00	1,068 38	1,000 00	.....	.....	.....
J. Cardale, Bristol	3,000 00	1,375 22	3,000 00	1,258 68	3,000 00	1,120 42
G. Hornsey, London	1,920 00	1,870 56	1,890 00	1,716 38	1,860 00	1,891 67
W. Story, Dublin	1,540 00	985 74	1,620 00	677 63	1,740 00	496 66
D. J. Murphy, Dublin	2,760 00	796 33	2,880 00	1,482 35	3,000 00	947 86
Miss A. MacDonald, Inverness	1,920 00	1,314 48	1,920 00	1,282 59	2,040 00	1,044 49
F. W. Kerr, Liverpool	3,000 00	1,642 83	3,000 00	1,870 22	(*See* U. S. List)	
H. B. Roy, Southampton	1,040 00	613 18	.....	.....	.....	.....
G. S. Coward, London	67 09	64 90	1,560 00	969 70	1,680 00	1,229 70
W. M. Beatty, Inverness	.....	.....	1,040 00	725 43	1,620 00	485 75
A. M. Black, Birmingham	.....	.....	1,086 14	1,244 32	1,620 00	1,350 82

[Mr. Forke.]

Emigration Agents in Great Britain—*Concluded*

Name and Place	Fiscal Year 1924-25		Fiscal Year 1925-26		Fiscal Year 1926-27	
	Salaries	Expenses	Salaries	Expenses	Salaries	Expenses
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
F. B. Cotsworth, York			910 00	984 11	1,950 00	1,743 63
M. D. MacCharles, Birmingham			1,014 84	971 36		
E. R. Faux, Bristol			1,538 34	896 32	1,650 00	1,280 99
J. G. Perdue, Liverpool			1,572 58	1,177 82	1,680 00	1,787 26
J. L. Malcolm, Glasgow			520 00	676 78	1,620 00	945 44
G. L. Ferguson, Liverpool			407 33	624 86	499 03	622 02

All agents in Great Britain receive an annual living allowance of $500.00.

Emigration Agents on Continent

J. A. Mitchell, Antwerp			2,700 00	464 90	2,820 00	66 00
G.A.B. Buchanan, Rotterdam	1,920 00	179 94	1,950 00	170 71	2,070 00	213 29
J. A. Chapdelaine, Hamburg			1,560 00	277 86	1,800 00	2,306 46
J. A. Jepps, Antwerp			2,700 00	530 81	1,459 33	402 32
R. McBrearty, Danzig			1,620 00	355 36	29 20	
O. Cormier, Danzig			1,920 00	48 14	2,340 00	1,278 97
E. Belanger, Paris			2,640 00		2,760 00	179 40
A. O. Petersen, Riga			1,950 00	72 50	2,070 00	102 00

The agent at Danzig receives a living allowance of $800.00 per annum.
All other agents on the continent receive a living allowance of $500.00 per annum.

Emigration Agents in United States

M. A. Bowlby, Boston	2,400 00	1,809 25	2,400 00	1,469 56	2,400 00	1,014 23
C. J. Broughton, Chicago	3,000 00	2,578 74	3,000 00	3,104 60	3,000 00	3,211 36
W. S. Nethery, Columbus	2,400 00	2,349 79	2,400 00	2,667 36	2,400 00	2,204 53
A. E. Pelkie, Omaha	2,520 00	3,135 70	2,700 00	2,962 46	2,820 00	3,204 98
J. M. MacLachlan, Detroit	3,000 00	1,853 31	3,000 00	1,718 36	3,000 00	1,958 14
G. Charette, Fall River	188 57	148 64	1,920 00	774 57	1,340 34	787 13
W. E. Black, Fargo	2,400 00	2,075 82	2,400 00	2,053 94	2,460 00	1,964 17
K. Haddeland, St. Paul	2,560 00	2,406 11	2,400 00	2,323 77	2,820 00	2,551 27
G. A. Cook, Great Falls	2,400 00	1,734 54	2,400 00	1,448 60	2,400 00	1,342 66
F. A. Harrison, Harrisburg	3,000 00	1,619 19	3,000 00	1,014 71	3,000 00	795 13
R. A. Garrett, Indianapolis	3,000 00	1,912 64	3,000 00	2,225 91	3,000 00	2,457 52
W. M. Ingram, Indianapolis	400 00	838 98				
M. J. Johnstone, Kansas City	2,760 00	3,762 38	2,880 00	3,830 73	3,000 00	3,410 66
J. McColl, Kansas City	802 36	2,208 64				
C. A. Laurier, Manchester	2,400 00	1,926 20	2,400 00	956 10	2,400 00	828 90
G. A. Hall, Milwaukee	500 00	263 96				
W. V. Bennett, Omaha	500 00	329 12				
J. B. Riordon, Manchester	188 57	143 29	1,920 00	883 79	2,040 00	651 06
R. Laurier, Saginaw	1,680 00	573 29	1,680 00	593 97	1,680 00	311 25
G. Roche, San Francisco	3,500 00	388 76	3,500 00	391 97	3,500 00	342 42
J. L. Porte, Spokane	3,000 00	1,612 61	3,000 00	1,756 36	3,000 00	1,168 20
O. G. Rutledge, Syracuse	2,400 00	1,915 59	2,400 00	1,885 39	2,000 00	1,128 04
L. A. Delorme, Woonsocket	228 57	152 65	1,920 00	417 19	2,040 00	812 83
G. F. Brooks, DesMoines			1,490 67	3,896 28	1,650 00	3,044 85
D. N. McDonell, Fargo			1,490 67	2,598 23	1,650 00	2,274 21
W. J. Fraser, Kansas City			1,538 34	3,518 92	1,650 00	3,248 72
C. E. Smith, Syracuse			1,490 67	4,170 19	1,650 00	3,889 68
W. D. Breckon, St. Paul			1,538 34	3,439 29	1,650 00	3,376 39
F. W. Kerr, Detroit					3,000 00	1,409 38

Mr. G. Roche has an annual living allowance of $900.00.
Mr. R. Laurier has no living allowance.
All the rest of the agents have an annual living allowance of $500.00.

Immigration Agents in the United States.

Jas. Stahl, Boston	2,160 00		2,160 00		2,160 00	
W. H. Sullivan, New York			2,490 00	83 14	2,610 00	100 42

Mr. Jas. Stahl received an annual living allowance of $420.00.
Mr. W. H. Sullivan received an annual living allowance of $780.00.

2. None.
3. None.
4 and 5. Covered by No. 3.

MARGARET MCCONACHIE

Mr. ROSS (Kingston):

1. On what date did the child Margaret McConachie leave the Old Country, sailing to port of Halifax, Canada?
2. What port did she sail from?
3. On what date did she reach Halifax?
4. How many medical inspectors gave reports on this case?
5. What are their names and duties?
6. On what date was a board of inquiry formed regarding this case?
7. Why was it formed and who composed the board?
8. On what authority did Dr. J. Hudson Clifford of Bellshill, Lanarkshire, make an examination and report on this case?
9. How long had this medical inspector been employed by government of Canada?
10. How many immigrants has this inspector examined for Canada?

Mr. FORKE:

1. December 10, 1927.
2. Glasgow.
3. December 17, 1927.
4. Three in Canada and three in England following the return of the child to the old country.
5. Drs. Rutherford and Guthro, medical officers of the Department of Health at Halifax; Dr. Page, chief officer of the immigration medical service of the Department of Health, Ottawa. Those who saw the child after its return to England were Dr. D. A. Clark, assistant deputy minister, Department of Health; Dr. H. B. Jeffs, chief medical officer of that Department in London; and Dr. Parney, assistant chief medical officer in London.
6. The board of inquiry at Halifax was apointed by the minister in pursuance of section 13 of the Immigration Act. The session of the Board at which the McConachie case was dealt with, was held on December 22, 1927.
7. The board was held as provided by section 14 of the Immigration Act to determine whether Margaret McConachie should be allowed to land in Canada. The board comprised G. L. Mott, chairman, Jules Fellardeau and C. A. Martin.
8. On the request of the Socety for the overseas settlement of British women.
9. Dr. Clifford was never employed by this department, or by the Department of Health.
10. The department has no information.

POSTAL DELIVERY SERVICE

Mr. EDWARDS (Waterloo South):

1. What population must a town have before it can qualify for a postal delivery service?

[Mr. Forke.]

2. What are the names of towns in Canada under a population of 10,000 that are enjoying this service?

Mr. VENIOT:

1. There is no regulation definitely stipulating what population a city or town must have before inaugurating the delivery service by letter carrier. Population is one of a number of factors which have to be considered in connection with the inauguration of the letter carrier delivery service.
2. Amherst, N.S.; Fredericton, N.B.; Lindsay, Ontario; North Battleford, Sask; Pembroke, Ontario; Prince Albert, Sask.; Waterloo, Ontario.

COLLECTOR OF CUSTOMS—GALT, ONTARIO

Mr. EDWARDS (Waterloo South):

1. Have any steps been taken to fill the vacancy of collector of customs at Galt, Ontario?
2. Will this position be filled by promotion in the civil service?
3. Have any recommendations been made to fill this position outside the civil service?
4. If so, what names were suggested and by whom?

Mr. LAPOINTE (for Mr. Rinfret):

1. Yes. The Civil Service Commission has received a requisition for this appointment and a promotional competition has been advertised.
2. It is expected the position will be filled by promotion.
3. No.
4. Answered by No. 3.

*SALARIES OF POSTAL CLERKS

Mr. ROBINSON:

1. Has the hon. the Postmaster General recommended that the salaries of postal clerks should be increased to a maximum of $1,800?
2. Has such recommendation been acted upon?
3. Has a report been made thereon?
4. If not, will report be made in time to enable the matter to be dealt with at the present session of parliament?

Mr. MACKENZIE KING: Mr. Speaker, yesterday I drew attention to this question, or a question similar to this, and remarked that it related more particularly to the proceedings of the cabinet. The question has been changed, but it is still open to the same objection. The only body to which the Postmaster General could make a recommendation would be the cabinet, and the only body which could act upon such a recommendation in the sense of the question would be the Civil Service Commission. I think any questions relating to the proceedings of the cabinet should not appear on the order paper,

and if they do so appear it is impossible to make any reply thereto while preserving the traditional secrecy of the cabinet.

Mr. SPEAKER: Dropped.

POST OFFICE AT JOLIETTE

Mr. MANION:

1. Has there been financial loss through burglary, robbery or stealing recently in the post office at Joliette?
2. If so, when and what was the amount involved?
3. Has anyone been found guilty or have investigations into the loss been made?

Mr. VENIOT:

1. Yes, through burglary.
2. February 29th, 1928; loss $1,209.76.
3. Responsibility not yet established—case still under investigation.

PUBLIC BUILDING—MISSION CITY

Mr. BARBER:

1. Did the government purchase a site for a public building at Mission City, British Columbia, in 1913?
2. Did the government grant an appropriation for the construction of said building?
3. If so, was the building erected?
4. If not, was the amount re-voted?
5. Has the government recently received representations from the board of trade of Mission City to renew appropriation?
6. If so, what action does the government propose to take?

Mr. ELLIOTT:

1. Yes.
2. Yes.
3. No.
4. Yes.
5. Yes.
6. Matter under consideration.

PUBLIC BUILDING AT ABBOTSFORD

Mr. BARBER:

1. Have representations been made to the government by the Abbotsford board of trade, urging the construction of a public building at Abbotsford, British Columbia?
2. If so, did they point out the necessity for such building to afford better accommodation for the increasing postal and customs business?
3. What action does the government propose to take?

Mr. ELLIOT:

1. Yes.
2. Yes.
3. Representations will receive consideration.

DISMISSAL OF JOSEPH SCHRAM

Mr. CAMPBELL:

1. What were the reasons for the dismissal of Joseph Schram from the position of postmaster at Fort Pelly, Saskatchewan?
2. On whose recommendation was the change in this office made?

Mr. VENIOT:

1. Change of post office site for better accommodation.
2. Representations were made by residents through Mr. Geo. McPhee, M.P.

DISMISSAL OF JOSEPH LALONDE

Mr. CAMPBELL:

1. What were the reasons for the dismissal of Joseph Lalonde from the position of postmaster at St. Front, Saskatchewan?
2. On whose recommendation was the change made?

Mr. VENIOT:

1. The postmaster was dismissed for having taken part in the federal election of 1926 as deputy returning officer and enumerator.
2. Change made on instructions of Postmaster General.

DISMISSAL OF L. BASSHAM

Mr. CAMPBELL:

1. What were the reasons for the dismissal of Mr. L. Bassham from the position of postmaster at Annette, Saskatchewan?
2. On whose instructions was the change made?

Mr. VENIOT:

1. Post office removed to more favourable site.
2. On instructions from Postmaster General.

ROCKFORD, SASK. POST OFFICE

Mr. CAMPBELL:

1. What were the reasons for the removal of the post office of Rockford, Saskatchewan, from the residence of N. Galbraith to that of W. Weightman?
2. On whose recommendation was the change made?

Mr. VENIOT:

1. The post office was removed to a more favourable site.
2. When vacancy occurred, the Postmaster General made inquiry of Mr. J. A. McMillan, of Wadena, Sask., but not having received any reply, requested Mr. Geo. McPhee, M.P., to make inquiries and through him learned that a new location was desired. Representations as to a new site were also made in a petition.

REVISION OF THE STATUTES

Mr. SMOKE:

1. Apart from the sum of $71,411.77 paid to the commissioners out of the sum of $123,173.49 stated by the Minister of Justice in reply to a question on February 13, 1928, to have been the total cost to that date of the present revision of the Dominion statutes, to whom has the balance of $51,761.72 been paid?
2. Apart from the commissioners, what are the names of the persons who have been employed in connection with the present revision of the Dominion statutes?

3. What services have been rendered by each of such persons in connection with such revision?
4. What sum has been paid to each for such services?
5. What has been the cost to date of the revision of the French edition of said statutes?
6. What persons have been employed in connection with the French edition of such revision?
7. What amount has been paid to each and for what services in each case?

Mr. LAPOINTE:

1, 2, 3 and 4. The total of the payments stated in the reply given on February 13, 1928, is $71,401.77, not $71,411.77 as stated in the question. The balance is therefore $51,771.72, which has been paid as below:

Napoleon Laliberté, secretary.. ..	$14,666 64
J. F. MacNeill, asst. secretary.. ..	10,883 08
C. P. Plaxton, prof. assistance.. ..	325 00
F. P. Varcoe, prof. assistance.. ..	400 00
W. Cory, prof. assistance..	250 00
R. A. Benoit, translator..	2,375 00
R. Mercier, translator..	4,901 17
P. G. Ouimet, translator..	6,305 40
L. P. Geoffrion, translator	1,125 00
U. Tremblay, translator..	2,260 80
Chas. E. Duckett, translator.	2,145 80
F. H. Hird, clerical assistance.. ..	633 29
Sylvia Gould, clerical assistance. ..	220 00
Joseph Boucher, clerical assistance.	396 00
Printing Bureau, printing and stationery..	4,513 70
Sun Publishing Co., printing... ..	271 17
Expressage and postage.	74 36
Telegrams..	25 31
	$51,771 72

5, 6 and 7. The English and French editions were prepared simultaneously and figures of the cost of each edition were not separately kept. However, the sum of $33,779.81 was paid for translating, as follows:

Napoleon Laliberté, secretary.. ..	$14,666 64
R. A. Benoit, translator..	2,375 00
Raoul Mercier, translator..	4,901 17
P. G. Ouimet, translator..	6,305 40
L. P. Geoffrion, translator..	1,125 00
U. Tremblay, translator..	2,260 80
Chas. E. Duckett, translator..	2,145 80
	$33,779 81

SALARIES OF POSTAL CLERKS

Mr. G. R. GEARY (South Toronto): Mr. Speaker, may I call your attention to the fact that question No. 23 was answered, although it is a question as to what the government is considering or will consider.

Mr. DUNNING: Question No. 23 stands.

[Mr. Smoke.]

Mr. GEARY: The same objection could surely be taken to that as to question No. 19 asked by the hon. member from Essex (Mr. Robinson).

M. MACKENZIE KING: The only answer to the question could be that the matter is under consideration,—nothing more than that.

UNOPPOSED MOTIONS FOR PAPERS

PACIFIC COAST TERMINALS LIMITED, VANCOUVER

Mr. STEVENS:

For a return of (a) copy of the application from the Pacific Coast Terminals Limited of Vancouver, for a subsidy under the Cold Storage Act; (b) copy of the order in council authorizing the minister to enter into an agreement with the company, and (c) copy of the agreement between the company and the minister which was signed on February 6th, 1928. Also copy of all correspondence leading up to the filing of the application, and to date.

DISMISSAL OF VALERE LABONTE

Mr. GOTT:

For a return showing all correspondence, telegrams, and other documents, in the possession of any department of the government, relating to the dismissal of Mr. Valere Labonte from his position of excise officer at St. Joseph, Beauce, and the appointment of Mr. J. Edward LeMay in his stead.

WORK ON THE RIDEAU CANAL

Mr. GARLAND (Carleton):

For a return showing (a) the name; (b) the address; (c) the date of appointment; and, (d) the rate and total amount paid each employee in connection with the work now being carried on by the government on the Rideau canal.

UNEMPLOYMENT, SICKNESS AND INVALIDITY INSURANCE

The house resumed, from March 19, consideration of the proposed motion of Mr. Heaps:

That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

And the proposed amendment of Mr. McQuarrie:

That the said resolution be amended by adding the following:

"That the said committee be authorized to investigate and report on the operations of companies carrying on sickness and accident insurance business in Canada."

Mr. HERMAS DESLAURIERS (St. Mary) (Translation): Mr. Speaker, when the house adjourned on Monday evening, I was stating that in England and Denmark, they had tried to apply the system of supplementary pen-

sions, which perhaps would be the system approaching the nearest to the solution of the problem of invalidity, if it was backed by the good will of each individual and if the tendency to criticize did not impede its work, by making it difficult to consider requests for testing the system—prejudicing the minds of those making the inquiry to the extent of having them commit injustices. It is inadmissible that the state should directly force upon its citizens the art of making their savings thrive; it would be much more to the point to encourage, advise and guide them; however, we must submit to what is unavoidable and judge of the facts as they exist. All these systems, whether optional or not, are not adaptable when they are given a practical test. Some set the age for awards at 70, others at 60 or 65, but every day we see men capable of performing work—which they have for a long time done—with the greatest efficiency, and at a more advanced age than that fixed for pension. Must we declare them unfit and consider them entitled to annuities? Certainly not. Likewise, we sometimes come across a person under 60 years old, one who, although young, has become unfit through disease or he may simply be out of work and without hope of finding any; shall we oblige him to wait until he is 70 years old before coming to his assistance? Shall we content ourselves with blaming his lack of thrift? Which is not always the case, for very often ill luck has something to do with it. If therefore citizens have duties towards the state, on the other hand the state itself has duties towards its citizens, duties which it can fufill through special organizations, where individual thrift will be encouraged. All systems based on optional methods have had results that are not conclusive enough, for instance the subsidized optional insurance, voluntary assistance, charity, co-operation, economy reasonably practised, mutuality and participation in benefits; none of these systems have succeeded. That should lead us to advocate—while still having great regard for the freedom of individuals—thrift as enforced in Germany for a certain class of workers. This system has had good results—although not satisfactory enough, because a whole class, the great majority of which are included in the problem of invalidity and old age was set aside, leaving however to this moral person, the state, duties to fulfil towards it. Moreover, if the state has the right to tax each individual, for the construction and upkeep of highways over which numerous citizens will never pass, why should it not be in order to have a tax for the protection and support of the disabled?

Taking it as granted that it is impossible to find a perfect system owing to the imperfection and inequality of individuals, it is not the less true that we could find a remedy for many needs greatly simplifying the problem.

It is wrong to ascribe to lack of thrift alone the case of an indigent old person or of a disabled one. It may only be partly responsible, while uncontrollable circumstances in the life of individuals are mostly responsible for the problem. To guard against the lack of thrift and the ups and downs of life in all countries, thrift gave birth to insurance. By the same process, personal initiative has benefited many people, either by protecting them in the course of their activities, or by indemnifying them in cases of accidents, sickness, or again by allowing the person carrying an insurance policy, for life or for a limited period, credit of such nature as to inspire consideration and deference for his person on the part of hospitable people, benevolent and charitable societies; moreover of a nature to beget him the necessary cares of old age on the part of his own children. At that age especially, money seems to have great weight with people. But to benefit from an insurance, one condition is necessary: payments on the policy must be regularly made. This may be an easy matter when the person is young, full of health, earns steadily sufficient wages to keep up his policies; but what happens when, even during his period of activities, unemployment, accidents, misfortunes bear down upon him? It is possible that a certain number of individuals may have set aside sufficient savings to meet these contingencies, but the proportion is small among workers. What unfortunately happens with the great majority of them, is that they see their insurance policies cancelled, losing the necessary examination, admittance and regular disbursements, savings gathered through great sacrifices disappear in the vaults of insurance companies. They lose everything at an age when resources are most necessary. This is one of the factors of the problem of old age and invalidity.

The capital invested in all insurance associations or societies, to keep up an insurance policy, should be reimbursed to the insured on the discontinuation of payments on the policy, leaving to the companies the interest on such capital. That is only fair since the banks themselves follow that procedure and can afford to pay themselves dividends of 8 to 10 per cent and more.

In most of the societies of mutual assistance, the proviso in their charter allowing the head office to increase the rates of payments according to the age of the insured, may be a necessary financial measure, but the facts are still there to show that in the period of youth and activity, people in health take out insurance policies easily kept up owing to their low rates of payment, and when unemployment—brought on by old age or sickness—stops the wages, it is then that the rates increase two-fold, three-fold and four-fold for those insured who have no other alternative than to mortgage their insurance policies to carry on their payments—and this means the cancelling of the policies within a few years, leaving the old people in poverty. These charters should be amended, otherwise legislators should refuse the granting of them thus closing the door through which comes part of the problem of invalidity.

If to-day, insurance protects people in various ways, which is admitted by everybody it is nevertheless the truth that at times it is the cause of poverty. This may seem a paradox but it is a fact. This altered relationship is so to speak forced upon it by our legislation on labour in regard to employers' responsibilities of labour accidents.

The insurance companies grant to employers insurance policies for their employees, at rates based upon the age and the kind of risk which the work of the employee entails. Now, insurance companies know that generally, at the age of 45, the eyes of a man begin to show signs of myopy or hyperopia, that in certain work this affection may bring on a slight error in judgment and further render the employee liable to accidents, which may even prove fatal; they are aware that at this age, suppleness begins to disappear, a certain stiffness of the muscles and tendons is felt over the whole body, and involuntarily forces the worker, when he goes down the stairs, to strike each step many times with his heels, owing to a kind of nervous shaking which produces an unsteadiness of the legs; these companies know that the power of steadily gripping objects for the same reason begins to change and decrease, which added to impaired sight become a disadvantage for the employer and employee. It is then that insurance companies demand a high premium, even prohibitive; or they entirely refuse to insure the employee so as to protect the employer and themselves. The man working in the shop is then thanked for his services, at an age when he could still work more efficiently than a younger man not having his experience; once dismissed, it is difficult for him to persuade people to employ him. That is the way a man who can work is declared unfit. The same may be said of a man working on high scaffolds, at 50 years old he is cast aside and no one will employ him, because the employer is not covered by insurance against accidents pertaining to work, and which are liable to happen to a man having reached a certain age. Consequently that workman dismissed as unfit, to whom work will be everywhere refused, first will miss his wages, then his few savings, if he has any, will dwindle down, he will therefore mortgage his insurance policies and their cancellation will soon follow. Although enjoying relatively good health and capable of working, he will see himself classed among the unfit that poverty awaits. This is again a road upon which figures the contingent of old people in poverty and those who are forced to become unfit.

[Mr. Deslauriers.]

Our legislation on labour in relation to the employer's responsibilities towards the employee therefore gives rise precisely to the problem of premature old age and forced invalidity. Now, since we acknowledge such a state of affairs, should we not amend our labour legislation in regard to the employer's responsibilities in such a way, that insurance companies should have no power to cancel policies, and the employer should not be held responsible towards the employee, who has reached a certain age limit and would like to carry on his work?

No doubt we cannot force upon an insurance company rules for its risk rates—that is its business—no more than we can oblige an employer to hire such and such a worker. Labour legislation must be so amended as to allow the workman at any age to earn his living by utilizing his energies such as they are. The state should found a social insurance in which might be admitted any person having reached the age of 40, with special rates or even make up the deficiency existing in various rates. This insurance would be taken care by a tax on successions, by unclaimed balances in banks, by industries which have profited by his toils and by a contribution of the insured. In this way the contingent of disabled and indigent old people would be much decreased. If we include in our legislation what seems to have given the best results in other countries, that is supplementary pension for the unfit whatever be his age or the cause of invalidity, it is most likely that this problem, for so long the object of investigations, would be solved within the limits which are possible to human beings.

There are duties that devolve upon those who have wealth, towards society and the poor. In any stock-taking the manufacturer must make certain allowance for depreciation of his plant, machinery, tools and goods; why should he not make a certain allowance for depreciation of his human stock: his workmen, his clerks? The rich man must not only play in society the part of receiver withholding all he receives, but also that of a charitable channel spreading around him favours under the guise of insurance against unemployment or old age. If it is necessary the state should allow for such acts by remitting to him certain custom and excise dues or other taxes.

I shall quote on the subject the views of a celebrated economist: "Charity, moreover, is, for the person who practises it, a source of joy, wealth—like the intellect, speech, activity—was bestowed on man not for himself but for others as water was given to the mountain not to remain there but to flow and fertilize the plain. Look at this water leaping from rock to rock, cascade to cascade, on the hillside it is joyous, it sings and casts on its shores the pearls of its foam and song. Why? Because it obeys its law and fulfils its mission of bringing joy and fecundity to the countryside. It is the image of the soul that gives, devotes itself and lives for others. On the contrary look at the stagnant and greenish water in the hollow of the rock: it is dull and gloomy, putriscent and nauseous; it puts to flight the birds of heaven. Why? Because it should be a living water and it is dead. It is the image of the selfish soul folding within itself and finding in its own selfishness but a mortal weariness. We must live for others, and be the beautiful river which carries its wealth to towns and countryside, we must be generous according to our means, like the humble stream meandering through the meadows. We must be the drop of water which added to other drops is carried away to swell the river. Pray! let us not be marshes."

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I have listened with considerable interest to the discussion which has taken place on the motion moved by the hon. member for North Winnipeg (Mr. Heaps) and the amendment moved by the hon. member for New Westminster (Mr. McQuarrie). Nothing more tragic has ever been portrayed on the stage of a theatre than the scenes we meet with every day in the general walks of life throughout the country. No more tragic picture, it seems to me, can be presented for the consideration of anyone who would like to solve these problems than that of a man who has done his best in life, who has played the game fairly with whatever intelligence he has and with the best of objects in view, and who yet has proved, through unfortunate circumstances, a failure or what, generally speaking, would be called a failure. The unfortunate circumstances might have been in the shape of a period of ill health which he could not control; or he might have been laid off or unable to get work when he was anxious to work. There is often a tendency to regard that man, who is in poor circumstances, struggling hard to get along and to make a fair living for his wife and children, as a failure. That is unfair to any man who has utilized his best efforts and shown a willingness to work when work was available. That man deserves some consideration at the hands of the government of the country in which he lives.

I was very much impressed with statements made in the course of his remarks by the hon. member for Comox-Alberni (Mr. Neill). He painted a picture which I regard as a true one; it is not overdrawn, so far as I can see, in any particular, and I have read his speech very carefully. He refers to the situation of a man who is on half time or part time or who has no work at all, who finds expenses crowding upon him and who is obliged to cut down the living of his family in order to meet his meagre purse, and to the economic effect of that man's situation on the country at large. The man is unemployed through no fault of his own; his being out of work lessens his power to buy, and this tends to create unemployment in manufacturing industries. That is an argument which struck me as reasonable and sound in every particular. The very fact that the man is out of employment himself and his purchasing power has been thereby decreased makes him a very important factor in producing further unemployment in the country.

Another point which was raised by the hon. member in regard to wages caught my eye. He made the following statement:

> If he cannot get work at his own particular trade he will break into some other branch of work, which generally means the casual labour market, thereby aggravating the condition because there is no more work in that market than before. Consequently he has to steal or share some other man's work, which generally means lower wages for both of them, and further decreases their purchasing power.

That brought to my mind a thought which I want to speak on for just a few moments, and that is the question of wages. If I might venture to refer to the country across the

line without irritating some hon. gentlemen to the right of the Speaker, I think I am correct in saying that in the United States of America they claim that they are paying the highest scale of wages of any country in the world. They also claim that as regards their labouring or wage-earning classes, they have the highest standard of living of any people similarly engaged in any country in the world. I believe it is largely if not entirely true that, covering the United States of America, the scale of wages is perhaps higher than in any other country, and largely because of that liberal or high scale of wages the standard of living of the wage-earning classes in the United States is possibly as high if not higher than that of wage-earners in any other country in the world.

As this resolution deals with the question of insurance against unemployment, is it not wise to look this matter in the face and ask ourselves what has brought about this state of affairs in the United States? If the proposition is correct that the standard of living and scale of wages in the United States are high as compared with other countries, then it does seem to me that it is reasonable and logical to assume that that condition in the United States, to which their statesmen refer so frequently and so loudly, in praise of themselves, is largely if not entirely attributable to the fiscal policy adopted in that country. Take any class of people that you like in the United States, and what do you find? Even before the war the United States of America was a country with a very high protective tariff wall, but immediately following the war the United States took this position. They said: "We have within the bounds of our country a population of considerably over one hundred millions, and we do not propose to permit the people of other countries, with their cheap labour, to enter our market when the United States is excluded from their markets largely because of the cheap labour which prevails in these European countries which were engaged in the war, and also because of the fact that those countries which were devastated by the war are not in a position to buy our products. We therefore will protect our producers of every class in the United States against the low wage scale of the countries of Europe which were engaged in the war and devastated by the war, and also from the effects of their depreciated and disturbed currency. We will protect our producers in the United States against that unfair competition." I submit that that was a reasonable and sound position for the United States to take, and they have followed that policy wherever any one of their industries or any class of their people have been exposed to what they consider the unfair competition of the products of Canada or any other country. They have at once, through the power given to their president, put on an embargo or taken other means to keep out of their country the articles which were coming into competition with the products of their own industry. The result has been that in the United States their factories have been running, protected as they are against what they regard as the unfair competition and the low wage scale of Great Britain and the countries of continental Europe, and their people have been employed because their factories have been running. There has also been encouragement for production on the farms in the United States through the tariffs which they have imposed against Canada and other countries in order to protect their own farm products from the cheap production of the Argentine and other countries with a lower wage scale and a lower cost of production. I mention those facts, and I invite to them the attention especially of hon. gentlemen on the other side of the house, particularly the Minister of Labour (Mr. Heenan), who, because of the position he occupies, must shed some tears over the unemployment that exists in this country, whether he feels like it or not; he would not be playing the game with labour if he did not show that he was a little concerned about the unemployment question; and I would appeal also to the hon. member for Comox-Alberni (Mr. Neill), to the philosopher from South Huron (Mr. McMillan), and others on the other side of the house, to my good friend from Saskatoon (Mr. Young), for instance, whom I see and who might give consideration to this matter—

Mr. YOUNG (Saskatoon): I rise to a point of order, Mr. Speaker. The resolution before the house is very definite and specific, and I submit that what the hon. gentleman is discussing has nothing whatever to do with the resolution. The question before us is the further consideration of the proposed motion of Mr. Heaps:

That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity, and of the amendment thereto of Mr. McQuarrie.

Now, what the hon. member is attempting to discuss is the possible causes leading up to unemployment, and that has nothing whatever to do with the motion on the order paper. I would suggest that this house would get

along more quickly and do its business better if hon. members were kept more closely to the question immediately before us.

Mr. SPEAKER: I do not consider the hon. gentleman's remarks irrelevant at all. He is leading up to the question before the house.

Mr. CHAPLIN: The hon. member for Saskatoon just wanted to make a little speech.

Mr. EDWARDS (Frontenac): I am very glad indeed to have the interjection of my genial friend from Saskatoon. I think perhaps now he will be relieved of any obligation to make a speech when his turn comes, because he will have already shown by what he has said and put on the pages of Hansard his very deep interest in this matter. I may say, however, in regard to the point which he raised, and it is a very blunt point, that I felt justified in speaking as I did, Mr. Speaker, because I note that at page 1562 of Hansard the hon. gentleman who introduced this motion said:

> I do not agree with that particular viewpoint. I believe unemployment is a problem that ought to be faced by the Dominion government. In this house we deal with and pass legislation that has a direct bearing upon this all-important question. We deal with facts, immigration matters, trade treaties, foreign policies, banking laws, and all these I claim affect the volume of employment or unemployment in this country.

I am sure the hon. member for Saskatoon would not be so hard hearted as not to give me the same consideration that he gave to the hon. member for North Winnipeg (Mr. Heaps), and I do not find recorded on Hansard that he raised any objection to the hon. member for North Winnipeg introducing the tariff and trade matters as having a bearing on the question before us; and the mover of the resolution having brought up that point, I therefore felt I was perfectly justified, Mr. Speaker, in enlarging upon it. The point that I was endeavouring to impress upon the hon. member for Saskatoon, the hon. member for South Huron, and one or two other hon. gentlemen, including the Minister of Labour, was that in the United States they do to a large extent solve this very problem of unemployment by adopting a fiscal policy which gives employment to their own people. The hon. member for Saskatoon knew perfectly well what I was coming at, but I want to state it in so many words so that there will be no doubt about it. The point I was coming to was this: In this resolution we are dealing with a very important question, the question of unemployment in Canada, and if the hon. member for Saskatoon and the genial philosopher from South Huron will add their eloquence and logic to that of the Minister of Labour, with perhaps a few words of advice thrown in by the Minister of Agriculture, and one or two others, they will perhaps be able to impress on the minds of the government the important bearing which the mistaken fiscal policy they have followed has upon unemployment in this country. As an illustration, if we were to give the encouragement which should be given to the production of wool in this country to meet our own requirements, it would afford employment to over seventy thousand people. Surely that has a direct relation to this question of unemployment. But the mistaken policy followed by this government and supported by these hon. gentlemen, including even the hon. member for Comox-Alberni (Mr. Neill), has practically put our sheep industry out of business. Yet that is an industry which ought to be encouraged, and which, if encouraged, would solve unemployment to the extent of providing occupation for tens of thousands of Canadians. I submit it is reasonable to point that out to the house.

I might call attention to one or two other things. I sincerely wish I could impress the importance of this upon the government. Take, for instance, our dairy industry. There is absolutely no question that tens of thousands of our farmers could be given a chance to establish themselves in the dairy industry if it were not for the mistaken fiscal policy of this government in allowing the importation of tens of millions of pounds of butter from Australia and New Zealand. These importations have absolutely discouraged tens of thousands of Canadians from establishing dairy herds. That has a very direct application to the resolution proposed by the hon. member for North Winnipeg (Mr. Heaps), because if you are to authorize the committee on Industrial and International Relations to investigate and report on insurance against unemployment, sickness and invalidity, that committee is bound to consider as many causes of unemployment as they can find; in a word, the committee must investigate all the factors which enter into unemployment. I am presenting some of those factors which I think the committee should investigate and report upon.

It is just as important for that committee to point out to the people of this country how unemployment can be prevented as it is to devise ways and means of dealing with unemployment after we have it. The old saying applies in this case as in others, "A stitch in time saves nine," and I do submit in all seriousness that it is our duty to con-

sider whether or not the fiscal policy pursued by the government has a tendency to create unemployment. If it does have that tendency, then manifestly it is incumbent upon us to get rid of the cause, for by so doing we will be helping to reduce unemployment in the Dominion. I present that argument to the house in all seriousness and in the belief that it is sound. I was induced to present it after reading the speech of the hon. member for Comox-Alberni in regard to lower wages and their meaning. I know there is a mistaken notion abroad in the minds of some political economists that a tariff always increases the price of the article to the consumer. I do not agree with that for a moment. The position is untenable. If you take some article which is not produced in Canada, for instance, tea, and put a tax on it, then perhaps you will make the people pay the full amount of the tax; but if a tax is imposed upon an article which is also produced in this country, then I say he who claims that that tax increases the cost not only of the article imported but also of the article of a similar kind made in Canada, is taking a position that is absolutely untenable. I mention that because again it comes back to the question of a correct fiscal policy for the dominion and its relation to unemployment.

I notice the Minister of Justice (Mr. Lapointe) is doing me the honour of paying attention to my remarks.

Mr. LAPOINTE: Hear, hear. I am admiring you.

Mr. EDWARDS (Frontenac): I feel very much flattered by the hon. minister's admiration.

Mr. LAPOINTE: I offer it modestly.

Mr. EDWARDS (Frontenac): I am indeed pleased. I hope he will take advantage of his great influence in this house and his legal training to do me the further honour of pointing out, if he can, wherein my argument is lame or weak, that the mistaken fiscal policy of the government has a direct bearing upon unemployment. I repeat, the whole matter of emigration is intimately related to unemployment. Tens of thousands of our boys and girls have emigrated to the United States. Why? Because they could not get employment at home. I say it is up to this or any other government seriously to consider to what extent the fiscal policy which has been followed is responsible for this exodus. What is the use of devising remedies and applying medicine after the patient is dead? The fact is that since the government came into power we have lost some six hundred thousand Canadians to the United States because of lack of employment in this country. They could not get employment at home because the fiscal policy of the government has given no encouragement to industry or to agriculture, and consequently there have been no opportunities for employment of our people.

I think it is more logical and reasonable all round to give consideration to how best we can prevent unemployment rather than to spend time and effort in an attempt to devise some form of insurance to meet the situation, which, in my opinion, might be very largely met by a decided change in our fiscal policy.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, this is the first time that I have had occasion to address the house under the forty-minute rule but I wish to assure you that I shall not occupy my full time. I rise to say on behalf of the government that we are favourable to the passage of this resolution so that it may go to a committee to investigate in all its bearings the question of insurance against unemployment, sickness and invalidity.

But, sir, I have to point out that the amendment offered by my hon. friend from New Westminster (Mr. McQuarrie) is not at all in line with this resolution. It introduces practically a different question which should go to another committee, that on banking and commerce, and I would ask my hon. friend or someone on his behalf to withdraw the amendment so that we may vote in favour of the resolution.

Hon. J. A. ROBB (Minister of Finance): No doubt there is some dissatisfaction on the part of the public regarding the cancellation of accident and sickness insurance policies, but there is this to be said for such policies, that they are only yearly, subject to renewal at the option of the insurer. The alternative would be to establish a system of non-cancellable policies. This form of policy has already been tried and the experience of the companies has been that it is not profitable. Many spurious claims, it is intimated, have been put in from time to time so that the companies do not find it profitable to issue non-cancellable accident and sickness insurance. If all the claims were as fair and just as that of my hon. friend from New Westminster (Mr. McQuarrie) I fancy there would be little difficulty in establishing that system of insurance; but apparently the claims have not been of that character. If that form of insurance has been found unprofitable by the companies, I ask hon. gentlemen representing various parties in the house

whether in their opinion it would prove more profitable if administered by the government. I leave that thought with the house. I would suggest that as my hon. friend's amendment relates more particularly to accident and sickness insurance, he might very well withdraw it and if he desired to make further enquiry into the complaints disclosed in his observations of the other day he might move another resolution to refer the matter to the banking and commerce committee.

Mr. W. G. McQUARRIE (New Westminster): I did not suggest that the companies should be required to issue any policy which they would be compelled to renew; I made that perfectly plain. My point was that insurance companies carrying on this class of business should not be allowed to cancel policies while the insured was in such a condition, owing to the illness which he sustained during the existence of the original policy, that he could not get insurance from other companies. I will agree with everything the minister has said regarding the impossibility of requiring companies to issue policies which are renewable until the expiration of the time limit, that is to say, the number of years one is insurable. But in the case I refer to—and this is happening every day—where a man becomes ill the companies do one of two things, if his illness is serious: they eliminate the illness or refuse to renew the policy. In my own particular case I found myself in a position where my policy was practically cancelled; the company refused to renew it. On the date it expired I received notice to that effect. Then I found that other companies, for a certain period at least, would not take me at all because of the refusal of the first company to renew the original policy. This, it seems to me, is a risk which these insurance companies might fairly be expected to take. That is my point. I did not suggest at all that the companies be required to issue policies renewable for all time. I have no intention in the world of interfering in any way with the resolution moved by the hon. member for North Winnipeg (Mr. Heaps), and if my amendment is going to have the effect of killing his resolution I will not press it at the moment. There is this difficulty, however, that it may be impossible for me to move and have discussed during the present session a resolution with reference to the point I am now submitting to the house. I suppose I could allow the matter to stand until another session, but it seems to me that the operations of these insurance companies should be controlled in some way. If they are conducting their business in an arbitrary and unfair manner there should be some means of regulating them. Certainly the present condition is nothing short of a scandal, and there are hon. members in this house, a number of them, whose experience has been similar to mine. Surely when you take out health insurance you should get something for your money. I am afraid that these companies are prepared to take people's money so long as the insured remain well, but when they become a risk the companies simply slide out, refusing to renew the policy. I suppose they are privileged to do this under the law as it stands; but the law should be changed. That was what I had in mind when moving the amendment; I did not intend to force any company to give me a sickness policy—I trust I can get along without one. I sincerely hope that this whole matter will be investigated by some committee, and I thought that inasmuch as my hon. friend's resolution referred to sickness insurance it would be proper at the same time to investigate the operations of companies carrying on that class of business to-day. I cannot see any objection to this proposal, but I wish to make it perfectly clear that I do not insist upon my amendment if its effect is to destroy the original motion.

Mr. ROBB: I understand my hon. friend is prepared to withdraw his amendment. I shall be glad to facilitate, so far as I can, the submission of his complaint to the banking and commerce committee. With much of what he has said I agree.

Amendment withdrawn.

Motion agreed to.

TEST OF PULVERIZED COAL

Mr. A. W. NEILL (Comox-Alberni) moved:

Whereas the market for the output of British Columbia coal mines is seriously reduced by the competition of fuel oil imported at an enormous cost;

And whereas scientific research in Britain and elsewhere has demonstrated that coal, when used in a highly pulverized form, can successfully compete in price and results, with fuel oil;

And whereas it is very desirable that the output of our mines should be increased and more labour employed;

Therefore be it resolved—that, in the opinion of this house, in order to test and demonstrate the possibilities of pulverized coal, the government should adapt one of their steamers on the Pacific coast, and the furnace of one of the government public buildings in British Columbia, to the use of pulverized coal from Vancouver island mines.

He said: Mr. Speaker, this is another of the many coal resolutions we have had this session, but it is unique in two respects: in the first

place I do not call it a national coal policy, and in the second place I do not ask other portions of Canada to be saddled with enormous burdens of taxation in order to assist the particular part of the country in which I am interested. In this resolution I merely ask the government by a small expenditure to put us in a position whereby we can help ourselves, which is the very best form of assistance anyone can ask or receive from any government.

In British Columbia during recent years we have been suffering from the competition of fuel oil imported from the United States. Ten or fifteen years ago the exports of coal from the Vancouver island mines to San Francisco were so large that the operators maintained offices there for the disposal of the coal, but that condition has long since passed away. We do not ship any coal to San Francisco now, but we import enormous quantities of fuel oil. During the first half of 1927 we imported 59,000,000 gallons of oil on which duty was paid, in addition to which large quantities were brought in by the steamship companies in bond, which were used by them without that importation being recorded in the customs returns. Making an approximate allowance for the amount so brought in, and taking that into consideration we find that in British Columbia alone we pay something like $5,000,000 a year to the United States for fuel oil. That is equivalent to about 600,000 tons of coal, or nearly one-half the annual output of the Vancouver island coal mines to-day. The production of that quantity of coal would support a town with a population of some 5,000 or 6,000, and since we neither eat nor wear coal this would mean an increased demand for the products of the soil and for the manufactured goods of the east. Therefore this is not a purely local question.

From time to time we have naturally looked about us for something which will offset this importation of fuel oil, and the first thing that was suggested by our Conservative friends was a tariff on that article. On one occasion an election was held mainly on that issue. I well recall that about the year 1922 I went to Hon. Mr. Fielding, the then Minister of Finance, asking him to increase the duty on fuel oil; as I went into his office I saw a large number of gentlemen, and indeed I might say a large number of large gentlemen, coming out. They were of the class described by Shakespeare as fat men, bulky, thick, well-fed, sleek-looking gentlemen, evincing every aspect of prosperity, and as they came out I eyed them with some curiosity. Then I went in to see the minister, and humbly proffered my claim for an increased duty on fuel oil. With that simplicity which characterized me in those days, and indeed does so yet, I said, "Why, Mr. Fielding, the Conservatives will support you in increasing the duty because they pledged themselves to do so in the recent election, and moreover it is a part of their fiscal policy." The kindly old gentleman smiled at me with his eyes tired with half a century's experience of politics and said, "Mr. Neill, did you see those gentlemen who went out just as you came in?" I said, "Yes, what about them?" He said, "They were a deputation from the Canadian Manufacturers' Association asking that the duty be removed altogether."

I wondered to myself what hope I, a poor, lean, hungry Cassius, could have to compete with those numerous fat, sleek-looking Falstaffs whom I had seen, but with the courage of despair I said to Mr. Fielding, "If we cannot have protection, then let us have free trade in coal," because that would benefit us to the same extent. Owing to the way the tariff is arranged, on the basis of reciprocity with the United States, free trade would mean that if we reduced our tariff in the east our coal from the west would enter the markets of the United States to a much larger extent. But Mr. Fielding pointed out to me very truly and very correctly that there were sixteen members from Nova Scotia all asking for a higher duty on coal, and he also made clear how disastrous the effect would be on the Nova Scotia coal miners if the duty were to be removed altogether. It was then brought home to me how difficult it is to reconcile the different sections of Canada to any one form of fiscal policy, so it was apparent that we had little to hope for from any tinkering with the tariff in that regard.

The next thing that suggested itself was the possibility of the further manufacture of this coal; that is, that we should not sell the coal in its raw state but should manufacture it into what might be called its ultimate products, such as gasoline, benzine and other coal tar products. I was much attracted by reports appearing in the press which stated that in Germany, by means of what is known as the Bergius process, they had actually obtained gasoline from coal in quantities which were said to be commercially remunerative. I looked into that matter, but with very little success. I have in my hand an extract from the debates of the English House of Commons containing a question asked when I was there last year; a member of the house asked the government what the prospects were of applying in England a process which he called the low-temperture carbonization process, and which he claimed had been successful in Ger-

many. He asked why that process could not be applied in Great Britain, and the member of the government who replied stated that he was not aware of any low temperature process being used successfully on a commercial scale, in connection with the type of coal available in England. So we found that while that process was adaptable in Germany, either because of the class of coal or the cheapness with which it could be produced, it could not be applied profitably to the coal mines of Britain. There was a meeting of the mining and metallurgical association in British Columbia last summer, and those attending that meeting stated that their technical and scientific information was to the effect that with their present knowledge it would be at least many years before it would be commercially possible to extract gasoline from the type of coal we have on Vancouver island. It is also impossible to convert that coal into gas, because the distance to the centres of consumption would be too great to transport the gas in pipes.

Well, Mr. Speaker, when we failed in that regard we continued looking around for a remedy, and it was suggested by this meeting of scientific experts last summer that the solution of the problem was the use of pulverized coal. The use of pulverized coal is not a fad. In the United States something like 50,000,000 tons a year are used in various plants throughout the country. In the state of Washington, adjoining British Columbia, alone, there are seven plants which use 320,000 tons of coal a year in that way. In the United states the navy has been interested in this subject, and they have been carrying on experiments for years. On one occasion quite recently they made a test of a Scotch marine boiler; it was the common type, the best type of boiler used on ships, and they ran it on pulverized coal for 240 hours continuously with very satisfactory results. It produces no smoke and no dust, and you can see the possibilities or advantages from the use of a fuel of that kind in the cities. So much so that the United States authorities made arrangements to equip a steamship called the Mercer, I think it was, on a trip from some port in the United States to Rotterdam; and it is on record that when that boat reached Rotterdam there were representatives of England, Germany, France, Italy, Norway, Sweden and Holland present, representing shipping companies, public utility companies, and government navies, all on the qui vive and highly interested to see the results of the trip, what the effect had been on the boilers, and so forth. The result of the round trip was that they saved three days' time and something like 30 per cent of the cost of the fuel as compared with the cost of the fuel oil with which the same boat had been previously equipped. The United States navy afterwards issued a statement to the effect that the test had been one of the most severe that it was possible to carry out, and they were thoroughly satisfied with the use of pulverized coal on steamships at the present time.

If that is so satisfactory, if that is ascertained, so to speak, it may be asked: why the purpose of this resolution which asks the government to more or less experiment by means of equipping a boat, and one of their public building furnaces, with machinery to use pulverized coal? Well, the answer is this: Each of these factories where coal has been used presents an entirely separate new problem. There are many things about the conditions that we do not know yet. Every individual class of coal has to be tested. The amount of ash, the amount of sulphur, and the moisture that it contains are all factors that go to determine whether that particular coal can be pulverized, and what kind of equipment is necessary to handle it. For instance something hinges on what is called the length of the flame. If a flame of a certain length can be produced that is of great advantage. And then, of course, there is the further question of the particular type of boiler adapted to that particular coal. All these questions need to be decided by actual experiment. And then there is another thing. We know that money is very conservative—and money means business, and business means money. Capitalists are not prone to take up new ideas unless they are sure of the advantages that will result from them. We all know how the internal combustion engine—what is known as the motor car to-day—hung fire for many years. It was well known for many years before it was introduced in a commercial way. The same thing can be said of the telephone and various other inventions. They lay dormant for a long time.

Now much has been said of recent years in connection with research, particularly this session and last session, and I think the hon. member for Vancouver Centre (Mr. Stevens) and myself are entitled to some little credit, because I can recall that we advocated research years ago and we got very little sympathy and very little attention on the matter. Well, this is a typical instance of very moderately expensive research. To demonstrate its advantages would involve very small expense, and it would be of great benefit even to the government, because if they equipped their boats on the Pacific ocean it would be a

great saving to them. Even on the hydrographic boats the use of smokeless fuel would be of great advantage. It would give an impetus to our coal mines and react on other lines of business not only in British Columbia, but throughout the Dominion.

I therefore trust that the government will see their way to give this fuel a fair trial by equipping one of their steamers with the machinery necessary to use pulverized coal, and also permit one of their public buildings, either in the city of Vancouver or the city of Victoria, to use pulverized coal from the mines of Vancouver island.

Mr. T. E. KAISER (Ontario): There may be some confusion in the minds of certain people in regard to this resolution, as compared with the one that I introduced in the house at an earlier date. I wish to say that these two propositions do not conflict in any way whatever. I am inclined very much to support this particular resolution, and I think the government would do well to give it their attention.

Just by way of showing the particular difference there is between this suggestion and the one that I submitted, and the attitude assumed by different people in regard to it, I should like to read to the house a letter which I have just received from the University of Birmingham, England, in regard to the proposition that has been discussed in this house. I am decidedly in favour of any move in regard to research or experimental work in connection with coal. I believe it to be among the great questions, in fact one of the most important, that will bring wonderful results to our country and to the people of the British Empire if the course which we advocate is followed.

The following letter was addressed to me by Mr. J. Ivon Graham, Experimentalist of the University mentioned. He writes as follows:

DEAR SIR:

I have been much interested in your letter of the 14th February, regarding your lignite coal and the possibility of converting this into oil by the Bergius hydrogenation process. We shall be very pleased to carry out some tests upon representative samples of the lignite. You will understand, of course, that our work is being carried out on a purely laboratory scale, the amount of sample being dealt with in our high pressure bomb being only about ½ pound. Nevertheless, we consider that these tests give a good indication of the results which may be expected by the treatment of the coal on a much larger scale.

We should be very pleased to have one or two of your university graduates in chemistry for the purpose of studying the process here, though I am afraid our limited laboratory accommodation would not permit at the moment more than two additional investigators. I think, however, it would be advisable if, in the first place, preliminary tests were carried out by us to ascertain whether the process appeared to have financial possibilities. We shall be only too glad to carry out these tests without making any charge as the treatment of various types of fuel by the hydrogenation process is of considerable interest to us from the research point of view. Should you be able to arrange for samples of your coal to be forwarded to us we shall be glad to have at least 5 pounds of each.

I have pleasure in enclosing herewith a reprint of a recent paper which summarises the work carried out in this laboratory.

Yours faithfully,

J. IVON GRAHAM.

I merely read this letter to show how sympathetic the laboratory people are in regard to our request. I think this letter will give some useful information to the Minister of the Interior and the government.

In conclusion I simply desire to say that I think we should support the resolution and should move in a direction that will tend towards the processing and the utilization of our coal deposits in a manner other than those which are being used at the present time.

Mr. C. H. DICKIE (Nanaimo): I am in full accord with the resolution proposed by the hon. member for Comox-Alberni (Mr. Neill). I am anxious to do anything I can to assist the coal mining industry of Vancouver island. I was fortunate in being a guest at the meeting in the city of Nanaimo of the scientific gentlemen as mentioned by the hon. member for Comox-Alberni, and they discussed at length the question of the liquefaction of coal. We had present a very distinguished gentleman from the United States, a thorough scientist. The consensus of opinion at that meeting was that the liquefaction of coal was still too far in the future to prove of any benefit to the mines of Vancouver island or of Canada generally. The liquefaction of coal has been accomplished as a laboratory experiment, it has even gone beyond that point, but the cost is so great that there would be no advantage in attempting to liquefy the coal of Vancouver island.

There would seem to be some possibilities with respect to the pulverization of coal, but in a conversation I had with the manager of one of the principal mining enterprises on the island—the hon. member for Comox-Alberni doubtless knows him quite well—he seemed to think there were serious difficulties in the way of pulverizing coal and using it on steamers. It is quite well understood that the coal would have to be pul-

verized just as it would be used, because, as it is gaseous, it would be dangerous to put coal dust on board a steamer or even on board a locomotive. Therefore the suggestion was that it would be pulverized just as it would be used. Coal differs greatly in quality, and in length of the flame and these facts taken in conjunction with the liability of the nozzles to plug up had militated against the general use of pulverized coal but he hoped these difficulties might be overcome. That gentleman, however, was not enthusiastic over it, neither were any of the other gentlemen at the meeting at which I was present. I can see no reason why the difficulties cannot be overcome and pulverized coal be used on our locomotives and our steamboats leaving the Pacific coast. If that pulverized coal can be used, it will be of great benefit to an industry that has been struggling for existence in that part of the country for years. Some of our mines have been closed down for years and others are working only on part time. Owing to difficult structural conditions with respect to the geology of our mining field, it costs a little more to produce that coal than it costs to produce coal in other fields. When it is produced, it is a better quality of coal and the question is just one of dollars and cents whether we can do something that will give relief to the industry. Therefore I have great pleasure in supporting in the strongest manner possible the resolution moved by the hon. member for Comox-Alberni.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, the government have no objection for two reasons, to the resolution proposed by the hon. member for Comox-Alberni (Mr. Neill). The principal one is that this is no longer an experiment, nor is it in the laboratory stage. The second reason is that the greatest competitor of coal at the moment on the west coast, indeed in connection with shipping generally, is fuel oil. That is true not only in Canada but in Great Britain and on the continent as well. Nearly every passenger ship plying on the Atlantic and the Pacific to-day is fueled with oil, with the result that the coal industries of Canada, Britain and elsewhere are all feeling the serious effects of this competition. Their hope was that perhaps the supply of fuel oil would not be of long duration, but it looks, by the fresh discoveries that are being made from day to day, as though this situation will continue for a number of years to come. Not only is that the case, but there is the fact of the introduction of gas into general use in Canada, and the introduction of natural gas in my own province, because notwithstanding the fact that the city of Edmonton is located on top of a coal field and Calgary is adjacent to one, I suppose by far the largest percentage of domestic heating is done there to-day with natural gas. So in all directions the market for coal is being infringed upon by substitutes that are being used generally. In this very city a large percentage of the domestic heating to-day is being done by the use of fuel oil. Then there was the introduction of hydro-electric energy and it is estimated that in Canada alone the use of hydro-electric energy as a substitute for coal for power purposes has made a diminution in the coal market all told of almost 27,000,000 tons. This means a tremendous displacement in the fuel market adversely affecting the coal industry.

The hon. member for Comox-Alberni has covered the ground pretty well, as did the hon. member for Ontario (Mr. Kaiser) to-day in connection with the hydrogenation of coal for the production of oil. This afternoon the discussion centres around the use of pulverized coal. Last summer when I was in England I was greatly interested in what they had been doing there, and I was assured by marine engineers that on vessels that were then being laid down, particularly the freighters, it was the intention of the engineers who had designed those vessels, to substitute pulverized coal for fuel oil. They stated that on present-day prices there would be a saving by this substitution of almost twenty per cent in fuel costs. Therefore there seems to be rather a bright future for pulverized fuel if it can be succesfully used as they think it can, particularly upon our freighters, and it will bring back a market that is now being denied the coal industry, as I said before, not only in Canada, but in Great Britain and on the continent. The government accordingly rather welcome the suggestion of the hon. member that an experiment be made upon one of their merchant marine vessels as well as an experiment in one of the large public buildings in the city of Vancouver, in order to test out the possibilities of using pulverized coal from the mines of British Columbia. What my hon. friend has said is very true, namely, that not all the products of the mines in any given locality can be successfully pulverized and a test is by no means conclusive when it is done upon a laboratory scale; but when pulverized coal is tried out in this way on a commercial scale, the test will be conclusive as to the utility of the coal from any given mine for use either on board ship or for

heating purposes in the furnaces commonly found in our large buildings or our homes. I have spoken both to the Minister of Public Works and the Minister of Marine and Fisheries and I have their consent to have this test made as speedily as arrangements can be made in that regard.

Motion agreed to.

NATIONAL SERVICE

PROPOSED CONSCRIPTION OF NATURAL RESOURCES AND ESSENTIAL SERVICES IN TIME OF WAR

Mr. WILLIAM IRVINE (Wetaskiwin) moved:

Whereas, it is the existent policy of this country, that reasonable preparation should be made for self-defence in case of any war involving Canada;

And whereas, such preparation if undertaken, should be both adequate, and of such a character as to make war less likely to occur;

Therefore be it resolved—that, in the opinion of this house, it is advisable that legislation be enacted providing that on the declaration of war involving Canada, all natural resources and essential services, including transportation facilities, industrial plants and commercial and financial agencies, should automatically be conscripted for national service for the duration of the war.

He said: Mr. Speaker, whatever hon. members may think of the merits of the proposal contained in this resolution, or whatever they may think of the practicability of giving effect to it in legislation, I hope they will regard my motives as sincere and grant me the generous thought that my sole purpose in introducing the resolution is for the future protection and happiness of our country.

Since Your Honour has been invested with the authority to enforce observance of the rules of the house, and in doing so must chop me off precisely forty minutes from the moment I commence to address you, I shall first take the precaution to indicate the main grounds upon which I shall urge the adoption of this resolution by parliament, and then if my hour should strike before I have finished, I shall be consoled somewhat with the thought that I have at least mentioned the steps in the argument which lead towards the desired conclusion.

I shall argue that since world conditions are such as to warrant the annual expenditures for war preparations which we now make, we would be illogical and unsafe guardians of the state if we did not recognize the principle that since there is cause for any preparation whatsoever, we are without excuse if we do not make the fullest preparation possible.

I shall then advance the idea that the acceptance of the proposal as set forth in this resolution, namely, that it is advisable that legislation be enacted providing that on the declaration of war involving Canada all natural resources and essential services, including transportation facilities, industrial plants and commercial and financial agencies, should automatically be conscripted for national service for the duration of the war, would ensure adequate preparation for national defence at no additional cost to the state.

Next, I shall endeavour to establish the view that the profit incentive in time of war is a real menace to peace, and if removed by the conscription measure suggested in the resolution, then one of the causes of war would be removed, and to that extent we should have a greater assurance of lasting peace.

Finally, I shall show that a war could be fought under the conditions proposed without leaving behind it a national debt to burden posterity.

The present policy of this government, as of preceding governments in this country, is one of preparation for defence. That preparation, I presume, is justified by certain fears which we legitimately hold, fears which arise out of unsettled international conditions. Now, if there are good grounds for the preparations which we now make, there must be equally good grounds for the most efficient preparation possible. I want to point out in this connection that a well trained, well disciplined, and well generaled force of fighting men is not the only factor in national defence. Indeed, I would go further and say that it is perhaps the least important factor. I know of no modern war which has been lost for lack of soldiers. Service and heroism in the battle line have always been more in evidence than service and heroism in industry, in finance or in commerce, and yet surely to a country that is fighting for its existence these are of equal importance with the army in the front line. A country I think can nearly always rely upon its citizens responding to a call to arms in its defence, but it cannot always rely upon the other agencies which are equally necessary in times of national danger. Past wars have been the soldier's opportunity to die, industry's opportunity to make money, and the country's opportunity to assume eternal debt. Conditions in these respects have grown to such a pitch in modern wars that unless some such proposal as I have made be adopted, a nation in the future will lose even more by winning a war than by being defeated, for when the price of victory has already been

paid by the nation in blood, posterity will have to pay the profiteers for all time in a monetary form for the victory which the country has achieved.

How is it that national defence in Canada to-day, as in most other countries, I presume, is confined to the training of that element which requires the least training? A man with a rifle in one hand and his life in the other is thought to need a great deal of training, and so we spend a good deal of money in training him, but a man with the national credit in one hand and the right to charge interest in the other requires no training at all, according to our military program. But, as I have already said, these agencies, financial, industrial and commercial, do not know what to do in time of war for the national defence or in the national interest. These agencies are so important, however, that they may defeat the finest army that was ever led to battle, and so I say that unless conscription is effective in respect to these agencies our preparation is a useless waste of money, and indeed, is an added incentive to getting us into trouble.

We maintain the nucleus of an armed force so that we may be able to build up in time of emergency a force for the defence of the state. We maintain military experts capable of handling men for that purpose, but to whom have we entrusted the handling of the industries of the country in time of war? To whom have we entrusted the handling of the finances of the country in time of war? These are left to whoever may be on the job, and they are left as profit making agencies for private individuals, whereas, on the other hand, we conscript our men to do the fighting.

For efficiency in defence the entire resources of the nation must be mobilized. We now rely upon our ability to lure industry by war time prices to do service to the state. We rely upon our ability to lure finance by offering the nation as a bond slave for all time in order to get financial institutions to perform their function in time of national danger. It is not sufficient to trust to these allurements. Indeed, we can no longer put our faith in them. Patriotic speeches during the last great war pledged with fervour the last man and the last dollar, but if you add up the ledger of the nation after the last war you will find that while we were many thousands of men short, we were, or somebody was, many millions of dollars ahead. The last dollar—nay, even the first one—never was given, but the last man was ready to go.

I submit that a democratic country must rise to its own defence with every citizen on a democratic footing. Let us think for a moment of the injustice of the present practice. We conscript men to die, or worse, we conscript them to be crippled in conflict in the national interests, but we leave others free to grow rich on what has been well termed blood money. Now I contend before this parliament to-day that bankers, captains of industry, merchants, railway companies, and so forth, should be put on the same footing as soldiers in the matter of national service during war. Let their pay be the same, let them be under the same discipline, let them be subject to the same restrictions and to the same punishments as the soldier. Let the banker who fails to do his duty during war time be put against a wall and shot at dawn, just as the soldier is who refuses to do his duty.

The effect of this arrangement on the morale of the nation would contribute more to efficiency than do large expenditures on military preparations. Morale has become a very essential factor in war success. During the great war it was found that the morale of the belligerent nations had to be maintained at any cost, and at times in order to maintain that morale appeals were made to the lowest elements of human nature. At times, even lies were used freely in all countries to preserve that thing called morale. Now, could anything be more disrupting than the thought that while many are dying for their country, others are becoming rich by profiteering in the things that are essential to the national life. Could there be anything more calculated to unify a people, raise their morale, and bring them into one strong, fighting force than for everyone to know that no one was making blood money out of the conflict? More serious to contemplate is the possibility that the time is not far distant when young men will rather be shot at home than be shot in the front line as a protest against their country being so unjust and unthinking as to conscript its youth to fight while it leaves the privileged few to profit out of the calamity of the nation.

But there is a graver aspect to this question than even its injustice and its detrimental effect on the morale of the people. While a man will fight to the death against considerable odds for his country, finance in the hands of private bankers on an interest-bearing basis will quit at the first sight of danger to itself. There is a well-defined point beyond which finance will not go, but will turn like a traitor and run for cover. Finance will quit, no matter what position the nation may be in, just so soon as the national debt reaches the highest amount at which it will be considered by bankers possible to extract the interest

in the form of taxation from generations to come. At that point, no matter how the nation may be situated finance will take cover. The nation may be in a struggle for its very existence, and a few more weeks or months may carry it to victory, but even under such dire circumstances if those in control of finance discover that finance is in danger, the victory of the nation will be sacrificed. That is the position we are in at the present time. If under the present system national safety in war should clash with financial safety, the latter will win.

Conscription in war time of the various agencies referred to in the resolution would of course increase production by preventing duplication and overlapping, which are inevitable under the competitive system. It would also eliminate all the waste of labour and material so common in times of peace, and would conserve the resources of the state to the utmost during the conflict.

Let me submit also, Mr. Speaker, that this is the right time to make provision for the proper conduct of the next war, because if war ever comes upon us again we want to be ready. We do not wish to have to make all these regulations when the country is in the midst of the struggle. We ought to make them now. The Minister of National Defence (Mr. Ralston) should be acquainted with the entire industrial organization of the state. He should know exactly where to put his finger, and when, and he should have it so organized that at a moment's notice he could bring every agency in the state to its defence. That cannot be done while we go on in the haphazard way in which we have been going in the past. He has no authority to do that. He himself has not had the training which he should have in the overlooking of these industries while such supervision is not considered to be part of our protective program. But not only so, it will not be easy for the minister of national defence, whoever he may be when the next war comes—of course, we are always hoping that another war will never come—but it will not be easy, I say, for the minister of national defence at that time to make the alteration which I seek now, because when the music of the shekels as they jingle into the coffers of profiteers, accelerated as they will be by war demands, begins to fall upon the ears of the privileged, he will find it very difficult to alter the regulations. He will be met then with the excuse: Let things alone as they are; don't disrupt industry while war is going on; and so forth and so on. This, then, is the time for us to act. Let every industrial magnate and every financier in this country be told that if war ever comes to Canada again everything will be conscripted for national defence, no profit will be permitted. Let us do that now by legislation.

I come to the elaboration of my next point, and that is, to conscript the agencies required for war purposes described in the resolution would be the best and the most effective assurance of lasting peace that we could have. If what my resolution proposes, namely, automatic conscription in war time of every agency employed in national defence, were put into effect, then we would be absolutely certain of two things of great importance. First, that we were fully prepared, or at least that we were prepared to the utmost extent of the nation's resources. If justified in making any preparation at all, it is, as I have pointed out, our patriotic duty to be fully prepared. There can be no adequate excuse for a partial preparation if there be any reason for preparation at all. Underlying our present policy is the fear, well founded, of a possible war in which we may be called upon to defend ourselves. That well-founded fear compels us to make certain preparations for our defence, and no one can say, if the fear is well founded, that we should be content with anything short of the utmost preparation. I say, let us prepare adequately or stop spending public money in what would be little short of a farce were we really launched into a conflict. The conscription of all natural resources and essential services, including transportation facilities, industrial plants, and commercial and financial agencies, would be adequate preparation at no additional cost, and it would mean, as I say, that we would know for a certainly that if war did come we would have all the resources of the country behind us in the struggle, and that we would all be on a democratic footing.

But the second thing which would be made certain were the course followed which I have proposed is that if war did come under these circumstances, everyone would know that the war was inevitable. That is to say, that it had not been fostered by some private interests for private gain. The war lords then would not be tempted to plunge the country into a death struggle for the sake of profit. Thus this sort of preparation which I suggest would be of real assistance to lasting peace. It has long been the claim of militarists that preparation is the best guarantee of peace. That has proven to be false in the past because preparation was confined to the manufacture of munitions and the training of armies. That sort of preparation has proven to be an added incentive to conflict. But if our preparation extend to all the profit-making agencies

essential to the winning of a war, then indeed it would be true that such preparation would be our best safeguard against war. I do not doubt for a moment the general belief that past wars have been urged and promoted by individuals and corporations having great influence on international policy and standing to profit by war.

Of all the dark and despicable suspicions that could becloud the consciousness of a nation this is the worst. To what low levels of bestial materialism has the desire for profit brought mankind!—if it be true that there are men in every nation who will not hesitate to plunge their fellows into the shambles of war for the sake of trade and profit for themselves. Some hon. members may have doubts about the truth of this charge. I will not stop to bring the proofs, first, because it is not essential to my argument, and secondly because it were better not to demonstrate this repulsive deformity of the human imagination. Whether it be true or not that men have promoted wars for profit, no one will deny that individuals do profit greatly by wars. That being so, it is very unwise to trust frail human nature to such great temptation. The government is asked now to pass the resolution before the house in order that the nation may be freed from the danger of war at the instigation of profiteers, and that the minds of the people may be freed from the dark fears and suspicions they entertain in this regard.

I emphasize the second step in my argument: that to make provision for the conscription of the agencies mentioned in the resolution would afford adequate preparation for defence at no additional cost; that, since the preparations that are now made are made because of our fear of possible attack, it is illogical to stop short of adequate preparation—and the proposal I make would be adequate; and that this sort of preparation would be the best assurance of peace, in that it would do away with the profit incentive which is alleged to be a dangerous cause of war. This profit incentive, being a danger, should be removed especially since such action would bring tranquility to the public mind, now disturbed by the suspicion which falls on our money kings and captains of industry.

I turn now to another step in the argument, namely, that under the proposed conscription measure war would be possible without war debt, or at the worst the nation would owe the amount of war debt to itself. The last war was financed largely through the treasury board. The national treasury or national credit was the source, the Finance Act the means, and the banks were the agents in the transaction. But when the war was over the nation owed the banks the entire amount expended in the war. The only reason why this entire transaction did not result in dire calamity through the revolt of the people was, I think, that the people generally did not understand what had actually been done. Under the resolution the next war—if by any misfortune it should come—would be financed from the same source as the last—only, when it is all over, we shall not owe the amount a second time, with interest, to a few privileged financiers.

For clarity on this point I shall use a simple illustration. Let us suppose a war between two tribes in the days of tribal society. To make it simple we will suppose that these tribes fought with rocks. When they went to war with each other they naturally organized themselves for the struggle. The young men went to the front line to throw the rocks, a number of others were selected to gather rocks and carry them to the front, and a third group were selected to do the hunting and to prepare the food for the entire tribe during the period of the war. But when the war was over it was found that nobody owed anybody else; everyone in the tribe had done his part: all the rocks had been gathered and did not have to be paid for and the tribe was as free of debt as it was the day it began fighting. That is not so to-day, however. We have, of course, complications arising from different methods of warfare, but the principle is precisely the same. In the last war there were in Canada men who neither gathered rocks nor threw them, but when the war was over we had to pay them for every rock that was gathered and thrown. And generations to come will be unable to pay that debt. It is indeed questionable whether, when we add the accumulating interest to the national debt growing out of the last war, the debt will ever be paid off. We should prepare now so that in the next war we might be able to finance it without paying interest to anyone. The nation in that case would owe its debt to itself.

I want to leave this thought with the Minister of National Defence, and so that he may be able to express his opinion on it before six o'clock I will now close, contenting myself with pointing out that, if carried into effect, this resolution will make war very unlikely in the future for the reason that the profit incentive will have been removed. But if war should occur notwithstanding, then we shall be prepared to put to our defence the entire resources of the nation, and no one will make any profit at

the expense of the rest of the people. No war debt will ensue to burden generations to come.

Hon. J. L. RALSTON (Minister of National Defence): I will not take more than a few minutes to discuss the motion. As a matter of fact, I did not know that the resolution would be reached this afternoon and therefore I shall be unable to deal as exhaustively as I might with the arguments my hon. friend (Mr. Irvine) has put forward. I want the hon. gentleman to feel, however, that if my observations are brief it is not because I do not realize the full importance of the subject he has discussed, or the very able and temperate manner in which he has advanced his arguments. I think the house and the country are indebted to the hon. gentleman for the way in which he has stated his case.

In countries where recruiting is voluntary, the suggestion which the hon. member has made regarding national mobilization is perhaps more ideal than practical; and I note that he has recognized that fact inasmuch as, in the very teeth of his resolution, is the proviso that conscription be effective in relation to man power. The policy he advocates, with the proviso which is added, is one which, in my opinion at least, will find acceptance in a general way; that is to say, that men should not be conscripted to give their lives in war while the industrial resources of the country are allowed to go free without making their just contribution. I believe we all accept that principle. Perhaps my hon. friend does not know that it is a part of the responsibility of a minister occupying the position which I hold—much as he may deprecate, as I do, the idea of any possible conflict in the future—to consider plans for industrial mobilization in the event of such a conflict arising. That is the principle adopted in Great Britain; the Imperial defence committee has been engaged in a consideration of it. We in this country are in touch with the proceedings of that committee and the principle is not by any means new to a proper administration of the defence department. I feel that the principles which the hon. member has enunciated can best be carried out by an endeavour, in time of peace, to work out a policy of industrial mobilization which will take into proper account the utilization of all the forces of the nation and not simply of man power alone. We will see to it that every part of the nation, industry, finance, labour and transportation, all make their just contributions towards carrying on the conflict if such turns out to be inevitable. I hope what I say now may perhaps lead my hon. friend to not press this resolution for acceptance by this house, since he has had the opportunity of discussing this matter; I want to say to him that I do feel as Minister of National Defence, and also as a minister who has something to do with the peace of the country, that it would be a mistake for us at this time to pass a resolution which seems to me to indicate to the world at large that we are thinking about war. My hon. friend's resolution provides that in the opinion of this house it is advisable that legislation be enacted providing that upon the declaration of war involving Canada, all natural resources and so on shall become conscripted automatically. I do feel that this will be misunderstood by the countries of the world, if we now make a legislative declaration that we are preparing for war even in this way.

We have on the order paper to-day no less than two resolutions advocating peace and looking to the eventual consummation of world peace. One resolution is proposed by the hon. member for Southeast Grey (Miss Macphail), who suggests that this matter is so important that a special department should be created having to do with peace and international understanding. There is another resolution proposed by an hon. member of this house which suggests that Canada should become a party to the optional clause respecting the world court. Both these resolutions are absolutely opposed to the resolution now before the house, and while in general terms I believe the principle of the resolution will be accepted if the proviso concerning conscription is also accepted, I do suggest to my hon. friend that having had the benefit of this discussion, it would be a mistake at this time to pass this resolution. I believe sincerely that we would be regarded as advertising that this country is preparing for war, just at the very time when all endeavours are being made in the direction of peace. We had the Washington conference last September; we have the Preparatory commission meeting again with regard to disarmament, and perhaps more machinery than ever is being set up in an endeavour to solve this age-old question of whether the peoples of the world cannot live together in peace.

Mr. GARLAND (Bow River): The minister's statement sounds very sweetly in my ears, but is it completely consistent with the rapid increase in the militia estimates generally?

Mr. RALSTON: Absolutely. I have endeavoured to state to my hon. friend that

I consider myself the minister for peace rather than the minister for war. I would also say that if there is no more trouble with other countries with regard to disarmament than there is with Canada, we will have a speedy solution of the whole question. My hon. friend knows, and I will be glad to discuss it with him and with the house when the estimates come up, the extremely limited armaments or preparations for war supported by this country. We are maintaining nothing more than a decent police force, and I feel entirely consistent when I suggest that this resolution should not pass and that we should not make this declaration, notwithstanding the fact that there is some increase in the militia estimates which have been laid before the house.

I do not believe I can add anything more; I hope hon. members will feel that I am consistent and sincere when I suggest that it is not advisable to pass this resolution at the present time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Some of us find ourselves in rather an awkward predicament with regard to this resolution. It seems odd that those who have stood very firmly for peace find themselves rather inclined to sympathize with the resolution, while the Minister of National Defence has placed himself in very strong opposition to it, on the ground that it may be misunderstood abroad and may not accomplish anything in the direction of peace. I think none of us will doubt the sincerity of the minister when he advocates peace, but I am not so sure of his consistency; I have no doubt he believes himself consistent, but I am not quite so sure that his position is in reality consistent. He says that the industrial resources of the country should make their "just contribution" in the event of war. That is all very well as a general statement, but I should like to ask whether, after having passed through a great war, the industrial forces and equipment of this country can be said to have made their just contribution.

What is a just contribution? I know that to-day a committee is sitting to consider soldiers' pensions; I know that many pitiable cases have come before that committee. Men are living on the very verge of poverty, some of them precluded from government assistance, and it would seem to me, in view of the finances of the country, that the government is prepared to assist these men only in the most grudging fashion. That is true, but on the other hand surely we know that the great part of the load of taxation we are bearing at present, and which perhaps more than anything else prevents the expansion of industry and the entry of new people into this country, is very largely the result of the last war. Do we not all recognize the fact, as the Minister of Finance recently informed us, that 50 per cent of the total expenditures of this country are to pay for the last war or are in connection with the present military expenditures? As I pointed out on another occasion, if we add to that the increased expenditure involved in securing our greatly increased income and the increased expenditure in connection with additional financing, altogether expenditure due to war amounts to about two-thirds of our total national expenditure. That is the situation we must face to-day.

The other day an appeal was made to this house by the hon. member for Brant (Mr. Smoke) suggesting that we in this generation should bear the burden of the past war and not pass it on to future generations. What was the response to that suggestion? There was none whatever. We are finding that although a great many people made fortunes during the war, even at this early stage the government are repudiating the income tax, which was levied to pay for the war, and so those who made fortunes either directly out of the war or indirectly because of the war, those who are the wealthy people of to-day, are going free to a very large extent. On the other hand, the people who are asked to pay for the war are the ordinary people who paid over and over again even during the progress of that war.

Is it fair to say that in any future war we should insist that industry and finance should make their just contributions unless we at this time insist that industry and finance do that today with regard to the last war? I think I would say that the minister would be consistent if he would introduce, or have the government introduce, a measure at this session asking that the last war should be paid for by a levy on industry and finance to-day. The people engaged in industry and finance are the only people in this country who benefited because of the war.

The minister says that he is quite sincere in urging that it would be a mistake for this house to pass the resolution, that it might be misunderstood. I recognize that possibly there is a danger along that line, but I would suggest that the nations of the world are not ignorant of the situation in Canada. They know perfectly well that we are spending to-day some—what is it?—$18,000,000 upon military defence, and that within the past few years we have gone up almost 50 per cent in our military expenditures. I would say that if the minister is as consistent as I sincerely

believe he thinks himself, he would reduce even the present comparatively small expenditure on armaments. That would be the very best declaration to the world that Canada is pacific in her intentions.

I should like to examine for a moment the terms of the resolution:

Whereas, it is the existent policy of this country that reasonable preparation should be made for self-defence in case of any war involving Canada.

Is that true? I think we must admit that it is. If any of us come here and suggest that we have national disarmament—a policy of which I personally am in favour, one of the policies on which I was elected to this house, a policy that I find is endorsed by a large number of labour organizations, farm organizations and church organizations across this country, and which is backed up by a very large number of returned men who know what war really is—I say that if we suggest that we should have a policy of national disarmament we are told immediately that that is impracticable, in fact, at least in some quarters, we are told that we are unpatriotic to suggest that. I think, Mr. Speaker, that the time is coming before so very long when hon. gentlemen in this house will get credit for absolute sincerity in this matter, and it will be admitted that those of us who advocate disarmament may be just as sincere in our position, and just as patriotic, as, on the other hand, I believe those are who advocate armaments. I do not think that the people who want armies, and navies, and air forces are consciously unpatriotic. But from my standpoint I believe that they are doing everything they can to ruin my country; and believing that from the bottom of my heart, and having taken that stand in the past, I, as a member of this house, who is trying to represent the people of the country, am bound to say so. I do not believe that expenditure on armament is the way to increase the prosperity of Canada, I do not believe that it is the way to effect the security of Canada or the security of the world. There are better ways, and it seems to me that we ought not to be labelled unpatriotic when we sincerely believe that, state that position, and try to impress our views upon the country.

Mr. RALSTON: Would the hon. member permit me to ask a question? I am asking it sincerely because I happen to have something to do with defence. How then is my hon. friend going to carry out the spirit of the first "whereas" he has just read? The resolution reads:

[Mr. Woodsworth.]

Whereas, it is the existent policy of this country, that reasonable preparation should be made for self-defence in case of any war involving Canada.

Mr. WOODSWORTH: Is not that first "whereas" in accordance with the facts?

Mr. RALSTON: I agree.

Mr. WOODSWORTH: You agree? Then that is all I want to say for the moment. I am not overlooking the minister's question, but I think we are agreed that statement is true. Some of us do not agree with that policy, but I think we have to admit that is the policy to-day, and of course the minister is charged with the responsibility of carrying that out.

I would suggest however that there are alternative ways of ensuring peace. I would suggest that if we had closer trade relationships between this country and other countries it would be another and more effective way of securing peace. For example, to spend one-tenth part of the revenues that we spend on our soldiers and on our navies in promoting international understanding in a way that is indicated by another motion placed on the order paper by the hon. member for Southeast Grey (Miss Macphail)—a question into which I do not wish to enter to-day—would be an alternative policy. I am not quite sure whether the organisation of the Department of National Defence is the one that could be entrusted with that task. As far as I am concerned I am inclined to think that the Minister of National Defence might very well be entrusted with the carrying out of a peace policy for the country. Undoubtedly there are alternatives to the present policy of guns, forts, navies and so on. But I think that we may say the statement in the first "whereas" is a true statement.

Now I will go on to the second:

And whereas, such preparation if undertaken—

I do not think it should be; I have an alternative way—but under the existing policy such preparation

—should be both adequate, and of such a character as to make war less likely to occur.

Will anyone doubt that?

Mr. FORKE: I do.

Mr. WOODSWORTH: My hon. friend the Minister of Immigration and Colonization doubts it. Well, let us take it up clause by clause.

Mr. FORKE: I think the whole system is wrong.

Mr. WOODSWORTH: The first statement is:

And whereas, such preparation if undertaken, should be . . . . adequate.

Surely if we go on the principle that national defence—I mean defence by means of military forces—is a good thing, we are bound in logic to say that it should be adequate; I think we cannot do anything less. I, as an advocate of peace, have to admit, as the next logical step, that it should be adequate; there is no half way. I think the Minister of National Defence must realize that it must be adequate. Such preparation must be effective; it must be adequate to accomplish its purpose. Surely we cannot get away from that. My brain at least makes me accept that as a logical outcome of the first statement.

Now let us go on to the second part of that "whereas". It should be:

—of such a character as to make war less likely to occur.

I am not quite sure whether the mover of this resolution has not introduced something into the clause that has a double meaning. Taking either the meaning that we should go on with military preparation to such an extent that we will be able to carry out fully our purpose, or the meaning that we should make such arrangements that we would be deterred from going into war, it seems to me we cannot very well take exception to that statement as it stands. If we are going into war—and I do not wish to think we must accept the statement in that way—but if we determine this is the best way to defend the country—even though some of us as individuals do not believe in it and are trying to find another way—if we are determined to so prepare then we surely should take such steps as would make war less likely to occur. In any case we should take such steps as would make war less likely to occur.

Mr. LAPOINTE: Does my hon. friend not think that the second "whereas" is absolutely following the line of the old doctrine that preparations for war lessen the danger of war. Personally I cannot subscribe to that doctrine and I am surprised that my hon. friend seems to subscribe to it.

Mr. WOODSWORTH: I understand the position of the Minister of Justice and I frankly admit that there is something in his contention, namely, that the very existence of armies and navies, the very existence of a Department of National Defence, is provocative of war. I realize that, but I should like to ask the Minister of Justice to go back to the previous statement. If we believe that military armaments are the means by which we can secure peace, let us use those means. Surely that is reasonable. I take exception to the first clause and I say that those are not the means to be used, but the minister is holding on to the old with one hand and reaching out to the other means with the other.

Mr. GARLAND (Bow River): Would it not be true to say that the government is on the horns of the dilemma of its own policy?

Mr. WOODSWORTH: That is another figure.

Mr. IRVINE: Is it not so that the things which would provoke war, as referred to by the Minister of Justice, are already part of our policy? Does he means to say that it will provoke war to conscript the industries of Canada? If so, I want to know what the authority is.

Mr. LAPOINTE: The hon. member does not want me to make a speech now.

Mr. WOODSWORTH: Some students of old customs tell us that the habit of greeting friends by the extension of the right hand goes back to the day when all men were armed and carried a sword in their right hand. When they put aside the sword and extended the open hand, this was a symbol that force was rejected and that they were willing to talk peace. The criticism I make of the position of the Minister of Justice is that, while he wants to extend the right hand, he also is anxious to keep the sword handy in case the other fellow is not quite ready to talk peace.

Mr. LAPOINTE: My hon. friend is wrong.

Mr. GARLAND (Bow River): The minister should speak to the Minister of National Defence.

Mr. LAPOINTE: I am doing my best.

Mr. WOODSWORTH: I have no doubt the Minister of Justice is doing his best, but our policy is inconsistent. If we retain the sword close by our hand ready for the least emergency we shall not go far in the direction of peace.

Mr. McGIBBON: Does the hon. member think that had Great Britain been prepared in the last war, there would have been a war?

Mr. WOODSWORTH: The question of the last war is one that I have studiously avoided. I have only a few minutes more and I do not intend to go into that question.

Mr. McGIBBON: The hon. member will not answer.

Mr. WOODSWORTH: No, it is another matter. I do not want to be diverted from this argument. I wish to go on with the latter part of the resolution which states:

That, in the opinion of this house, it is advisable that legislation be enacted providing that on the declaration of war involving Canada, all natural resources and essential services, including transportation facilities, industrial plants and commercial and financial agencies, should automatically be conscripted for national service for the duration of the war.

Can we imagine that if that proposal were actually in force in Canada, we would be liable to go into another war? I take it that such legislation would be one of the greatest deterrents against war that it would be possible to have. Just fancy if all the capital in all the banks were immediately conscripted and if the banks, instead of being able to make money out of the war as they did before, knew that it would annihilate them, do you think there is a banker in this country or in Europe who would consent to war? If it means that all our railway systems would immediately be conscripted, do you think that the leaders of the great transportation systems in this country would submit? If it means that all the industrial plants would immediately be conscripted and every man rendered penniless, reduced to the position of the conscripted soldier at $1.10 a day, would any man in Canada be likely under those circumstances to be in favour of war? I would urge that, if that were the situation, immediately any suggestion of war arose from one end of the country to the other the leaders of all the great newspapers, the men on the boards of all our great universities, the men who to a certain extent influence the policies of all our institutions, would set in operation such a campaign of education, such a protest against war, that the very appearance of war would be swept away and we would immediately resort to some pacific method of settling our disputes.

Mr. SPOTTON: I should like to ask the peaceful member for Winnipeg North Centre how he would handle a peaceful strike such as they had in Winnipeg a few years ago, and how he would be able to procure milk for the babies if we did not have some troops in Canada.

Mr. WOODSWORTH: I think hon. members will quite agree that when anyone is driven to such desperate means to try to sidetrack one in an argument, his case is pretty nearly hopeless. During the big strike my policy, for which I have no reason to feel ashamed, was that of peace. It was then and it is to-day.

Mr. COTNAM: A peaceful strike.

Mr. WOODSWORTH: Yes, if men want to stop work, unless they are to be degraded to the position of veritable slaves they have a right to do so—at least until we are able to arrange other means which, I hope, may be forthcoming so that these difficulties which now arise in the industrial world will not precipitate us into the unfortunate strikes which sometimes we have. But force, brute force, may I call it?—and I know all my comrades in the industrial world do not agree with this, but I take this position and more among the labour people believe in it than among the captains of industry—is absolutely no solution of our industrial problems. I do not believe it is any solution of our economic problems or of our international problems. This method of war is an outgrown method. In the old days our ancestors got down into the slime and fought with their teeth and fists; we think that we have reached another stage than that. In our ordinary business and social life we have reached the stage when, if we have a dispute, we refer it to the courts, to arbitration; we settle it in some other way than by force. Surely we might hope that in our international questions we may advance along similar lines. Progress is everywhere to be found. The League of Nations Society is now urging the establishment of those institutions and policies which will prevent international complications. We from our corner have introduced some resolutions along that line, and I trust that the hon. gentlemen who have done me the honour to interrupt to-day will vote in favour of the resolution of my colleague, and that we shall make representations to Great Britain along the line of signing the optional clause of the Peace treaty. If we do that as a country we shall have advanced a long way, but in the meantime, believing as I do, that war is an obsolete and inefficient instrument for the maintenance of peace—

Mr. FORKE: Everybody agrees with that.

Mr. WOODSWORTH: Very good but so long as Canada is committed, as the minister of National Defence states, to armaments in order to attain her ends, I cannot see how any of us can fail, in carrying out that policy of armament and militarism, to say that if we go to the point where we conscript men, we ought to go the whole way. Surely men are worth more than property; if we conscript men, I urge in the name of all the returned

men who have served at the front and of all of those who have sacrificed, let us go the whole way and insist that when the next war comes we shall all suffer equally.

Mr. PETER McGIBBON (Muskoka-Ontario): I should just like to say as a returned man that I refuse to allow the hon. member for Winnipeg North Centre (Mr. Woodsworth) to speak for me.

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

Thursday, March 22, 1928

The house met at three o'clock.

SUPPLEMENTARY ESTIMATES FOR 1927-28

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1928, was presented by Hon. J. A. Robb (Minister of Finance) read by Mr. Speaker to the house and referred to the committee on railways and shipping.

A message from His Excellency the Governor General transmittting further supplementary estimates for the financial year ending March 31, 1928, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

REPORTS OF COMMITTEE

First and second reports of select standing committee on railways and shipping owned, operated and controlled by the government.—Mr. Goodison.

On motion of Mr. Goodison (West Lambton), the first and second reports of the select standing committee on railways and shipping owned, operated and controlled by the government, were concurred in.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 74 for the relief of Dorothy Estelle McCutcheon.—Mr. Casselman.

Bill No. 75 for the relief of Adelaide Marie Moore.—Mr. Church.

Bill No. 76 for the relief of Delia Elizabeth Davies.—Mr. McPhee.

Bill No. 77 for the relief of Edith Duff McCoo.—Mr. McPhee.

Bill No. 78 for the relief of Kathleen Marion Baldwin.—Mr. Ryckman.

Bill No. 79 for the relief of Frederick James Lee.—Mr. Anderson (High Park).

Bill No. 80 for the relief of Laveania Maud Kelly.—Mr. Stewart (Leeds).

Bill No. 81 for the relief of Arthur John Evans.—Mr. Harris.

Bill No. 82 for the relief of Margaret Constance McIntyre Fairbanks.—Mr. Kay.

Bill No. 83 for the relief of Lina Elizabeth Foster.—Mr. Ross (Kingston).

Bill No. 84 for the relief of Winifred Osborne Gimblett.—Mr. Garland (Carleton).

Bill No. 85 for the relief of Ruby Jean Standing.—Mr. Young (Toronto Northeast).

Bill No. 86 for the relief of Albertine de Varennes.—Mr. Casselman.

Bill No. 87 for the relief of William Bye Fasken.—Mr. Young (Toronto Northeast).

Bill No. 88 for the relief of John Alexander Parsons.—Mr. Church.

Bill No. 89 for the relief of Martha Golding. —Mr. Church.

Bill No. 90 for the relief of Reginald Key. —Mr. Garland (Carleton).

Bill No. 91 for the relief of Madeline Massey Knox.—Mr. Smoke.

Bill No. 92 for the relief of James Parker. —Mr. Garland (Carleton).

Bill No. 93 for the relief of Dorothy LaBelle.—Mr. Garland (Carleton).

Bill No. 94 for the relief of Richard Henry Orr.—Mr. Edwards (Ottawa).

Bill No. 95 for the relief of Marjory Sterne Boyd.—Mr. Garland (Carleton).

Bill No. 96 for the relief of Florence Louise Parsons.—Mr. Goodison.

Bill No. 97 for the relief of George Daniel MacDonald.—Mr. Lennox

Bill No. 98 for the relief of Evelyn Connor. —Mr. Garland (Carleton).

Bill No. 99 for the relief of Annie May Caldwell—Mr. Garland (Carleton)

Bill No. 100 for the relief of Florence Marjorie Cressman.—Mr. Young (Toronto Northeast).

Bill No. 101 for the relief of Esther Buck Scott.—Mr. Casselman.

Bill No. 102 for the relief of Norah Jones. —Mr. White (Mount Royal).

Bill No. 103 for the relief of Albert Wood. —Mr. White (Mount Royal).

Bill No. 104 for the relief of Louisa Baldock.—Mr. Geary.

Bill No. 105 for the relief of Albert John Morison.—Mr. Harris.

Bill No. 106 for the relief of Amelia Judd Wasserman Berliner.—Mr. McPhee.

Bill No. 107 for the relief of Ernest Edmund Parrington.—Mr. Bowman.

Bill No. 108 for the relief of Margaret Beaton Hale.—Mr. Preston.

Bill No. 109 for the relief of Annie Constance Vipond Coleby Lazier.—Mr. Edwards (Ottawa).

Bill No. 110 for the relief of Gladys Caroline Isbell.—Mr. Jacobs.

Bill No. 111 for the relief of Victoria May Hardwick.—Mr. Jacobs.

Bill No. 112 for the relief of Annie Alice Tushingham.—Mr. Harris.

Bill No. 113 for the relief of Rita Peden.—Mr. Smith (Stormont).

Bill No. 114 for the relief of Lorne William Paterson.—Mr. Garland (Carleton).

Bill No. 115 for the relief of Albert William Hornby.—Mr. Anderson (Toronto High Park).

Bill No. 116 for the relief of Marguerite Adele Berwick.—Mr. Garland (Carleton).

Bill No. 117 for the relief of Harriett Ellen Isabel Kirkpatrick.—Mr. Garland (Carleton).

Bill No 118 for the relief of Martha Evelyn Taylor.—Mr. Garland (Carleton).

Bill No. 119 for the relief of Winnifred Clark.—Mr. Bowen.

Bill No. 120 for the relief of Maria Eremca, otherwise known as Marcia Eramko.—Mr. Robinson.

Bill No. 121 for the relief of Albert Glenn Steinberg.—Mr. Casselman.

Bill No. 122 for the relief of Charles Frederick Spittle.—Mr. Thorson.

Bill No. 123 for the relief of Helen Lazelle Margaret Zeller.—Mr. Cayley.

Bill No. 124 for the relief of Rachel Pearson.—Mr. Jacobs.

Bill No. 125 for the relief of Ida Myerson.—Mr. Jacobs.

Bill No. 126 for the relief of Arthur Wellington Henry.—Mr. Stewart (Leeds).

Bill No. 127 for the relief of Dorothy Warren Gorrie.—Mr. McPhee.

Bill No. 128 for the relief of Stanley Edmunds.—Mr. Church.

Bill No. 129 for the relief of Irene Frances Phebe Fricker.—Mr. Young (Toronto Northeast).

Bill No. 130 for the relief of Jean Maxwell Douglas.—(No Petition).

Bill No. 131 for the relief of Constance Brown Kinsman.—Mr. Heaps.

Bill No. 132 for the relief of William Wilbur Blackburn.—Mr. Anderson (Toronto High Park).

Bill No. 133 for the relief of Viva Venetta Rahmer.—Mr. Anderson (Toronto High Park).

Bill No. 134 for the relief of George Ranney Price.—Mr. Lennox.

Bill No. 135 for the relief of Percival Bovill.—Mr. Hocken.

Bill No. 136 for the relief of Paul Charboneau.—Mr. Lennox.

[Mr. Goodison.]

Bill No. 137 for the relief of William Franklin Darby.—Mr. Harris.

Bill No. 138 for the relief of Lorne Wilbert Helmer.—Mr. Ryerson.

Bill No. 139 for the relief of Mary Marjorie Jacques.—Mr. Edwards (Ottawa).

Bill No. 140 for the relief of John Edward Gladstone King, otherwise known as John E. King.—(No Petition).

Bill No. 141 for the relief of Winnifred Lilias Maunsell.—Mr. Edwards (Ottawa).

Bill No. 142 for the relief of Hazel Kathleen Mulligan.—Mr. Garland (Carleton).

Bill No. 143 for the relief of Jessie McLean.—Mr. Rothwell.

Bill No. 144 for the relief of Winifred Margaret Pope.—Mr. Garland (Carleton).

Bill No. 145 for the relief of Elizabeth May Thornley.—Mr. Rennie.

Bill No. 146 for the relief of Norton Webster Kingsland.—Mr. Young (Toronto Northeast).

Bill No. 147 for the relief of Alice Edith Knowles.—Mr. McGregor.

Bill No. 148 for the relief of John McArthur.—Mr. Young (Toronto Northeast).

Bill No. 149 for the relief of Charles Alfred Turner.—Mr. Edwards (Ottawa).

Bill No. 150 for the relief of Olive Druker.—Mr. Anderson (Toronto High Park).

Bill No. 151 for the relief of Lillian May Chandler.—Mr. Lennox.

Motion for first reading agreed to on division.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

REAL ESTATE IN OTTAWA

Mr. PECK:

1. What real estate in the city of Ottawa has been purchased by the government since the year 1923?
2. For what purpose was same acquired?
3. What prices were paid, or are payable, for the same, and to whom?
4. Is the government negotiating for the purchase of further real estate in the city of Ottawa?
5. If so, what property is being considered, and for what purpose is it required?

Mr. RINFRET:

Federal District Commission.

1. Property on the north side of Laurier avenue, known as the Dey's arena property and containing about 60,000 square feet.
2. For park purposes.
3. $60,000 to Lady Sherwood and Sir Percy Sherwood.
4. and 5. Proceedings have been taken to expropriate, for park purposes, the following

properties: (a) The Russell House block, bounded by Sparks, Elgin, Queen and Canal streets; (b) Lot 66 Slater street.

Department of Public Works.

1. The properties bounded by Sparks, Wellington and Elgin streets have been expropriated.

2. For enlargement of Connaught place.

3. (a) Compensation to be fixed by the Exchequer court; (b) Estate of C. W. Bangs, W. J. Irvine, Ottawa Electric Company, Limited, Matthewman estate.

4. and 5. Not in the public interest to disclose.

PATROL BOAT VIGILANT

Mr. ERNST:

1. Is the patrol boat Vigilant now engaged in the customs preventive service?

2. If so, where?

3. Is the Vigilant owned by the Department of National Revenue, or under charter?

4. If under charter, from whom, and what are the terms of the charter party?

5. Was the Vigilant formerly owned by the government?

6. When was the Vigilant sold, to whom, and for what amount?

Mr. RINFRET:

1. Yes, under charter.

2. Atlantic waters off Nova Scotia—base Halifax.

3. Under charter.

4. John Thomas Payette, Penetanguishene, Ont. $2,250 per month for period of seven months, 1927; nine months, 1928; nine months, 1929.

5. Yes.

6. 29th December, 1921 to Manley Chew, Penetanguishene, Ont., for $18,000.

CANADIAN WAR RECORDS

Sir GEORGE PERLEY:

1. Which department of the government has control of the collection of paintings, photographs, and war relics, known as Canadian war records or Canadian war memorials?

2. Where are they stored?

Mr. RINFRET:

Public Archives.

There are in the public archives four large paintings of war scenes, which were received from Lord Beaverbrook last year; and a large number of war relics and photographs relating to the war.

Department of National Defence.

(a) Paintings.

No information.

(b) Canadian Official War Photographs.

1. Negatives and photographic albums containing prints, in possession of Department of National Defence.

2. Negatives in geographical section (Lowe-Martin building). Prints in historical section, Department of National Defence (Daly Building).

(c) War Relics.

No information.

Department of Public Works.

The collection of war paintings, drawings, etchings and other works of art, comprising what is generally known as the Canadian war memorials, is now and has been in the custody of the National Gallery of Canada since it was placed there by the government in 1920. With the exception of eight paintings, now hung on the walls of the Senate Chamber, the collection is in safe storage in the National gallery.

The pictures have been exhibited from time to time as the opportunity presented itself and a considerable sum of money has been expended by the National gallery in keeping the works in first class condition.

POWER DEVELOPMENT IN QUEBEC

Mr. RYCKMAN:

1. Has the Beauharnois Power Company or any other company or person applied to the government or any department of the government for the right to take water to develop power under the charter granted in the recent session of the Quebec legislature to said company for the development of power?

2. Has said company applied to the government or any department of the government for approval of plans and authority to proceed with its works?

3. In the report of the joint board of engineers laid on the table of the house during the present session, the said board recommends another navigation proposition instead of Hungry bay. Under the circumstances, is it the intention of the government to take action in connection with any application for approval of plans and to give authority for commencement of work until the final decision is reached concerning action to be taken in connection with the St. Lawrence waterways proposition?

Mr. RINFRET:

1. Applications have been received of the Beauharnois Light, Heat & Power Company and are of date March 17th, 1927, and January 17th, 1928.

2. Preliminary plans have been submitted to the Department of Public Works and the Department of Railways and Canals.

3. The recommendations of the Joint Board of Engineers, and the proposals of the Beauharnois Company, will receive consideration in due course.

MR. GEORGE KYTE

Mr. RYERSON:

1. Is Mr. George Kyte, ex-M.P., for Richmond West, Cape Breton, employed by the government of Canada?
2. If so: (a) when was he so employed; (b) for what purpose; (c) at what salary; and (d) upon whose recommendation was he appointed?

Mr. RINFRET:

1. No.
2. Answered by No. 1.

CARRIAGE OF MAILS IN NEW BRUNSWICK

Mr. HANSON:

1. Was one Arthur Carvell of Lakeville, Carleton county, New Brunswick, appointed to drive the mail from Woodstock to Lakeville, Carleton county, New Brunswick, in the months of September and October, 1927?
2. If so, how many trips did he make in September, how many in October, and how many trips was he paid for?
3. Are mail contracts ever entered into with a minor?
4. Has the Canadian National Railways a contract for carrying mails from St. John, Fredericton and Woodstock, north to Lakeville?
5. If so, why was any arrangement made with Arthur Carvell or any one else for hauling the mails from Woodstock to Lakeville in the months of September and October, 1927?

Mr. VENIOT:

1. A temporary arrangement was entered into with Arthur L. Carvell for this service.
2. Thirteen trips in September, 13 trips in October, 26 trips paid for.
3. No.
4. Yes.
5. To expedite the delivery of daily papers from Saint John and also the despatch of the outgoing mail from the Lakeville district.

QUESTION PASSED AS ORDER FOR RETURN

OWNERSHIP OF LANDS IN THE PRAIRIE PROVINCES

Mr. EDWARDS (Frontenac-Addington):

1. How many acres of land have been granted by the federal government to the main and branch lines of the Canadian Pacific Railway and to other railways in: (a) Manitoba before 1870 and since 1870; (b) Saskatchewan since July, 1905; (c) Alberta since July, 1905; (d) what is now Alberta and Saskatchewan previous to July, 1905; (e) what is the approximate or estimated value of such land grants?
2. How many acres of land have been granted to land companies under settlement terms: (a) in Manitoba. (b) in Saskatchewan and Alberta before and since July, 1905; (c) what is the value of such grants?
3. Under what statute or by what authority did the federal government claim the right to dispose of such lands: (a) in Manitoba; (b) in Saskatchewan and Alberta both before and since 1905?
4. How many acres of land within the borders of Manitoba, Saskatchewan, and Alberta, since each became a province, have been alienated by the Dominion up to January 1, 1928, in each province for: (a) railways; (b) land companies on settlement terms; (c) homesteads; (d) Hudson Bay Company; (e) school purposes; (f) any other purposes?
5. How many acres of land does the Dominion claim ownership of or jurisdiction over in: (a) Manitoba; (b) Saskatchewan; (c) Alberta?
6. By what statute or authority does the Dominion claim the right of such jurisdiction?
7. Did the Dominion retain ownership of or administrative authority over any of the territory added some 15 years ago to the provinces of Manitoba, Ontario, and Quebec, and if so, by what authority in the case of each?

EXCLUSIVE PROSPECTING RIGHTS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would ask the Minister of the Interior whether or not there is any truth in the rumour that is prevalent that he or his department contemplate the granting of exclusive prospecting rights to large areas in the Northwest Territories. I would not ask this question at the present time were it not for the fact that I have received some very urgent messages with respect to it. I hardly believe it is possible, but I think it would reassure the public mind if the minister would make a statement.

Hon. CHARLES A. STEWART (Minister of the Interior): Two applications have been filed for exploratory privileges in the Northwest Territories covering fairly large areas. Both have been considered but neither has been granted.

Mr. BENNETT: Will the papers be laid on the table?

Mr. STEWART (Edmonton): There are no papers except the applications.

Mr. BENNETT: Well, the applications?

Mr. WOODSWORTH: We cannot hear what is going on.

Mr. E. J. GARLAND (Bow River): The minister says they have not yet been granted.

Mr. LAPOINTE: That is not what he said.

Mr. GARLAND (Bow River): If the Minister of Justice will be patient I should like to complete my question: Is there any intention on the part of the government to issue such rights to any individual prospector or corporation?

Mr. STEWART (Edmonton): There have been exploratory rights granted in the past, but as indicated by the leader of the opposition there seems to be very strong opposition

to granting rights of this character to anyone. The government is always willing to pay attention to objections of that kind. Personally, I see no very serious objection to the policy but one does not want to raise a row about a matter of this kind. May I say for the information of my hon. friend that an exploratory right was granted on the Indian reserve close to Calgary. We had to cancel that right, and it has not been asked for since.

Mr. BENNETT: Was that for natural gas?

Mr. STEWART (Edmonton): And oil.

REPARATIONS COMMISSION REPORT

On the orders of the day:

Mr. J. F. WHITE (London): May I ask when the report of the reparations commission will be tabled? I have received some communications with respect to it and that is my reason for asking the question.

Hon. FERNAND RINFRET (Secretary of State): The matter is still under consideration.

Mr. G. R. GEARY (South Toronto): Will the Secretary of State amplify a little his answer to the question of my hon. friend from London? Is it the tabling of the report of the commission, or the report itself that is under consideration?

Mr. RINFRET: The report itself is under consideration. It is not considered advisable to table it before we have considered it fully.

ST. LAWRENCE WATERWAY

CORRESPONDENCE WITH UNITED STATES GOVERNMENT

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I notice a report in the Toronto Globe to the effect that the government has sent a communication to Washington on the subject of the St. Lawrence waterway development, and coupled with the report is the statement that the government here has applied for certain privileges in the United States market. Is that correct?

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the papers are tabled my hon. friend will see that the report is not correct.

CONDITION OF FARMERS IN THE INTERLAKE DISTRICT, MANITOBA

On the orders of the day:

Mr. L. P. BANCROFT (Selkirk): I should like to ask the Minister of the Interior a question. I have here a report of a meeting held at Okno, Man., March 11, at which there were 125 farmers. At this meeting the serious condition of the farmers in the district was discussed, and a number of recommendations were made. I should like to ask the minister if he will have his officials in Winnipeg investigate thoroughly the conditions of settlement in the district referred to.

Mr. STEWART (Edmonton): Does my hon. friend mean as to drainage?

Mr. BANCROFT: Yes, the causes, and the conditions which prevail.

Mr. STEWART (Edmonton): Yes, we will ask the departmental officials there to make an examination and report.

RADIO—REPORTED CANCELLATION OF LICENSE

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I would ask the Minister of Marine and Fisheries if there is any truth in the report that the radio license granted to the International Bible Students' Association has been cancelled.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I may state that no final decision has been reached in the matter.

CHICAGO DRAINAGE CANAL

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): I would ask the Minister of the Interior when we may expect the return ordered on the 19th of last month of copies of documents relating to the diversion of water at Chicago.

Mr. STEWART (Edmonton): I will make inquiry and answer my hon. friend to-morrow.

AMHERSTBURG PUBLIC BUILDING

On the orders of the day:

Mr. E. J. GOTT (South Essex): I should like to ask the Prime Minister a question based on the following extract from the Amherstburg Echo of March 16th last:

> It is understood that Victor Renaud has been recommended by Thomas Rowley for appointment to the position of caretaker of the Dominion government building, in place of Ted Tunnicliff, who has resigned.

In view of the fact that this position—

Mr. SPEAKER: Order. This question will stand as a notice.

BUSINESS OF THE HOUSE

PUBLIC BILLS AND ORDERS

Mr. MACKENZIE KING: It was understood, Mr. Speaker, that we would proceed to-day to public bills and orders so that members who gave up Thursday afternoon some weeks ago to the Minister of Finance to enable him to introduce his budget, would have the opportunity to proceed at the point at which they would have proceeded had we gone on with the regular order that day. I move:

That the house do now proceed to order No. 23 being the second reading of Bill No. 3, an act respecting the civil service (restoration of excluded positions).

It is understood that after six o'clock we will return to the regular order of business.

Motion agreed to.

CIVIL SERVICE ACT AMENDMENT

RESTORATION OF EXCLUDED POSITIONS

Mr. E. J. GARLAND (Bow River) moved the second reading of Bill No. 3, respecting the civil service (restoration of excluded positions).

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No, no.

Mr. GARLAND (Bow River): Mr. Speaker, I am frankly astonished at the number of refusals on the other side of the house to grant a second reading to this bill. In answer to your question "Shall the second reading of the bill be carried?" there was quite a volume of "no" and that before the members who spoke had heard the argument thereon. I would take it, therefore, that they have pretty well made up their minds that in so far as patronage is now permitted they are going to cling to it with the tenacity of the party system of the older days. I hope, however, that after I have presented what few facts I have at my disposal on this matter, many of these same gentlemen will join with me in doing what they can to enforce and strengthen the principle as applied to our administrative service.

Mr. SPEAKER: Order. I cannot hear the hon. member who is speaking.

Mr. GARLAND (Bow River): I sympathize with Your Honour. Although my voice is by no means a loud one it can usually be heard.

After all there is one question the answer to which should determine our attitude towards this whole problem and that is: Does Canada's public service need efficient business supervision instead of political control as in the past? The answer to that will answer the whole problem in my opinion. This question has already been answered effectively and well in successive parliamentary reports on the civil service since 1877. From 1877 to 1924 successive commissions and committees have sat and discussed the whole problem, and in every case they have come to one definite conclusion, namely, that the merit system should be not only brought into effect but maintained properly in all its strength.

There is at the present time no provision for appeal and personal boards of welfare as in other democratic countries. That is another question and it is now being dealt with by a committee in another way; but there is another reason why the bill that I have before the house at the moment should carry and that is that, owing to a lack of proper supervision of the entire service, it is estimated that there is an annual loss to the country of more than $25,000,000 which could readily be saved if business management were permitted to apply.

Mr. CAHILL: Who estimates that?

Mr. GARLAND (Bow River): I will give that in just a moment. In support of this latter statement several considerations may be mentioned. An annual saving of $746,000 alone has been effected by the government printing bureau under the readjustment by the Civil Service Commission. An annual saving of $850,000 has been achieved in the Post Office Department, partly by departmental economies, it is true, but partly also by adjustments made in the personnel by the Civil Service Commission. In the evidence adduced before the Spinney committee of 1921, Dr. Roche, a former minister of the interior, declared that an investigation of that department would reveal conditions similar to those in the printing bureau where a saving of thirty-seven per cent had been effected. If this is so, then more than a million dollars are being wasted in that department alone. The cost of the staff of the Interior department increased $1,500,000 from 1915 to 1922; it increased $1,000,000 from 1919 to 1922, which fact caused a protest by the way from Senator Bradbury in the Senate.

Similar references might be made concerning other departments. In one department there are several hundred men with expensive equipment lying idle, incurring an expenditure of nearly a million dollars. It is on record that the late John Fraser, when Auditor General, claimed more than once that the

Ottawa service was bearing an excessive overhead of 66 per cent. In the cost of maintaining the personnel at about $60,000,000, he estimated that a saving of 25 per cent or $15,000,000, at least, could be made. In public purchasing by open competition an estimated saving of thirty per cent on say $30,000,000, or $9,000,000 in all, could be effected and no mention is made of the losses on political contracts such as the Timiskaming dam, railways, merchant marine, and other matters.

What I have said might be extended almost without limit. For example, in ten parliamentary commissions on the civil service only once did the same person sit on two commissions and the same lack of continuity applies generally in the case of the history of civil service legislation introduced in this house since confederation. Then there is the extraordinary fact that though annually there is distributed in unnecessary expenditure more than $25,000,000, 19,000 civil servants receive on an average from $1,100 to $1,400, or slightly less in salaries.

One clause of my bill asks that the powers of the commission be extended. At the present time under the act the Civil Service Commission, although nominally having the power to go into and reorganize departments, in effect has not the power unless the deputy and other officials of the department consent, or invite the reorganization. That condition of affairs is wrong. It should be compulsory upon the commission as part of its duties to enter into and reorganize the various departments of government consecutively, starting, if you like, with the largest and continuing through to the smallest. I say, as the result of what examination I have made of conditions, that if such a reorganization took place, if the commission undertook its duties properly and well, there would be a saving of even more than $20,000,000 a year in the administration of our civil service.

I am asking for the reinstatement under the commission of those positions that have been exempted by several orders in council, all but one of which were introduced by the present administration. When the present administration came into office practically the entire service was under the merit principle, but in the intervening years an enormous number of orders in council have been passed from time to time exempting various positions. In addition I am asking that departments that were regarded on their inauguration as temporary in nature, be now placed under the commission and given the rank of permanent. There is no reason I can see why they should not be so placed. The Prime Minister in his recent speech on the budget stated that, having listened to the arguments of hon. members, there was no intention now of doing away with the income tax, and therefore we may assume that the income tax branch of the department will continue to exist. If it is going to continue to exist, then I ask, in fairness to the system and the staff of that branch, that they be placed under the commission and receive the advantages of the permanency of the staff and all the other recognitions that they would acquire under it.

The same thing is true with regard to the Department of Soldiers' Civil Re-establishment and the Soldier Settlement Board. Hon. members will remember that the argument at the outset for placing those departments outside of the operations of the act was that they were temporary, but ten years after the war we find they are still being maintained and in many cases the votes have been increased for those departments. There is therefore no indication at the present time of any temporary nature in those two departments. In fact recent speeches by hon. members would indicate clearly that we may regard the Department of Soldiers' Civil Re-establishment as being, at least in our lifetime, of a permanent nature. Then why should we not make it permanent and place it under the act? Hon. members will at once rise in opposition to this proposal of mine and say: How are you going to establish an effective test for the minor positions—the labourer, the postmaster of a small post office with a salary of less than $200 a year, and all that sort of thing? My answer to that is that other countries have done it and other countries are doing it effectively to-day. You will find throughout the world nations applying the principle which I am asking to be applied in this case to the very class of positions which this government saw fit to exempt under special orders in council.

Mr. CHEVRIER: It was not the government that exempted them, but the Civil Service Commission.

Mr. GARLAND (Bow River): Ah well, the commission for some reason or other which we had better examine possibly before a committee of this house did, it is true, make some suggestions to the government with respect to that, but I say definitely to the government that if the ministers of the crown of that day had adhered to the principles which they themselves enunciated at an earlier date they would never have consented to the request of the commission, which was in my opinion an evasion of their proper

responsibility and duty, and which had behind it unquestionably pressure from those who wanted to get back to the patronage system again. I do not think you can escape that implication.

As a result of the abuses arising from patronage, including inefficiency, extravagance and abuses, the Union government some years ago placed under a special law, which I have under my hand, all civil service positions at that time; in other words, they provided that all positions in the service must be filled on the basis of open competition and of demonstrated ability to perform the work required. Those are almost the words of the act itself. As I have said, thousands of positions, some 13,000 odd, have since that time been exempted. The principal objection to retaining these positions under the Civil Service Commission was the impracticability of carrying on the proper examinations. When this question is discussed by hon. gentlemen opposite, and perhaps by one or two to my right, they will say that you cannot have an effective examination for these positions, and why should you have an examination at all for a labourer, for a man who works with a pick and shovel? My answer to that in the first place is that you can have an effective examination, and in the second place that the sustaining of the merit principle is so all-important that no excuse on the ground of a temporary difficulty should be recognized as a binding reason why all these positions should be exempted. We had a discussion in this house not long ago, a very heated and rather partisan one, with respect to the appointment of men to work on the retaining wall of the Rideau canal, and if the discussion that took place at that time is any criterion of the attitude of the public as a whole on this question, then what I have said stands well buttressed by the remarks of the Minister of Railways (Mr. Dunning). At that time, if I remember aright, he intimated that so far as he was concerned he thought it would be better for all concerned, better for the members for Ottawa, better for himself and the government, and better for the men, that the commission should have the handling of these appointments. I refer you to his words in Hansard of a few days ago.

Now the question arises, if you place these positions on the merit principle and make them subject to a civil service examination, no matter how perfunctory or casual it may be, some day or other you are going to be faced with the difficulty of making appointments, say, to the Public Works department in the city of Vancouver, and how are you going to ask that branch in Vancouver or any other branch in a city far distant to wait until the Civil Service Commission in Ottawa has retermined whether it has men on the eligible list for that class of position? That is a difficulty that I have anticipated. I expect that will be one of the arguments that will be hurled against this bill, but my answer to that is that it is provided for in the act itself, in section 39, sub-sections 2 and 3, where it is provided:

> When employees are required on short notice for emergency work outside the city of Ottawa a responsible agent or officer of the department requiring such extra assistance may engage the necessary employee and the said agent or officer in each case shall forthwith report to the commission through the deputy head of his department the names of the persons so employed.

And again:

> No such employment shall extend beyond thirty days unless approved by the commission; but where the place of employment is outside the Dominion of Canada, the term of such employment may extend to ninety days.

Again:

> Such employees may be paid the prevailing rate of pay at which persons qualified to perform such emergency work may be secured in the place or locality where the work is required to be done.

So that whole situation is carefully and studiously met by the provisions of the act itself. There is no difficulty, therefore, with respect to the making of temporary or emergency appointments in any part of the Dominion even if the Civil Service Commission is not at the moment in a position to make these appointments, because it is allowed thirty days, and an extension of time, if necessary, upon application from the deputy head of the department or the head of the works concerned.

I have in my hand evidence regarding the objections of council to the merit principle being applied in these exempted positions. A moment ago I intimated that the cabinet was responsible for the abandonment of the merit principle in this connection. When the commission reported to the government, the governor in council considered the situation, and then referred the matter back to the commission. On page 4 of the regulations you will find noted these words: "Considered too cumbersome and unnecessary, and the last step would be worse than the first." These words being interpreted to mean that the council did not agree to the merit regulation, and Dr. Roche says:

> That was brought to our notice. When it came up in the formal board meeting, my colleagues—I give them credit for their own honest opinions—differed with me. I felt that

we had put that in all previous regulations, and I did not see why we should suddenly find out by a sudden conversion that this is not workable, and therefore I refused to sign a memo. without that being in, and I did it because of this fact.

That is the reason why I have included in my bill a provision that no position shall hereafter be excluded from the operation of the Civil Service Act of 1918 excepting upon the unanimous report of all the commissioners. There are only three of them, and the unanimous report of the three commissioners should be given. I find by examination of the reports of different committees and commissions examining into the civil service that in almost every case since the commission was established there has been a feeling that at least two of the commissioners have been to some extent influenced by those who would return to patronage, but there is one man to whom great credit is due who has at all times consistently refused to be swayed from the path of duty as laid down for him by the act itself, and that man is Dr. Roche. The greatest credit is due to him.

Mr. CHEVRIER: Does the hon. gentleman mean to say that the other two commissioners were swayed from the path of duty?

Mr. GARLAND (Bow River): No, not at all, but I feel that for reasons which they may very sincerely hold, they have listened perhaps at least with greater effect—we will put it that way—to the pressure from those who would return to patronage than Dr. Roche has. That is the way perhaps to put it. That is why I think, if the government is sincere in its desire to maintain the merit principle, it will at least insert this clause in the act, that no positions hereafter shall be excluded from the operation of the act excepting upon the unanimous report of the three commissioners. That is not asking too much; it is a fair provision. At the present time there is a strong suspicion which it would be well for the government to remove from the public mind and from the minds of hon. members of this house—it is no more than a suspicion, I grant you, but it is there and I have heard it in this house since I came here—that the last two appointees of this government to the Civil Service Commission are being motivated by the desire of the members of the party surrounding the Prime Minister in their actions with respect to these things.

Mr. MACKENZIE KING: Mr. Speaker, my hon. friend is going a little wide of the mark when he attacks in this way commissioners who are not here to defend themselves. If he has any direct charge against any commissioner I wish he would make it; then it could be investigated. I submit that no hon. gentleman should reflect on a member of the public service either directly or indirectly unless he is prepared to go further and make a definite charge.

Mr. GARLAND (Bow River): I think the position taken by the Prime Minister is very fair, and I will be equally fair by withdrawing any implication there may be in my remarks. But I do say to him that I have simply expressed in my statement the point of view that has been expressed to me.

Mr. MACKENZIE KING: I might say that there is hardly a man in the public service who is not criticized in a similar manner by some opponent.

Mr. GARLAND (Bow River): All that may be very true; but it would be to the interest of the government, and the commission itself that any suspicion of that kind should not be allowed to continue. My proposal to the Prime Minister would be that in all cases of this kind where any such question arises, where there is any doubt in his mind as to either the commission itself or the recommendations that come from it, the matter should be referred to a committee of this house; and I will in a moment quote the right hon. Prime Minister's own words in that regard. I stated a little earlier that other countries had found it quite practicable to place under the operation of the merit system and to make subject to examination appointments of men, such as ordinary day labourers, much less higher positions. Let me quote a memorandum which I have in my hand respecting some of the regulations covering the appointment of unclassified labourers in the federal service of the United States. This is an extract from regulations of the United States Civil Service Commission, published in the report of the commission for the year ending June 30, 1922, Regulation No. 1 provides:

1. The Civil Service Commission is authorized to apply these regulations to such cities or parts of the executive civil service as it may deem expedient.

2. It shall be the duty of all officers in the executive civil service to aid the commission in all proper ways in carrying these regulations into effect.

I will pass over the qualifications of applicants and come to the particular subject under discussion, the point of eligibility:

1. The names of eligibles, with the kinds of labour in which proficient, rated at 85 or more, shall be registered by sex in the order of their ratings on physical condition,—

on physical condition.

—except that honourably discharged soldiers, sailors and marines, their widows and the wives of soldiers, sailors and marines disqualified by injuries received in service and line of duty, shall have priority.

2. Eligibility shall be for one year, but the period may be extended by the commission for all those on any register if it is deemed inexpedient to hold a new examination.

I turn then to the report of William C. Deming, who explained the details and advantages of the merit system. At that time he was head of the federal Civil Service Commission of the United States. Take unskilled labourers, for example:

Those who seek employment as unskilled labourers are given a physical examination only. It would be useless to test a pick-and-shovel man or a charwoman in arithmetic or geography.

I quite agree with him. But when opponents of the merit system state that it is not practical to make an eligible list for unskilled labourers, I say the evidence of what has been done in other countries must disabuse their minds of that point of view.

For the mechanical trades,—

And, by the way, an enormous number of skilled artisans have been excluded by order in council passed by this government.

—a physical examination is required which constitutes 40 per cent of the total rating. The other 60 per cent is given to a rating on training and experience in the particular trade upon which application is made.

I could go on and quote what they do in all other cases, such as the technical professions, book-keepers, stenographers, file clerks, general clerks, and so on, through the whole rota of possible positions.

We also find, Mr. Speaker, that parliamentary reports from beginning to end since 1877 have consistently denounced patronage in the government service. Let me refer very briefly to these reports. A committee under the chairmanship of Mr. George Casey, M.P., reported in April, 1877, and this is an extract from the report:

Political patronage is responsible for other evils, and we do not hesitate to express the conviction that many unnecessary civil offices have been retained, and that new places have been created, for no better purpose than to provide for the followers of influential politicians.

Again,

Generally speaking, political influence has been found to interfere more or less in the working of all branches of the service, and always with bad effect.

"And always with bad effect." Here is another extract from the first report of a commission to investigate the civil service, of which Mr. Donald McInnes, of Hamilton, was chairman, and Mr. Martin J. Griffin, secretary. This was on March 5, 1881. The report says:

It—

The patronage system.

—embarrasses ministers in providing an efficient public service, and it causes great and often irresistible pressure to be brought on members of parliament to force their consent to the nomination and appointment of unfit persons.

That last statement, Mr. Speaker, I wish to repeat.

—and it causes great and often irresistible pressure to be brought on members of parliament to force their consent to the nomination and appointment of unfit persons.

Now the question has been put to me: Am I not in a better position to nominate a postmaster for a little village in my riding than the Civil Service Commission? My answer is twofold. First, I do not know—although I probably could learn—the qualifications required to fill the position. That, however, could be overcome, and possibly I should be as well able as the commission to determine from a stated form the eligibility of any individual who might apply or whom I might have in mind for nomination. But the statement of this commission has the strongest force in matters of the kind, that the member himself does not always feel free—although he may be independent enough to act freely—in making the appointments if he has it in his power to do so. The pressure of political partyism is too strong upon him, the need for getting his friends into office is frequently too apparent to him, and there is the inclination on his part that is almost inescapable to appoint, other things not even being equal, those who are his political friends. I ask any hon. member opposite to place himself in a position where two men are applying for a postmastership; one of them is a frank and avowed Conservative, a man who does not agree with the hon. gentleman politically at all; the other is a good friend of his own political persuasion. Now, this good friend of his own political persuasion may not be quite as efficient as the other applicant, but it is very easy to argue—

Some hon. MEMBERS: Why not?

Mr. GARLAND (Bow River): He may not be in this particular case. It is very easy for the hon. gentleman who has the appoint-

ment in his hands to say to himself: Oh, well, the other chap is a good friend of mine; I am sure he will be all right anyhow; I will let the thing go through; I don't want to have a Tory in that job anyhow. That is how we are tempted to act; it is human nature. But in the administration of our public service such temptations should be eliminated as far as possible. Let me quote an extract from a report of a commission composed of Messrs. J. M. Courtney, chairman, Thomas Fyshe and P. J. Bazin, on March 17, 1908:

> That entrance to and promotions in the service should not be a matter of political patronage, but that the whole outside service should be placed under the Civil Service Commission; that promotion therein should be by merit, and that the higher positions should be filled from the service itself.

A commission composed of G. N. Ducharme and R. S. Lake reported to much the same effect on November 9, 1912. In the report of Commissioners Slack, Lewis and Eugene Tarte in 1918 we find much the same language; in fact, the language of this report was even more trenchant. The statement appears:

> General conditions in the printing bureau may be briefly described as shocking. They are, however, the perfectly natural consequence of the "system" which created them. Under any but government ownership the sheriff would long ago have closed the doors of the plant.

Much the same language is used in the report submitted in 1921 by the parliamentary committee of which Mr. Spinney was chairman, and in the final report of the special parliamentary committee brought down in June 1923 under the chairmanship of Mr. James Malcolm we find:

> Your committee is of the opinion that the two fundamental principles of the Civil Service Act are the merit system and the system of appointment by competitive examination, and that both these principles must be preserved.

They did not say "in part"; they did not say that the principle must be preserved with respect to the service generally but not as regards 13,000 positions. The statement is explicit that, in the opinion of the committee, the merit system should be faithfully adhered to. Let me now give an extract from a report of a special committee of the Senate, session 1924, under the chairmanship of the Hon. F. L. Beique:

> Your committee is convinced that the method of appointment and promotion by competition (usually known as the merit system), is preferable, in every way, to advancement by favour or influence. In support of this principle may be cited the findings of a number of committees, extracts from which will be found in the appendix to this report.

I have already quoted from some of these findings. My time is going and although there is much that I should like to say I must curtail my remarks. The ideal condition in government would be one in which the administrative function, in so far as it is generally applicable, would be separated from the political function. The political function in the business of government is the function responsible for policy and authority. I am speaking in broad terms. I admit there may be modifications of that rule from time to time, and in certain instances but broadly speaking the political function is one of policy and authority. The administrative function, the civil service, has for its duty the carrying out in a business like manner of the policy determined by the political. To do this properly the administrative should not be hampered by the political nor vice versa.

I hesitate at this stage to bring to the attention of the house the record of the Liberal party in this connection. It is not one of which I am proud personally, because I adhere to the merit principle and believe in it, and because the Liberal party, through its greatest leaders, has from time to time expressed itself in determined tones on this question, and now to find them in office under pressure from their friends, from the commission, or from some other source going back upon their own stated principles and repudiating their own convictions is to me repugnant. I am not going to weary the house with a recitation of all the orders in council. Let it suffice to say that the positions which are to-day exempt from the Civil Service Act number between thirteen and fourteen thousand, roughly, and this in spite of the words of the Prime Minister himself. The right hon. gentleman, speaking in Ottawa on September 11, 1926, is reported to have said:

> May I say further, ladies and gentlemen, that I stand strongly, and have always stood, for the merit system and promotion on the basis of merit and will do my utmost to see that that is maintained. I might say much more, but being in the middle of an election and on the eve of the day of polling, I naturally have to be somewhat reserved and careful in the statements that I make.

Now that the election is over may I cordially invite the Prime Minister to abandon that reserve and carefulness and regale the house with exactly what he would like to have told that meeting in Ottawa. He continued:

> I do not wish to say anything here that is other than in accord with what were our

policies prior to the time that I went out of office. All that I have said to you to-night is simply by way of stating that I am prepared to implement what we were ready to do.

The last sentence is a qualification which is not easily understood. I do not know what they were prepared to do but they were prepared to do it anyway. Now, I find the Minister of Justice, speaking on March 11, 1921, is reported in Hansard at page 839 as follows:

Mr. Speaker, I endorse the remarks of the hon. member for Maisonneuve—

Who at that time, Mr. Speaker, was yourself.

—and I am opposed to the resolution moved by the hon. member for Victoria.

Then Sir Sam Hughes.

I do not believe in political patronage. It has been tried in many countries of the world and it has been found wanting everywhere. I think that positions should go to merit and never to influence, on the part either of the candidates themselves or of their families, and I am opposed to nepotism in the distribution of public offices. There is one matter I wish to deal with for a moment or two, and that is the fact that this government is not giving proper support to the Civil Service Commission.

He was referring to the Union government, and now I apply his own words to himself: I say that this government is not giving proper support to the Civil Service Commission. I must now pass on. There are many other quotations that might be given from men of prominence in the Liberal party who have since left the house. The Hon. Charles Murphy was one of the most brilliant exponents of the merit principle and he exploited it on every occasion to condemn patronage.

Mr. POULIOT: May I ask a question?

Mr. GARLAND (Bow River): I have only forty minutes. The hon. gentleman will make a speech himself, I have no doubt. So far as this question is concerned, I must say that in my seven years in this house I have found no more honest, convincing and consistent supporter of the merit principle than the Right Hon. Arthur Meighen, and I appeal to hon. gentlemen on my right to follow the leadership of that man in this matter. I feel that their present leader will follow in his footsteps; I hope he will adhere to the merit principle as the Right Hon. Arthur Meighen did. Let me quote Mr. Meighen's statement:

We put the civil service on the rock basis of merit, although this was done in the face of the bitterest of party opposition, but the task was achieved. I want to say that under any government of which I shall be the head the civil service will continue to stand on the rock basis of the merit system.

[Mr. E. J. Garland.]

A burst of applause followed that pronouncement of policy. Mr. Meighen went on to say that the civil service was in danger and he mentioned certain matters of a partisan character to which I need not refer. He also referred to a statement made by the Minister of National Defence, "now sometimes called minister of self defence," the Hon. E. M. Macdonald of Pictou, to the following effect:

Of all the facts of which Mr. Meighen is guilty, the one unforgivable sin I can never forget is the passing of the Civil Service Act . . . . There lies the greatest danger that surrounds the civil service, and keep this in mind, in so far as you vote.

I ask you too to keep that in mind when voting now. We find also that His Honour the Speaker, before his elevation to that office, is reported as follows—Hansard, May 2, 1921:

In Canada, my right hon. friend (Sir George Foster), who is the senior member of this house, knows how the lives of ministers of the crown have been made unhappy through this infernal patronage system. . . . . Is there a member of this parliament with any self-respect who of his own free will would return to the days when lobbies were filled with office seekers who made parliamentary life almost unbearable by their importunate demands?

Mr. MACKENZIE KING: Just before my hon. friend resumes his seat I would like to ask him a question, as I am sure he would not wish to mislead the house in regard to any orders in council which have been passed exempting civil servants or classes of civil servants from the control of the Civil Service Commission. He made reference to a large number who had been exempted, but I did not catch whether he said a large number of orders in council or a large number of individuals who had been exempted under orders in council. Would he tell me that first?

Mr. GARLAND (Bow River): A number of orders in council have been passed by this government exempting various positions, a list of which I have under my hand.

Mr. MACKENZIE KING: How many orders in council?

Mr. GARLAND (Bow River): If the Prime Minister will give me about five minutes I will add them up.

Mr. MACKENZIE KING: My hon. friend used the figure of 48,000 or something like that.

Mr. GARLAND (Bow River): No, between 13,000 and 14,000 positions have been exempted since this government came into office.

Mr. MACKENZIE KING: I do not understand how my hon. friend secures that number; does he mean that number of classes or that number of individual employees?

Mr. GARLAND (Bow River): In answer to the Prime Minister, I now request the permission of the house to place on Hansard a complete list of all the orders in council passed by this government, giving the names of the positions and the numbers of the positions exempted since this government came into office.

Mr. MACKENZIE KING: I want the house to hear the orders in council. I have no objection to my hon. friend reading them if the house will give him permission, but I would ask him whether he has not reference to the orders in council passed under the following clause of the Civil Service Act:

> In any case where the commission decides that it is not practicable nor in the public interest to apply this act to any position or positions, the commission may, with the approval of the governor in council, exclude such position or positions in whole or in part from the operations of the act, and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with.

That is the clause in the act under which the orders in council referred to by my hon. friend were passed. One of the classes exempted under that provision is all positions where the salary does not exceed $200 per annum. I have no doubt that if my hon. friend includes in his figures all those persons whose salaries have been under $200 per annum he may be quite correct in the numbers he gives, but it is very misleading to represent that the government have taken from under the control of the Civil Service Commission by order in council thousands of positions, when these orders in council have been passed as being in the public interest, and in fact at the instance of the Civil Service Commission itself.

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, I have made my position so clear upon a number of similar occasions that I need not take very much of the time of the house to-day. The hon. member for Bow River (Mr. Garland) has stated that since this government came into power they have released 14,000 positions from the control of the Civil Service Commission. The facts do not warrant that statement. If we consult the journals of the house for 1923 we find that Dr. Roche, in giving evidence before the parliamentary committee, stated that there were orders in council passed by the previous administration, particularly that order in council passed in September, 1921, which exempted over 11,000 positions and by the word "positions" I mean categories under which people had been employed. On June 29, 1922, when this government were in power, order in council No. 1053 was passed, which recited all the orders in council which had been passed by the previous administration having to do with these exemptions. Dr. Roche stated that up to that time about 13,000 positions had been released, and that the order in council of June 29, 1922, released only 3,000, so my hon. friend was quite in error when he stated that this administration had exempted 14,000 positions.

Then the hon. gentleman quoted a sentence from the Malcolm report, which stated that the merit system must be preserved at all costs. That is nothing new to me; I was one of those who wrote that sentence in the report, and ever since then, in my every utterance and in every way I have bound myself to support the merit system. But there are two kinds of merit systems. It is far from my thoughts that we should destroy the Civil Service Commission altogether; there must be some kind of a commission. There was such a commission in 1908; it was improved from time to time, and we might as well be frank about it. The Civil Service Commission is not a sort of old King Tut's grave, upon which we must not place an unholy hand; we must be able to speak about that commission without being charged with the desire to destroy it. Surely the Civil Service Act is not above reproach, like Caesar's wife, and surely one can say something about it in an honest effort to improve it without being charged with having a nefarious or murderous intent. If we had a little more co-operation; if the hon. gentlemen who speak in such glowing terms about the merit system would only view these problems as we have to view them, we might get somewhere. In 1918 the Civil Service Act was amended for the purpose of allowing the Griffenhagen classification to be adopted into the service. That was one of the most unnatural classifications ever made, and the service feels its effect even to-day. It will be years and years before the noxious seeds of that classification are completely eradicated from the civil service, and those who suffer most are the civil servants themselves. The Civil Service Commission did wonderful work in trying to solve the difficulty, but this classification was introduced at that time and the Civil Service Commission was reorganized. That law was framed in haste, and it was drawn up for a purpose which had nothing to do with the Civil Service Commission.

Surely it will be admitted that that law, as is the case with every law, was not perfect in the beginning; surely certain features may be improved from time to time.

When I mention co-operation between the government and the civil servants I come immediately to what has been advocated for some years, a closer bond between these different elements which will probably come about through the medium of civil service councils. I quite agree that the merit system must be preserved and that all entrants into the civil service should pass a competitive examination. We are told now that the civil service law of Canada is designed exactly along the lines of the laws prevailing in other countries, but we have not been told as yet the names of those countries. If my hon. friend refers to the English civil service law he refers to something which does not exist, because there is no civil service law in England. In that country there is only a series of orders in council, which give the greatest latitude to the heads of the different departments. I hold in my hand photostat copies of those orders in councils, if anyone would care to see them. Then my hon. friend said there was a civil service law in the United States; he referred particularly to the state of New Jersey, and stated that everyone was admitted to the civil service of that state through the merit system and a competitive examination. Then I find at page 30 that in the state of New Jersey there is a noncompetitive class and this is what is said with respect to it:

> Positions in the non-competitive class shall be those of a minor character, the filling of which is impracticable either through competitive examination or through registration under the provisions of rule XI.

There is another provision about the non-competitive class in the state of New York. At page 10 we find the following:

> In the state service, all unskilled labourers and such skilled labourers as are not included in the competitive class or the non-competitive class; and in addition thereto there may be included in the exempt class all other subordinate offices for the filling of which competitive or non-competitive examination may be found to be not practicable. But no office or position shall be deemed to be in the exempt class unless it is specifically named in such class in the rules, and the reasons for each such exemption shall be stated separately in the annual reports of the commission. Not more than one appointment shall be made to or under the title of any such office or position, unless a different number is specifically mentioned in such rules. Appointments to positions in the exempt class may be made without examination.

The same words that are used in the Canadian law.

[Mr. Chevrier.]

Now as to the differences between the Canadian Civil Service Act and the British Civil Service Act, let me say this: I have quoted this memorandum time and again, and it no doubt appears in Hansard. I have often quoted it on public platforms. This is what it says:

> The head of a Canadian department who is responsible for the carrying out of the work of that department is told by the commission what clerical assistance he will require and is then furnished with that assistance, and he is further told by the commission what professional and technical assistance he will require and is furnished with such persons to do that technical and professional work as the commission decide have the qualifications. If the head of the department wants more help, he notifies the commission who decide whether he does or not and what kind of help is needed.
>
> The British commission is subject to the Lords Commissioners of the Treasury, and is not independent of parliament as is the Canadian. It makes all appointments (after examination, approved by the treasury) unless the position is wholly or partially professional or has requirements otherwise peculiar and not ordinarily to be acquired in the civil service in which cases the head of the department nominates the appointee. Also in cases where the head of the department and the treasury consider it to be in the public interest, they may dispense with all or part of the qualifications—

And so on. I am not blaming the Civil Service Commission for administering the law as they find it. I have pointed out the defects of that law but I cannot blame them for administering the law as they find it. I should like to see the responsibility placed where it should lie, namely, with certain provisions and certain qualifications, upon the deputy head or the minister himself.

Let me say, Mr. Speaker, that it is a great privilege indeed to have such a fine protective staff as we have in connection with this House of Commons, the finest body of men I believe that ever occupied positions in this building. Now if parliament had not the privilege of choosing these men or having the final say, do you think we should have such a fine and well disciplined body of men as we have now? The responsibility for looking after this body of men is placed upon the Sergeant-at-Arms who acts under the direction of Mr. Speaker. I for one am satisfied that if the Civil Service Commission had to choose the members of this staff it would not be as fine a body of men as it is to day nor would the discipline be as good. It stands to reason that that could not be otherwise.

Mr. WOODSWORTH: Does not the responsibility for the appointment of these men rest upon parliament itself, or one who represents parliament, namely, Mr. Speaker?

Mr. CHEVRIER: Indirectly the staff are under the control of parliament but Mr. Speaker and his officers are immediately in control. There is a directing hand. Somebody assumes responsibility for the appointments and the personal element and the personal touch are noticeable. It could not be done in any other way. The argument advanced is that the Civil Service Commission is supreme or ought to be supreme, but it is within the power of this parliament to tell the commission what it ought to do. The Civil Service Commission having exempted these positions for reasons known to itself, it ill becomes parliament to say to the commission that it must take those positions back. Now section 20 of the act says:

Except where otherwise expressly provided, all appointments to the civil service shall be upon competitive examination—

Then section 26 provides that the form of examination may be written or oral, or in the form of a demonstration of skill. So long as the Civil Service Commission will administer every bit of the law as it is enacted I shall have no quarrel with it. It is discharging a duty which has been imposed upon it and it is honestly discharging that duty. Now a moment ago I referred to order in council No. 1053. Let us see under what conditions that order in council was passed. It says:

The civil service commissioners are of opinion that the following classes of positions should be exempt from the operation of the Civil Service Act under the above section—

And section 4 of the act says:

The duties of the commission shall be:
(a) to test and pass upon the qualifications of candidates;
(b) of its own motion to investigate and report upon the operation of this act.

Let me quote the following from the order in council:

The Civil Service Commission is of opinion that it is not practicable to prescribe a system of competitive examinations or tests as required by the Civil Service Act, 1918, for making appointments to positions of this nature. The commission is further of opinion that there is good ground for believing that the above classes were among those which parliament had in mind for exemption in amending the Civil Service Act during the session of 1921, and the Civil Service Commission therefore, has the honour to report that it is not practicable to apply the Civil Service Act to the classes mentioned above and to recommend that they be excluded from the operation of the act—

I do not want these positions, but the Civil Service Commission has said that it is impracticable and not in the public interest to carry out the letter of the law. Therefore in its wisdom it recommends that these appointments be taken out of its hands. What are these appointments? I am not going to read them all. but there are the following among others: painter, painter and paperhanger, pattern-maker, plasterer, plumber and pipe-fitter, process welder. So it goes on all down the list. There are altogether 14,000 positions which means rather 14,000 persons, not categories that were affected.

Mr. WOODSWORTH: Does the hon. gentleman regard the present method of employing these people as satisfactory?

Mr. CHEVRIER: Yes, I do, because there is no other way to deal with them.

Mr. IRVINE: Why argue if there is no other way?

Mr. CHEVRIER: That shows the wisdom of my hon. friend and I leave him with his question. The Civil Service Commission has decided to exempt these positions from the operation of the law, and I have the greatest faith in and respect for the three commissioners. The hon. member for Bow River says in one breath that there should be no exemptions and in the next that there may be exemptions when the three commissioners get together and so decide. The Malcolm report of 1923 contained a stipulation—and the Civil Service Commission agreed to the recommendations contained in that report—that in all matters, whenever two commissioners sign, their decision was to be final except, that the dissenting commissioner should put down his reasons in writing for submission to the governor in council with the recommendation for exemption. If the law is continued in that way and if the Civil Service Commission desire to exempt further positions or to bring positions back under the act, I have nothing more to say. I am satisfied to leave the matter in the hands of the commission.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, may I say at the outset, when I hear the hon. member for Ottawa (Mr. Chevrier) saying that he is satisfied with the present system of appointment in connection with exempted positions, his remarks are entirely at variance with those of many members of his party when they sat on this side of the house, as I will proceed to show? I feel that the house and the country owe a debt of gratitude to the hon. member for Bow River (Mr. Garland) for pressing the issue which is the subject matter of the bill we are now discussing. As evidence in support of this bill and as proof that the public service is impaired through the patronage

system, I desire to place upon record some of the operations of that system in my constituency.

I will take first the question of the dismissal of the postmaster at Fort Pelly. This post office was moved seven miles from its original position. The newly appointed postmaster did not even reside in the district; he was not even a patron of the previous post office. It is rather amusing to read the correspondence and to find that the officials of the department, when they were instructed by the Postmaster General to appoint the present postmaster to that position, could not even find him, because apparently letters addressed to the post office of which he was to take charge did not reach him, because he was not a patron of that post office. In the file which I have before me no particular reasons are given for the change in that post office, but in answer to a question I put on the order paper the statement is made:

Representations made by residents through Mr. George McPhee, M.P.

That does not mean anything. We do not know what those representations were, and against that we have a petition signed by almost every patron of that post office requesting that no change be made in the office and that the then incumbent be left there. It was pointed out in the petition that the previous postmaster lived in the centre of the district and that the removal of the office six or seven miles away would seriously inconvenience the people. The request, however, of these people was ignored and in answer to a question as to the reasons for the dismissal of the postmaster we are told by the Postmaster General:

For better accommodation.

I wonder who should be the judge as to the better accommodation of the office. Surely it should be the people who are patrons of that office rather than others who live outside of the district altogether. I will venture the assertion that the hon. member for Yorkton (Mr. McPhee) has never been in that district, knows nothing about it and has acted on letters received from some patronage hunters in the district. The removal of this office necessitated a change in the mail service costing the department considerably more money. Previously this service, which was a weekly service, was performed for $104 per annum whereas at the present time it costs $164.20.

Let me take the case of the postmaster at St. Front. The previous postmaster was a storekeeper and as such was in a much better position ordinarily to serve the people than a farmer would be. The position was taken from him without any reason being given in the file, but in answer to my inquiry on the order paper the Postmaster General gives this as his reason:

The postmaster was dismissed for having taken part in the federal election of 1926 as deputy returning officer and enumerator.

Surely it will not be seriously contended that a man who is called upon to act in the public service as enumerator and deputy returning officer is taking part in politics. If so, that is something new entirely. I am quite sure that, as in most of these cases, it cannot be proved that this man took any part whatever in politics. This is a French-speaking district and this man is one of the few residents in that district who could talk and read and write both languages. That being the case, it is possible that he was appointed, I do not know on whose recommendation, to the position of deputy returning officer, but the reason for his appointment was very likely that he was a master of both languages, reading and writing both of them fluently.

Let us consider the position of the postmaster at Poplar Bluff. This post office was moved five miles away and the roads between the old district and the new district, because the post office has been moved into a new district, are very bad, sometimes almost impassable. This leaves the people in the actual district of Poplar Bluff without a post office at all. The district into which it is moved is served by the post office of Arran. I think previously the people of that district secured their mail at the village of Arran and therefore the service is not of much use to them. May I read two of the letters which appear on sessional paper 150 showing how the change was made and how the new postmaster was appointed? This is a letter from Pelly under date of March 5, 1927, addressed to Mr. G. W. McPhee, M.P., Ottawa. It reads:

DEAR SIR:

At a meeting of the Pelly Liberal Association held on February 26, 1927, the following resolution was passed:

That W. O. Stasuik, postmaster of Poplar Bluff, a Meighen appointee on the recommendation of M. N. Campbell—

I may say that is absolutely false. This man was appointed by the present government.

—be dismissed for political partizanship, and we recommend Paul D. Dykun of S.W. 22-34-31 W. 1st. for the appointment of postmaster there.

Pelly Liberal Association,
C. P. DUNDAS,
President,
Mrs. L. M. BRIDGMEN,
Secretary.

We have the remarkable picture of people living in a village not even adjacent to this district, because this is a different district altogether, recommendng the appointment of a postmaster there and the Postmaster General acting on their recommendation without consulting a single person in the district. That is not representative government and if that is a sample of how the patronage system operates, the house and the country owe a debt of gratitude to the hon. member for Bow River for bringing this question before the house.

Let me just give what would be an interesting analogy. Let us say that the people of Toronto want a public work of some kind or a person appointed to a public office and the Liberal association or the Conservative association of Winnipeg pass a resolution upon which the powers that be act in the city of Toronto. That is exactly the principle that has been followed with respect to this particular post office, and I say again that it is a vicious principle indeed.

There is the case of the post office at Nut Mountain, Saskatchewan. I find that a petition signed by all but three of the patrons of that post office was forwarded to the Postmaster General asking that there be no change made in that post office. The recommendation for the change was made by Mr. J. A. MacMillan, my Liberal opponent, in a letter which he wrote to the Post Office Department on December 27, 1926, in which in part he says:

> I am informed that a petition was circulated in the Nut Mountain locality requesting that the post office be left where it is. but from the reports I have from reliable sources in that locality I would recommend the change, and feel that it should be made.

The point I want to make is this: Here you have a petition signed by all but three of the residents of the district, and yet a gentleman who does not live in that district, and who I am sure is personally acquainted with not very many patrons of the post office, recommends that the change be made, and on his recommendation that change is made. In addition to that, in the file in the office of the Postmaster General, there are no less than seventeen private letters from residents in that district, patrons of that post office, who protest in the most vigorous terms against the change of office and show how the service will be impaired in many respects if a change is made.

Then we have the removal of the post office at Maloneck, Saskatchewan. This is moved about seven and a half miles from the previous location. It is moved that much further into what is really another district entirely, and as a matter of fact it leaves a district almost entirely unserved by a post office. Of course, the Postmaster General gives as a reason—I am not blaming him entirely, because he is acting on the recommendations made to him—that he is placing this post office where it was previously situated. That is true, but since the post office was located at this other place, many homesteads have been taken up in that particular district and an entirely new district has been opened up That new district was given a post office some years ago, I am not sure when, but I think since this government came into power. Now we have the people in that new district left entirely unserved by a post office. Here again I may say that the change was made on the recommendation of the hon. member for Yorkton (Mr. McPhee).

Then we have the case of a post office at Rockford, Saskatchewan. In this case the original post office was temporarily transferred to the man who lived on the same farm and in the same house, and a good many of the residents recommended that he be given the post office. However, a petition was signed by forty-five of the residents recommending a certain party for the position. This other man, I might say, lived quite close to the original location of the post office. The recommendation from the hon. member for Yorkton again in this case was that the post office be moved to the residence of Mr. W. Weightman, who lives seven miles away at the extreme edge of the district. This change necessitated some people travelling a distance of twelve miles for their mail, and anyone who has lived in that northern bush country, where there are very poor roads and swamps and sloughs and so on, knows something of the hardships that would be involved in the settlers having to travel a distance of twelve miles for their mail. May I read a letter from the district superintendent at Moose Jaw, dated March 17, and addressed to the Postmaster General, in which he says in part:

> It will be noted that in my memorandum of the 2nd, instant, it is stated that an inspector who recently visited the Ketchen post office, the railway town, was informed that Mr. Weightman's location would be suitable. This information was obtained from a Mr. Downs, an old timer in the district, who represented Mr. Weightman's as a central place in the community. It was also pointed out by Mr. Downs that the present location at Mr. Galbraith's is sometimes not accessible in the spring when the creeks in the locality are overflowing.

There is something rather remarkable about this, Mr. Speaker. This post office inspector was apparently instructed to go to the village of Ketchen, the nearest village to this post

office, and there we find him interviewing a gentleman who does not reside in that village at all, who does not reside even in that district. The recommendation for the change in this office was made by the hon. member for Yorkton, and he states that representations were made to him from the village of Preeceville which is another village further east. This Mr. Downs, from whom the information was received, is a resident of that village, so I think it is a remarkable coincidence that this gentleman happened to be at Ketchen and met the post office inspector, and was kind enough to give him the information on the strength of which the post office was changed. Now what are the facts? I should like to quote from one or two letters in that connection, first, from a letter from the secretary of the school district, dated March 15, and addressed to the Postmaster General, in which he says:

As a patron of the Rockford post office I protest against the removal of the post office to Mr. William Weightman, who lives in one corner of the district and is from six to ten miles from a majority of the patrons. Also he is only six miles from the Strand post office and about the same distance from Ypres post office. It will be a gross injustice to about 75 per cent of the patrons. As secretary-treasurer of the school district here I have considerable correspondence, and I strongly object to travelling sixteen miles every week for my mail, eight miles each way. I beg that you will reconsider your decision re transfer of the office to Mr. Weightman, and leave it at its present location, Mr. G. N. Galbraith's.

I will now read just one or two of the clauses of the petition which was signed by almost all the residents in that district. The first clause gives the reason for asking that there be no change, and says:

(1) Mr. Weightman lives on the extreme east side of the Rockford district, and the change will benefit no person but himself.

The petition goes on to say:

(2) The road to Mr. Weightman's homestead in the summer time is next to impassable.

(3) The bulk of the settlers in the Rockford district live on the west side thereof.

(4) That the proposed change would place Rockford post office approximately six miles from the Strand post office and about the same distance from the Ypres post office, leaving the settlers on the west side of the Rockford district, some ten miles from any post office.

There you have three post offices clustered together, while an enormous district on the other side is not served at all. The last clause of the petition reads:

(8) That in the event of a transfer having already been arranged for, it be held in abeyance until such time as the post office inspector can visit the district and investigate the situation.

[Mr. Campbell.]

I just want to appeal to this house and ask hon. members if anything could be fairer than the request contained in this petition that at least any change contemplated be held in abeyance until a post office inspector can go to the district? But in spite of that request, no inspector was sent. It seems to me that the Postmaster General or somebody else was almost afraid to send a post office inspector to the district for fear that he would get a report adverse to those who wanted to satisfy the patronage demands. Certainly, if a post office inspector had gone to that district, he would have been convinced and could not have reported otherwise than in compliance with the wishes of the residents. Here is another letter, from a private individual again, demanding that a post office inspector be sent to that district, and pointing out what a gross injustice was being done. Here you have a petition signed by practically all the residents of that district deliberately and callously ignored, and action taken on the recommendation apparently of a gentleman who lived in another district entirely many, many miles away.

Take the case of the post office at Drobot. I may say in explanation that Drobot is not in my constituency, but in the constituency of the hon. member for Yorkton, but many of the residents of my district secured their mail at that post office, and it is a matter of considerable interest to my constituents. Strong representations were made to me on behalf of the people of that district. This postmaster also was dismissed on the recommendation of the member for Yorkton, but no reasons whatever are given for the dismissal. The post office is moved three and one-half miles away from its original location, and I might add that it is that much nearer to another post office, and that much further into another district and further from the district it was supposed to serve. A petition was forwarded to the Postmaster General signed by 220 persons protesting against this change, but as usual it was ignored. May I say that the gentleman who sent in this petition, and who lives in my constituency in the village of Buchanan, is an active Liberal and pointed out to the Postmaster General the injustice of this dismissal, but apparently that did not prevail against the recommendation of the member for Yorkton. May I read a paragraph from the letter of the gentleman to whom I refer, Mr. B. Foster, dated May 11, 1927, to the Postmaster General:

I personally am of the opinion that the post office at Stinka's place—

That is the name of the previous postmaster.

—is more central for the Drobot district than it would be at Surkan's place, and the fact that the post office has been there for almost twenty years is in itself sufficient to satisfy you that the people in the district found it convenient.

In this case again the change involved a considerable increase in the cost of delivering mail from the village.

I have also had some representations made to me with reference to the change at Kamsack. This place is not in my district, and I have no direct personal interest in it, but I notice in the file that the previous postmaster, who was in the office for sixteen years, is charged by the member for Yorkton with political activity. I understand that several residents of the district wrote to the Postmaster General demanding that there be a public investigation of the charge of political activity. I am assured that in no way can this charge be proved. That is equally true of the other instances that I have cited.

Take the case of Sheho. This place again is not in my district, but the post office serves some of my constituents. Here again the change was made on the recommendation of the member for Yorkton, who charged the former postmaster with political partisanship. There is no proof of this on the file, and there was no investigation. The former postmaster wrote me and this is a paragraph from his letter dated December 27, 1927:

There was no investigation whatever, although I had given every satisfaction to the department. I attached a petition to my application from all the tradesmen in Sheho asking for my re-appointment, but it did not have any effect.

Then take the case of the former postmaster at Annette. This is another post office in my district. The case is covered by sessional paper 182. The man was dismissed on the instructions of the Postmaster General. No reasons for the dismissal were given, but I was shown in the Postmaster General's office some letters which had passed between him and the hon. member for Yorkton dealing with the matter. I was told they were private letters and were not in the sessional papers, and that copies could not be given. If a member of parliament or any other individual can recommend changes in the public service, and then the Postmaster General puts the member's letters on a private file, and refuses to produce them on an order of the house, I submit, Mr. Speaker, that it is an interference with the rights and privileges of parliament. This is a case of aggravated injustice. The department had very great difficulty in making the transfer owing to the fact that they could not secure anyone to carry the mail between the new post office and the village, which involved an increase in cost of about $126. The office was moved four miles north, and is that much nearer another post office, leaving a large part of the district unprovided with postal facilities. May I read an extract from a letter addressed by the district superintendent at Moose Jaw to the Postmaster General under date of April 8, 1927.

The removal of the Annette post office to Mr. Haras's place will increase the distance of the Preeceville and Ypres via Astwood and Annette mail service seven miles each way according to information received from the contractor. The contractor claims that to serve the Annette post office at the proposed site he would be obliged to travel four miles north from the present location of Annette and then return three miles south to obtain a crossing over the creek on the continuation of his trip to Ypres.

And so on.

A pro rata increase for seven miles additional travel amounts to $126 per annum.

In this case also there is a petition, signed by 57 residents, representing 90 per cent of the patrons of the post office. As far as I can understand there is not a single complaint against the administration of any of these post offices. If so, there is nothing on the file to indicate it. I presume the Postmaster General would give, as a reason for the dismissals, political partisanship. I accept the Postmaster General's word, but will change his reason a little bit. This is the real reason for the change in all these cases: There must be a change in order to reward some one for political partisanship. The newly appointed postmasters had to be rewarded for their services to the Liberal party during the last election. This is the actual reason for the action by the Postmaster General; there was no complaint against these men, who had given good service for many years. In fact a good many of them were appointed by the present government, and apparently were quite satisfactory until some one had to be rewarded for valuable services rendered.

In reply to a question asked in the house some time ago I find that 421 postmasters have been dismissed from the service since October 1, 1926.

Mr. VENIOT: How many of the 421 are reported in the return submitted to this house as having been dismissed for theft and irregularity? The hon. gentleman has the information; it is not fair on his part not to state it to the house.

Mr. CAMPBELL: I did not say that all these men were dismissed for political partisanship. It seems a remarkable thing that with-

in two years so many of these men committed theft while very few did so in the ten years before.

Mr. VENIOT: Would the hon. gentleman wish me to keep in office a postmaster who was guilty of theft?

Mr. CAMPBELL: Certainly not; but I would like to know how many were guilty of theft.

Mr. VENIOT: The hon. gentleman has in his hand the return to the house containing information of those who were dismissed for theft, irregularity, drunkenness and incompetence, all based on reports of our inspectors.

Mr. CAMPBELL: I have no return. I have the answer in Hansard. Incompetence is a very wide term and could be charged against anyone. But it cannot fairly apply to any man who has been in the public service for several years. One of these men was postmaster for sixteen years. Referring to the appointment of the postmaster for St. Boniface, the Winnipeg Tribune has this editorial comment:

> Has political patronage entered into the appointment of the postmaster for St. Boniface? The circumstances under which the appointment has been made call for more explanation than the government has so far offered. All that the public really knows about the matter is that Dr. J. P. Howden, the Liberal member for St. Boniface in the Dominion parliament is highly pleased with the selection.
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> Less than two weeks ago the Civil Service Commission at Ottawa had a candidate selected for the position. The candidate was officially notified by the commission of his appointment. Suddenly the Post Office Department at Ottawa finds that the Civil Service Commission's appointee is not the best man for the job. The commission is ignored and another man is put in to fill the position.

Mr. HOWDEN: Is the hon. member aware that the man who was appointed to the position at St. Boniface had been assistant postmaster for fourteen years, and that his appointment was demanded by the whole city?

Mr. CAMPBELL: I may tell the hon. member that I know nothing about it. I am quoting from an editorial in the Winnipeg Tribune, and I presume the editor knew what he was talking about. Let me read the following clause from a resolution passed by the Manitoba Postmasters' Association in August, 1927:

> That whereas it is the custom for postmasters to be summarily dismissed for alleged political partisanship, and whereas the dismissed postmasters are not given an opportunity to defend the charges preferred against them, but action is taken solely on representation of federal members of parliament or defeated candidates, therefore be it resolved that no postmaster shall be dismissed for alleged partisanship, without the fullest investigation by post office officials of the district in which the post office in question is situated.

I subscribe to that principle. If any of the postmasters in my district have been guilty of partisanship the least that could be done would be to make an investigation and give them a hearing, and I am sure they would be ready to bring proof to establish their innocence.

Mr. VENIOT: Does my hon. friend find fault with the dismissal of a certain postmaster in his county who acted as his special agent on polling day?

Mr. CAMPBELL: There was no postmaster in my district who acted as my special agent.

Mr. VENIOT: I have the record that shows it.

Mr. CAMPBELL: The Postmaster General's information is wrong. If proof can be established against any postmaster in my district I have no objection to offer, but the proof has not been established. I wonder what the Postmaster General would do if I could prove partisanship against postmasters who opposed me.

Mr. VENIOT: There are so few Liberal appointees left that it would be difficult for me to dismiss any of them if the hon. gentleman recommended it.

Mr. CAMPBELL: That is a remarkable answer to come from the Postmaster General after the changes I have recited. Now may I read a resolution passed by the Kamsack presbytery of the United Church of Canada, held at Wadena, August 30 and 31, 1927:

> That the presbytery of Kamsack deeply deplores the re-introduction into the public life of Canada of the custom of making the appointments of many public servants subject to political patronage.
>
> The presbytery is convinced that such appointments should be made by the Civil Service Commission, or some other non-partisan body, and that such appointments should be on the fitness of the appointees rather than of their political or other affiliations.
>
> The presbytery considers that by whatever party it is carried out the patronage system in political life, particularly in regard to the dismissal of men without a hearing, is not only contrary to the highest ideals of Christian citizenship, but is also an outrage on everything that is fair and everything that is British.

Apparently the hon. member for Yorkton (Mr. McPhee), took strong objection to that resolution— I do not know why, unless the cap fitted him—and he addressed a letter to the secretary of the presbytery. I have not

a copy of that letter but I have the reply which was submitted to the press. It is from the secretary of the presbytery at Wadena, Saskatchewan, and reads as printed by the Kamsack Times:

The resolution re political patronage passed by the presbytery at Wadena on August 31, 1927, dealt with the general question of making appointments to, and dismissals from, government positions subject to political patronage and made no reference to any specific situation. But seeing you have raised the question of certain appointments in the Kamsack district, we would put before you the following facts:

1st. On July 12, 1927, the then postmaster of Kamsack, Alexander Wilson, was dismissed without notice and without any charge having been preferred. Mr. Wilson had held the position sixteen years and to the best of our knowledge and belief had been an upright and capable public servant.

2nd. On April 20, 1927, C. A. McConnell was summarily dismissed from his position as Indian agent on the Pelly agency, the alleged reason being "offensive political partizanship". Also, some time after this, H. E. Jones was dismissed from the position of clerk at the same agency, the reason alleged being "political partizanship". No attempts were made to prove the charges stated, nor was either of these men granted a hearing in their own defence. We understand that both men communicated with the deputy minister but received no reply.

3rd. Members of this presbytery wrote ministers of the crown, asking either that these public servants be not dismissed, or, in the case of Messrs. McConnell and Jones, that an enquiry be made into the truth of the charges. In some cases no replies were received and in others merely a formal acknowledgment.

It is rather remarkable to see the somewhat callous attitude towards this principle adopted by hon. gentlemen opposite when we compare their present views with what they said while in opposition. I have a good deal of material from which I could quote but I will not weary the house with it seeing that the hon. member for Bow River (Mr. Garland) has already made use of it. Incidentally I would quote the opinion of former President William H. Taft of the United States:

If we selected employees according to the length of their noses, it would be better than the political spoils system of appointment.

May I be permitted, Mr. Speaker, to quote words uttered by yourself when you sat on the opposition benches. On March 11, 1921, you are reported in Hansard as having said:

I sympathize, Mr. Speaker, with some hon. gentlemen who would like to restore patronage in the civil service in order to get a little more kudos with some of their electors. But after twenty-five years' experience in public life, I am still in favour of that great reform which was brought about by the Liberal government through the establishment of the Civil Service Commission at Ottawa. I am in favour of the Civil Service Commission for the appointment of officers to the inside service, and I think that we should have . . . . in all the large cities where there is a branch of the civil service, competitive examination . . . . in order that these centres may be given the best possible service.

Later on, sir, you referred to the "infernal" patronage system; your remarks in this regard have already been quoted. On May 2, of the same year, you said:

Is there a member of this parliament with any self respect who of his own free will would return to the days when lobbies were filled with office seekers who made parliamentary life almost unbearable by their importunate demands? I say there is not one member of this house who would return to that system.

Further on you say:

The right to dismiss and appoint according to the fancy or the temper of the minister is not a right which should be exercised by a politician.

On June 3 you said:

There are things which this parliament must do and will do, but there are other things that it can well refrain from doing, and that above all should be the distribution of political patronage. . . Well, I am opposed to political patronage. If ever chance wills it that members of this side of the house—

The Liberal party was then in opposition.

—shall pass over to the other side, I want the Liberal party, just as I want the Conservative party, to look after the real business of the country and leave to an independent body the management of the civil service.

That change, sir, has taken place and the Liberal party is now in power. But we see the same system carried on. I feel somewhat diffident, sir, about criticizing your own administration when you are not in a position to reply, but I cannot refrain from referring to the situation in the House of Commons to-day. According to the Auditor General's report, 1924, I find that in the House of Commons under Your Honour's jurisdiction there are forty-one sessional and extra clerks, ninety-seven stenographers and typists twenty debates amanuenses, seventy-five messengers, twenty-six pages, besides charwomen and so forth, involving a total expenditure of $230,000—all under the patronage system. There are policemen and others but I have not time to give the whole list.

Now I would appeal to the Prime Minister, Mr. Mackenzie King, who I am sorry is not in his place. I have always felt that he was a man of high ideals. Judging by his speeches in the country, by the idealism he preaches there, I really believe his heart is in the right place but he finds it impossible to resist the importunities of those around him. Perhaps I am wrong but I appeal to him at this

time to support the principle we are now advocating. The time will come by the turn of the wheel of fortune when the position in the house will be reversed and when the present official opposition will be the government. I ask hon. gentlemen opposite in all sincerity, do they want that sort of thing carried on then? Do they want these continual dismissals of the public servants under what Your Honour has referred to as "the infernal patronage system"?

Mr. JEAN FRANCOIS POULIOT (Temiscouata): I have listened with great attention to the speech of the hon. member for Mackenzie (Mr. Campbell), whose lamentations remind me of the saying of the prophet that "All men are bad, and only I am good." I am very sorry for my hon. friend, because he made a very bad mistake; in philosophy there is a principle that we should not conclude from the particular to the general. My hon. friend quoted a few facts, sad perhaps as they affect his friends but not the country at large, and we cannot conclude from those very few facts that we should support the bill presented by my hon. friend from Bow River (Mr. Garland), which I think should bear the title "sour grapes."

I think it is always interesting to hear the stories of people who have been dismissed for good reasons. Personally I do not know what happened in Saskatchewan, but I know very well what happened in Temiscouata county, which I have the honour to represent in this house. I wrote to the Postmaster General requesting the dismissal of a certain postmaster because his young daughter had been found with about fifty stolen letters in her coat pocket. I think that was sufficient reason to request the dismissal of the postmaster, and I am sure if the hon. member for Mackenzie had been postmaster general in a group government he would have granted my request and dismissed that postmaster. Upon one occasion I had a man appointed as postmaster of a $60 a year post office. He considered that a great honour, but one day I had to ask for his dismissal because I received evidence that during the previous election he held a general treating party in the post office. Does not my hon. friend from Mackenzie think I had reason to ask for the dismissal of that man? There were not very many dismissals in my constituency, but those few were made for good reasons. Another postmaster kept a letter addressed to his brother-in-law, who lived in front of his house, for over a month. That letter contained a cheque for $125; the postmaster knew it belonged to his brother-in-law, but because of some family trouble the letter was not delivered for one month. The postmaster offered the letter to people of the same name when he knew it was intended for his brother-in-law, and in addition to that the postmaster was very well known as a drunkard. I think in this case my hon. friend from Mackenzie would have done as I did. I have quoted only three cases in my constituency; we have 245 constituencies in this country, and if we multiply that number by three we have twice the number of dismissals made by the Postmaster General, so I think I am very reasonable in that calculation.

I believe this matter should be considered in a broad way.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: I am glad to see I am beginning to convince my hon. friend from Mackenzie. The hon. member for Bow River is one of the cleverest members of this house, and I am sorry he is not in his seat at present. I wanted to ask him a question during his speech, but he refused to let me ask it. I would be more generous, and would give him ample time now to answer the question. As matters stand at present, are all important appointments with the exception of those mentioned in this bill made by the Civil Service Commission? We all know that that is not so. You know very well, Mr. Speaker, that every deputy minister is appointed by the governor in council, and that judges, whose dignity is above suspicion, are also appointed by the governor in council. You know very well that senators, those dignified old gentlemen, to which body I am glad to see some younger men have been appointed, are named by the governor in council, and you also know that ambassadors, charges d'affaires and ministers are appointed in the same way. When we come to some of the most important appointments in the civil service of this country, we do not go to the Civil Service Commission. We do not ask applicants for the position of Auditor General to pass an examination; the Auditor General is appointed by a vote of this house, and that also applies to the Chief Electoral Officer. Those are two of the most important positions in Canada. I am acquainted with most of the deputy ministers, whom I admire very much for their experience, their sense of duty and their responsibilities as public officials. There is only one exception, whom I will not name to-day, a gentleman who has occupied his position for quite a long time and who is known to hold a private correspondence with a former minister. That deputy suffers now from neurasthenia, and perhaps some time later I will

bring his case before this house. As an example, however, let us consider Mr. Hunter, the Deputy Minister of Public Works. He has a huge responsibility, as assistant to the head of one of the most important departments of governments, and he is a most capable man. Take the chief engineer, Mr. Cameron. He has just been elected president of the graduates of McGill university. He is well known in this country, is a very capable man, and his staff is composed of highly qualified officials. I wish to say something also about the divisional engineers whom I know, and who are very competent men, for instance, Mr. Sabourin, of Quebec, Mr. Bertrand, and Mr. Amyot, of Rimouski. I know these gentlemen well. They are very good men, and I do not think one of them was appointed by the Civil Service Commission as constituted to-day. They were appointed before the commission had such powers as were given to it by the late lamented leader of the opposition, personally a most charming man. He was then I think Solicitor General or Minister of the Interior.

I have just been speaking of the Public Works department. Now let us take the department of the Postmaster General, whom I see here. The minister is a very competent man. Mr. Gaboury is a most excellent deputy minister; everyone will admit that. Mr. Coolican, assistant deputy minister, is a first-class officer. Mr. Anderson, superintendent of the mail service, is a friend of every man in this house. Mr. Gagnon is a young officer but very well qualified; and so on. Most of these officials were appointed outside of the Civil Service Commission. Take the department of my hon. friend the Minister of Agriculture (Mr. Motherwell). He too has reason to be proud of his staff. The deputy minister, Dr. Grisdale, comes from Quebec, and is known as a very competent man. Dr. Charron, his assistant, is a chemist and possesses bilingual qualifications. His name is well known and respected in Quebec.

Mr. CASGRAIN: Throughout Canada too.

Mr. POULIOT: Yes, throughout Canada too. I mentioned Quebec because Dr. Charron has lived in that province for a long time. Take Mr. Archibald, director of experimental farms; he is a gentleman of worldwide renown, and all the heads of branches in that department are very competent men. Most of them were appointed before the Civil Service Commission commenced to make appointments.

Take the department of my hon. friend the Minister of Railways and Canals (Mr. Dunning). He has a very good deputy minister. We do not get much from that department because the railways are now in the Canadian National system. But I wish to praise the officers of the Department of Railways and Canals also. The chief engineer, Colonel Dubuc, is a gentleman distinguished in his profession. I think he was appointed at the request of the minister and the Civil Service Commission had very little to do with the appointment.

In the Department of Soldiers' Civil Re-establishment there are some very capable men, especially since the recent changes have been carried out. I am sure that the minister will not discontinue the good work but will persist in the determination to secure the highest efficiency in the department. May I take this opportunity to say that I hope the Board of Pension Commissioners, whose term expires this year, will be allowed to return home. We have had enough of those people. I am here to say what I think about them, and I am very sorry that no investigation was made into the board. After what I heard the other day in the committee room, I do not believe that Mr. Thompson is qualified to act for another term. I hope the next time the minister makes an appointment he will appoint a French Canadian on the board, because the French Canadians have good records as soldiers. If the minister does not choose a French Canadian he should at least appoint one member who has bilingual qualifications, and who will recognize that when the appeal board gives a judgment it should be respected.

I see the Minister of Immigration and Colonization (Mr. Forke) here. He is always in good humour, he never experiences any trouble, and he has a very important department. Everyone likes the minister. He has a very good deputy minister in the person of Mr. W. J. Egan, amongst whose accomplishments is a knowledge of the French language. I am sure that within a few years the people of this country will recognize the benefits of the new policy that that department is going to carry out in the best interests of the country. At this stage I wish to ask the Minister of Immigration and Colonization not to forget the very eloquent speech made the other day by my hon. friend the member for Bellechasse (Mr. Boulanger) on the opportunities to be given—

Mr. SPEAKER: May I remind the hon. gentleman that he is discussing matters not relevant to this debate?

Mr. POULIOT: I have said what I wanted to say and the Minister of Immigration and Colonization has heard my recommendations. I am sure he will take note of them.

Take the Department of Justice, which is one of the most important departments in this country. The Minister of Justice (Mr. Lapointe) is the first lawyer in Canada. He is a very able man and is greatly respected in this house. He also has good assistants. His former deputy minister is now sitting on the bench of the highest tribunal in Canada. I refer to Mr. Justice Newcombe. Mr. Edwards, his successor, is a very able jurist. His assistant is Mr. Renaud who was a Conservative. He is a very able man and has a command of both the English and French languages. He was appointed when the Conservatives were in power and had they always made such appointments, they would not have been blamed by anybody on the Liberal side. But that was not the case.

Mr. McGIBBON: Are you willing to introduce a resolution to do away with the Civil Service Commission?

Mr. POULIOT: If that is what my hon. friend advocates, I think he is right in a certain sense and I will explain that later on. I do not say he is altogether right. We have the department of my hon. friend, the Secretary of State (Mr. Rinfret) whom I see here with his broad smile. Everything goes smoothly in his department, but he has many things to do. He is the head of a department which looks after incorporations of companies and naturalization, and may I say that all requests are not granted and that every request is thoroughly investigated before any action is taken. The Secretary of State has a very able assistant in the person of his deputy minister, Mr. Mulvey, who is a well-known author on company law and whose book is very often quoted before the courts. He also has as his chief legal adviser, Mr. O'Meara, who is one of the best lawyers in Canada.

I see the Minister of Finance (Mr. Robb) in his seat and I wish to pay a special compliment to him because, in a very popular ministry, I think he is the most popular, especially amongst business men. He is working very hard for the people of this country, but he has some very capable assistants who help him in reducing taxes, in reducing the national debt and in rendering service to the people. I am not going to speak of all the departments, but if we consider the amount of work that is done by every civil servant in Canada we are bound to give them our greatest admiration.

The Department of the Interior at Ottawa is an immense department. The Minister of the Interior (Mr. Stewart) has a very good deputy minister, but he has also in his department quite a number of specialists, men who are very capable and who would perhaps command from three to five times as much in the way of salary if they were working for private concerns instead of being public servants. May I mention three gentlemen whom I know very well, namely, Mr. F. C. C. Lynch, director of natural resources intelligence service, and his assistants, Mr. Sherrin and Mr. Chalifour, men whose high capabilities are most valuable to the service in which they are engaged.

Mr. SPEAKER: I do not wish to interrupt the hon. gentleman, but I do not see the relevancy of his remarks to the subject under discussion. I do not know if he intends to apply his remarks to the objects of the bill now before the house.

Mr. POULIOT: I have been speaking for a few minutes but I will explain why I make these remarks. The object of this bill is to bring the appointment of all public servants under the Civil Service Commission and I have been instancing some civil servants whose rank is very important, whose capacities are great, but whose appointments have nothing to do with the Civil Service Commission. I trust that explanation will suffice to allow me to continue with what I have to say.

Mr. EDWARDS (Frontenac): The hon. member should complete the record of the departments. He has covered them all except the Department of Marine and Fisheries, the Solicitor-General and the Secretary of State.

Mr. RINFRET: I was included and I was honoured by being so included.

Mr. POULIOT: I am keeping the Department of Marine and Fisheries for the last, but I wish to say something about my genial friend, the Solicitor General (Mr. Cannon).

Mr. POWER: Say it with lilies.

Mr. POULIOT: Yes, I will say it with lilies, and I will bring them to the Solicitor General whose capacity is great and whose heart is open to understand the misfortunes of life. He is always ready to give full consideration to every case that is brought to his attention. He is helped in that connection by a very clever lawyer, Mr. Gallagher, chief of the remission branch, who was appointed by the Conservatives, who was the legal partner of Mr. Patenaude in Montreal, but might I say that he was the sun while Mr. Patenaude was the moon? Mr. Gallagher is a very clever lawyer; his sense of duty is great, and when a case is

submitted to him he takes care to read the whole file and to act conscientiously. I do not believe he was appointed by the Civil Service Commission. He was not appointed by our party but his selection was a very good move on the part of hon. gentlemen opposite. This is another instance, and if they had always made such appointments, no one would blame them for their appointments.

Mr. McGIBBON: The hon. member has named quite a number of good ones they made.

Mr. POULIOT: I named a couple of good ones and I may name some more. To complete what I have to say about the Solicitor General may I add that he is acknowledged by all as the best lawyer of his generation, not only in Quebec but in Canada at large?

Mr. POWER: In the world.

Mr. POULIOT: Not in the world. That would be over-stating the case. When the Solicitor General is ten years older we shall say he is the greatest lawyer in the world. I will say that he is the best lawyer of his generation in this country.

Turning to the Department of Marine and Fisheries, we have as minister the most eloquent French Canadian, indeed the most eloquent speaker that I have ever heard in my life.

Mr. SPEAKER: I would ask the hon. gentleman to speak to the bill.

Mr. POULIOT: I am through with what I had to say, Mr. Speaker, in regard to the hon. Minister of Marine and Fisheries (Mr. Cardin). I come now to his deputy minister, of whom I spoke at the beginning of my remarks. I think it is a shame for any civil servant to be disloyal to his minister, and the Deputy Minister of Marine and Fisheries has been disloyal to his minister.

Mr. SPEAKER: Order. It is not permissible to attack in that way a permanent official who is not in the house.

Mr. POULIOT: I will take up this case when the estimates of the Department of Marine and Fisheries come up, and I will remember his letter about the port of Montreal. In that department there are very capable men, such as Mr. Rodd, who is the head of the fish culture branch, and another gentleman, Mr. Cowie, a specialist, who I think was not appointed by the Civil Service Commission. He is a remarkable man.

Now may I continue my argument? There are other brilliant men whose names I could not enumerate in the short time at my disposal, who deserve the consideration of this country because of their high qualifications, their great experience and profound knowledge, and their good service to the state. Some of them have been appointed by the Conservative party, others have been appointed by the Liberal party, but when a man does his duty we do not need to ask by whom he was appointed. All we ask is that he fulfil his duty according to his conscience, and according to what is expected of him. That is the way I look at it, Mr. Speaker. When I approach a civil servant for any information, I do not inquire whether he was appointed by the Conservatives or the Liberals. I inquire, first of all, whether he is a conscientious man who does his duty .

Mr. POWER: Then he must be a Liberal; he cannot be anything else.

Mr. POULIOT: Perhaps he is not a Liberal in politics, but he should have a liberal mind. When a man is appointed to the public service, whether by the Civil Service Commission or by the governor in council, he should the moment he is appointed forget the party to which he belonged and become independent. Instead of wasting his time in small matters of politics, he should attend to the duties of his office, and devote himself to the service of his country. That is the way I look at it, Mr. Speaker, and I am sure that no member of this house will disagree with that point of view. If a former minister whose name is not forgotten in this house has been betrayed by people in his department who did not have that sense of duty, he was betrayed by people who were appointed by the Civil Service Commission.

I listened with attention to what my hon. friend from Bow River (Mr. Garland) had to say regarding his bill, and I heard him make a philosophical mistake. His phraseology was rather strange. He made an affirmation; he said that this government was not giving proper support to the Civil Service Commission. I rose for the purpose of asking what he meant by those words, but I did not have the opportunity to put my question. I would ask him now if he thinks the government is not giving proper support to the Civil Service Commission because of the fact that there are still some positions which are not under the control of the commission. The philosophical mistake that my hon. friend made was this. He took as a fact that the Civil Service Commission is an infallible body, that it cannot make mistakes. I have nothing to say against the Civil Service Commissioners; I respect them; I think they are good men; but they

can make mistakes. Here in this house we have 245 members, a member from every corner of this country, and no one is supposed to know the people of his county better than their representative in this house. Moreover, each member is interested in making reliable recommendations to any member of the government. If I recommend a man in my county who is not qualified for a particular position, I shall be the first one to suffer, because people will blame me for my recommendation. But if a member takes the responsibility of recommending for any government position the best man available, he has the satisfaction of having done his duty.

Mr. SPEAKER: Time.

Hon. R. J. MANION (Fort William): Mr. Speaker, I do not intend to take up very much time of the house naturally, after the very excellent and eloquent address of the hon. member who has just sat down (Mr. Pouliot), there is not very much more to be said on the subject. I am sorry for this, not on my own account, but because I know my hon. leader (Mr. Bennett), my hon. friend from Vancouver Centre (Mr. Stevens) and one or two other hon. gentlemen did intend to take part in this debate.

Mr. POULIOT: I am very sorry.

Mr. MANION: I notice the regret evinced by the hon. gentleman. I rise, Mr. Speaker, to support in a general way the measure of the hon. member for Bow River (Mr. Garland). I do so with some qualifications, because since coming into this house eleven years ago I must admit that it is not always possible to live up to the ideals of our earlier years; we find that the real and the ideal do not always jibe. It is true that public opinion is largely in favour of the so-called merit system; that is, the system under which the Civil Service Commission makes all the appointments to the government service. Since public opinion should rule in a democratic country, that system should prevail, particularly as we have a Civil Service Commission which is supposed to make all such appointments. This being so, I do agree with the hon. member for Bow River that it would be better either to give the Civil Service Commission power to make all these appointments, or throw the commission aside altogether and get back to the old patronage system. Let us have at least straightforwardness and honesty in this matter. If we are to go back to the old system, let us do so frankly and openly instead of following the insidious practice of the government.

The reason that I am giving the bill a more or less qualified support is that over a period of years before I became a member of this house I saw many appointments made under the old patronage system by both parties, just as the hon. member for Temiscouata (Mr. Pouliot) has said, and most of them were excellent appointments. I say that quite frankly. I have also seen appointments made since by both parties, and those too for the most part have been excellent appointments. In fact a large proportion of the appointments made by both parties in the past have been of an excellent character because, generally speaking, they were made on the responsibility of the member concerned, who, of course, had to answer to his constituents for what he had done.

Now, sir, in regard to the so-called savings that may be made under a civil service commission as opposed to the cost under the old patronage system, I submit that under neither system can we be expected to live up to the economic standards of private corporations. There is a public charity which must be taken into account to a certain extent, and I think it would be regrettable if under either the merit or the patronage system we hewed absolutely to the line, sternly refusing on all occasions to give a position to anybody unless he fully deserved it and was fitted for it, because there are times when for the good of the country it is far better to give a man a position than to throw him out on the rather cold charity of the world.

The Union Government of which I was a supporter did, in 1918, put under the Civil Service Commission of that day practically all appointments both in the inside and the outside service. Since then thousands of positions have been taken out of the hands of the commission. And I am a little surprised at my hon. friend from Ottawa (Mr. Chevrier) supporting the system whereby he and his confrere have to make so many recommendations on behalf of applicants for certain positions. On many occasions I have talked the matter over with other hon. members who then represented the Ottawa district, men just as upright as the hon. gentleman himself, but invariably they told me they were happier to see all the appointments made by the Civil Service Commission, because under the old conditions they were practically pestered to death by applicants for patronage. I know my hon. friend from Ottawa who spoke this afternoon is in exactly the same position to-day. Pass along the hall where his room is situated and at any time of the day you will find people chasing him for positions on the Rideau canal.

In spite of some criticisms to the contrary at times, I believe the Civil Service Com-

mission, as constituted, has done excellent work. I have had many dealings with it in a more or less formal way, as all members have, and while I do not know that I ever received a favour from it, I believe its decisions for the most part have been just, fair and reasonable. Because of that, Mr. Speaker, I think the government ought to accept this bill and make it an absolute rule to go back to the system of appointment to the civil service by the commission. Undoubtedly the merit system is supported by public opinion. I have given reasons why I am not so enthusiastic about it as are some other members. I have been longer in the house than my hon. friend from Bow River, I know he is absolutely sincere in his attitude in regard to this matter, as are many others, particularly the newer members, but I do not think they have had as wide an experience as I have had; and I repeat, to my mind it would be entirely safe to go back to the old system provided it was not abused. It was not the old spoils or patronage system which was wrong, it was the abuse of the system. But, as I have said before, having the merit system in vogue to-day, we should support it to the fullest extent.

Mr. ROBB: If I may ask my hon. friend a question. The staff of the Soldier Settlement Board and the Income Tax Board were appointed under the administration of which he was a supporter. Does he say now that those appointments were in any way inferior to the apointments made by the Civil Service Commission?

Mr. MANION: No. If my hon. friend had been listening to me he would have observed that I have taken the attitude that most of the appointments made by both parties in the past have been reasonably good appointments. In the pamphlet which the Minster of Finance sent across here a few minutes ago, it is said there are experts in the different departments whom it would be better to have chosen by the officers of those departments. That may be true. Still I adhere to the position that it is the desire largely of the people that the Civil Service Commission should have jursdiction. That is the desire also in England, apparently, and it is becoming largely the desire in the United States. In view of this I believe that we should continue our system of appointment under the Civil Service Commission.

Before six o'clock is called, Mr. Speaker, I wish to say a word to the Postmaster General (Mr. Veniot). When the member for Mackenzie (Mr. Campbell) was speaking, the Postmaster General pointed out that many of the 421 dismissals made by his department, and claimed by the hon. member as political patronage dismissals, were made because of theft, drunkenness, incompetence and other crimes or irregularities. I have no intention of arguing the matter with the Postmaster General, but I submit to him in all sincerity that he owes it in justice to the other postmasters in various parts of the country, who were dismissed on grounds of political patronage, to give, at the earliest opportunity, a list of those who were dismissed for that particular reason, together with a list of those who were dismissed on any other account.

Mr. VENIOT: The returns have been on the table for the last two weeks.

Mr. MANION: But they are not accessible to the people. When the minister made the statement, inadvertently I think, that a large proportion had been dismissed because of drunkenness, stealing, incompetence and other offences of that kind, he did not tell us how many there were. He did not say what the proportion was.

Mr. DUNNING: It is in the return.

Mr. MANION: Yes, but the return is not accessible to the people, and unless the Postmaster General makes it perfectly clear who were dismissed on these charges it is a reflection on the whole 421 who were dismissed. It is unjust to them.

Mr. VENIOT: I do not intend to be unjust, and when my estimates are under consideration I will dissect all dismissals and give full information to the house.

Mr. MANION: That is what I was suggesting. I am quite sure the minister does not wish to reflect on the whole 421. I venture to say that a very small percentage will be found to have been dismissed for any such cause as has been stated. Mr. Speaker, may I ask that you call it six o'clock.

Mr. MACKENZIE KING: It was understood that this evening we should go on with the regular business of the house. With the permission of the house, so that there may be no misunderstanding, I move that the house revert to government orders.

Motion agreed to and bill read the second time.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Customs tariff—549. Wool, the hair of the camel, alpaca, goat or other like animal, not further prepared than combed: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. KENNEDY: Is this a reduction?

Hon. J. A. ROBB (Minister of Finance): My hon. friend will observe that under this item it is all free, while under the previous item 554 it was free in all cases; under item 555 it carried a duty of 2 cents per pound, 2½ cents per pound and 3 cents per pound, and under old item 556 a duty of 10 per cent, 12½ per cent and 15 per cent. I think I explained the other day that the importation under these other items was very small.

Mr. KENNEDY: This is another case where we do not seem to be doing anything, because nothing at all came in under old item 555 during 1926, and in fact nothing has come in under that item since 1923. The importations were all under old item 554. Under old item 556, the importation in 1926 amounted to 20 dollars, as far as I can discover from the records; so while there appears to be a reduction, in actual fact, there is no change.

Mr. FANSHER (Last Mountain): Does all the wool come in under those three old items, 554, 555 and 556?

Mr. ROBB: Yes.

Mr. KENNEDY: I would ask the minister if he knows whether or not any ruling was made by a customs board or any other body which enabled wool which had previously come in under item 555 to come in free under item 554?

Mr. ROBB: I think that has been the practice for a good many years.

Mr. KENNEDY: What is the reason for that? It looks like sharp practice on someone's part to make a separate item under which sheep's wool is dutiable, and then to allow it in free under another item. This is the kind of thing which makes me think there will be grave difficulty in the future in connection with the different classes of rags which come in free and the others which come in under a duty.

Mr. ROBB: I think from the time this item was first placed in the tariff many years ago a ruling was made that it was of a class not produced in Canada.

Mr. EVANS: I would like to ask the Minister of Finance why the duty is lowered on wool and kept at its former level on the finshed article? Is it possible that the manufacturers of wool were not able to pay dividends, or have not secured the profits they wished to secure, or did the tariff advisory board give any advice at all in this connection?

Mr. ROBB: Yes. I explained that to my hon. friend a few days ago. In this reclassification we are getting rid of two items which are practically obsolete. My hon. friend from Peace River just pointed out that there were practically no imports under those items.

Mr. McGIBBON: I would like to make just one final appeal to the minister. My personal opinion of the Minister of Finance is so high that I find it very difficult to criticize his estimates, but I do feel that he is doing an injury to the people whom I have the honour to represent and to the people of the country generally when he takes away the little protection at present enjoyed by the farmers of Canada. We know the destructive effect this Australian treaty has had upon the dairying industry, and I would like to make a last appeal to the minister to leave the farmer what little protection he has on his wool. I know the minister is a protectionist, as I think the great majority of the people of this country are protectionists, and for the life of me I cannot see why that principle should not be carried all around the circle. If we are going to give protection to the manufacturers, as we do and as I think it is proper to do, then it is reasonable to give protection to the farmers of this country as well. It seems to me we are discriminating unfairly against a class of people who are doing an enormous amount of work in building up this country, and who get very little consideration. I am quite willing to confess that even when my own party was in power I advocated raising the duty on dairy products and other articles, and I advocate that today. As a protectionist country—and I think that is the established policy of all parties in Canada—we should be fair and carry this protection to all classes. Give it to the manufacturer where it is required; give it to the labouring man by protecting his job, and give it to the farmer as well. I must say that I have a great deal of sympathy with the Finance minister who is buttressed on one side by the tariff board—and if he will take my advice he will scrap that board—and on the other side by our free trade friends from the west who sit immediately to his right. But after all he has a duty to perform to the people of this country, and I should like to make one final appeal to him not to abolish the little protection the farmers of Canada have.

Mr. ROBB: My hon. friend will admit that this wool has been on the free list for many years. In the case of the two items we are changing, the total importations under 555 amounted to $93, in 1927, and under 556 to $5,099.

Mr. McGIBBON: Will not all wool come in free from now on?

Mr. ROBB: Yes.

Mr. McGIBBON: And we take away a certain amount of protection which they had.

Mr. TOLMIE: I should like to join with the hon. gentleman who has just spoken in making an appeal on behalf of the sheep farmers of Canada. It is a very striking feature that while our flocks have not been protected as far as the important wool crop is concerned for very many years in this country, our sheep population has increased only about 100,000 head in 57 years. Certainly we cannot boast about our progress in the sheep line. Our sheep population in Canada is only about 3,000,000 head as compared with something over 90,000,000 in Australia, 27,000,000 in little New Zealand, 23,000,000 in Great Britain, and 44,500,000 in the United States. Another striking feature has been that the United States, where the wool has been protected since 1816, has made steady progress in her sheep development. Perhaps anticipating the war they removed the duty from wool in 1913. The country became filled up with wool, and at the termination of the war the sheep business was in a very depressed condition. So they applied the tariff again. In the United States they have increased their sheep population by about 6.5 per cent within the last twelve months, and in recent months they have had more sheep available for slaughter than they have had since 1914. Comparing the two countries, we have the country upon the one hand where the sheep business has been stabilized by the protection of wool, and on the other hand a situation in Canada where we have been absolutely without protection as far back as I can remember, in the case of wool. On the one hand there has been rapid and substantial progress, and on the other hand very little progress, if indeed any at all. The United States is not considered a great mutton and lamb consuming country. They consume there about 5.4 pounds of mutton and lamb per capita, while in Canada we consume just about 9 pounds, and Great Britain consumes from 50 to 60 pounds. It is a well known fact—it is apparent to every man who is interested in agriculture—that we have huge areas of land well adapted for the production of sheep and we have only a sheep population of about 3,000,000 head scattered over this vast domain. Our opportunities for the growing of sheep here are immense. They do very well on our ranges; they do as well here as they do anywhere on the continent. Our average clip on the ranges under ordinary conditions would be from 7 to 8 pounds of wool; and in British Columbia in some special flocks, particularly where there is a good Scotchman in charge of the flock, it runs as high as 10 pounds per head. The lamb crop is an excellent one too. I know of one man in British Columbia who sold 3,000 lambs in September weighing round 80 pounds per head, bringing in a revenue of $30,000, averaging around $10 per head.

I feel that some effort should be made—I am not talking in any critical way because I think, perhaps, the Conservative government has erred just as much as the Liberal government is continuing to err by failing to give some protection to the wool producers—to improve the existing conditions. As far as the production of finer wools is concerned there is no reason why our wool here could not be very much improved, and I am very glad indeed to note that the research council is now taking this matter up. It is well known that we have a long dry belt extending through the length of British Columbia clear down the continent, including such states as Wyoming, Idaho, eastern Washington, and some others, and in those states they are producing fine wools of very excellent quality. As an indication of how good these fine wool sheep are, let me say that at the Salt Lake ram sale, which is held annually, they sold sheep at as high a figure as two and three thousand dollars a head, and within the last few years representatives of the Russian government have come over and purchased very heavily. They had the whole world to select from and they gave the preference to the Salt Lake sale and to other western states, indicating the very marked progress that is being made in the breeding of these fine wool sheep. If these sheep can be bred and produced on the American side there is no reason why the same thing cannot be done on the Canadian side where the conditions are very similar.

There has been some complaint about black hair found among the wool of some of our range sheep in the west. I think that is simply a matter of breeding, and by good care that can be overcome. That black hair in the wool is probably due to the fact that without protection for our wool the breeder of sheep aims to rely on his lamb crop rather than on his wool crop, and to produce sheep

that will yield both wool and lamb. We might place a reasonable tariff on wool. Perhaps that is not the remedy but I certainly think the situation is serious enough to have a thorough investigation made, and a careful survey of our opportunities, a careful survey of the whole sheep and wool situation. Then I think we would soon come to some reasonable conclusion whereby we would place the sheep industry in Canada on a good, sound, sane basis. Our opportunities for development are simply immense along these lines. I call the attention of the government to this particular question hoping they will give it careful consideration and try to develop in this direction.

Mr. ROBB: There is no member of this house better qualified to speak on agricultural subjects, and particularly animal husbandry, than my hon. friend the former Minister of Agriculture. He has just told us that in fifty years there has been an increase in round figures of about 100,000 sheep in Canada, and also that in British Columbia last year one farmer made a profit of about $30,000 on the sale of his lambs.

Mr. TOLMIE: Income.

Mr. ROBB: An income of $30,000. My hon. friend from Victoria has not gone just as far as my hon. friend from Muskoka in advocating protection. The hon. member for Victoria has apparently given some study to this, because, while he has quoted some figures from the United States, he has been careful to take the high spots and the low spots where they would suit his figures. The hon. member for Muskoka-Ontario sincerely, I am satisfied, believes that greater protection would increase the interest in sheep-raising in Canada and add to our flocks. We have right alongside of us a great nation. They have tried that out and Canada might very well profit from their example. I find, for instance, that in 1886 the total production of wool in the United States was 302,000,000 pounds. In 1925, the quantity in round figures was 300,000,000 pounds, but in 1924 it was only 286,000,000 pounds, so that hon. gentlemen will observe that during that long period there has been a decrease in the production of wool in the United States.

Mr. BEAUBIEN: What is the rate of duty on wool in the United States? I know it is very high.

Mr. ROBB: I do not have it with me.

Mr. TOLMIE: Fifteen to forty-five cents.

[Mr. Tolmie.]

Mr. ROBB: I was going to say it was pretty high. In 1900, under the farm census of the United States they had 61,504,000 sheep and in 1925 they had 35,251,000 sheep. That is a considerable drop under the tariff policy of the United States. It is true, as the hon. member for Victoria says, that from 1925 to 1926 there was some increase, because I observe that in 1926 the number was 40,748,000, but away back in 1910 they had over 61,000,000, and in 1903, 63,000,000. The numbers began to diminish yearly from that time on.

Mr. McGIBBON: The Minister of Finance will admit that the numbers have been going up since more protection has been given.

Mr. ROBB: My hon. friend pointed out that there had been an increase of 150,000 in Canada in fifty years.

Mr. KAISER: The element of protection has very little to do with the diminution in the number of sheep in the United States of America. With them the question is not one of tariff. We are all taught that the United States is a cotton country and the effort of the cotton growers there to displace wool in the clothing of their people produced a fierce conflict which has continued for a great number of years. This point has been brought to our attention in quite a remarkable way in the construction, for instance, of automobiles. In this country the linings of automobiles cost more than in the United States because the latter is a cotton country and they use a great deal of cotton in the upholstery of automobiles, whereas in Canada we use wool entirely.

Mr. ROBB: I do not want to interrupt my hon. friend's argument, but he may be able to explain this. Raw cotton, like wool, comes into Canada free of duty.

Mr. KAISER: Just so, but the point we wish to emphasize is simply this. From our geographical situation we have scarcely any other choice of producing the clothing of our people than from our flocks of sheep, and in any country where they are driven to provide their people with clothing from wool you will find the figures very much the reverse of those pointed out by the minister. Such countries have increased the numbers of their flocks and their efforts to produce wool in order to make clothing for their people. Canada is a wool country in general and the United States is to-day a cotton country. That explains those figures much more

pointedly and sanely than they can be explained from the point of view of tariff alone.

Our wool problem is not only a matter of tariff. We have for years observed many forces playing upon our people and our farmers in the direction of reducing the flocks of our country. Strange to say, a question that has often come up is that of fencing. Our fencing problem is the same as they have in any other country, and in any country where they claim their flocks are important and where they endeavour in a national way to make their flocks profitable for their people, they overcome the fencing problem. A year or two ago I heard the Minister of Finance raise in this house the question of the dog. It is strange that dogs do not kill sheep in England, nor in New Zealand, although the dogs and the sheep are of the same type as in this country. Why is that not the case in Canada? In recent years it has been discovered beyond all question that the dog which will undertake to kill sheep has something wrong in his head; he is a crazy dog.

Some hon. MEMBER: Oh, oh.

Mr. KAISER: All right. In Kentucky they hold trials of dogs. A dog is brought before a magistrate and if it is demonstrated beyond all shadow of doubt that he is the dog that chased or killed a sheep, there is only one penalty and that is death to the dog. In every country where they have eliminated the sheep-killing dog they soon begin to breed dogs that will not kill sheep, and if they have done that in other countries they can do it in Canada.

As the ex-Minister of Agriculture has stated, it is fundamental that the people of this country should inquire into and get at the reasons why our flocks have been reduced. We should regard our flocks as they do in other countries, as one of the finest assets we have and endeavour to increase the numbers. Let us not get it into our heads that the tariff is the only factor. Other factors enter into the question and they should all be considered, an endeavour being made to eliminate all the reasons why our flocks should not be raised up to the numbers or even the percentages they were at the time of confederation. At confederation Canada had more than one sheep per head of poulation and it takes just about one sheep per head of population to supply sufficient wool to clothe the people of a country. Until we get at least one sheep for each head of population we are behind our times and behind our privileges. To me it is amazing to read that in Nova Scotia we have more than a million acres of land suitable for grazing and yet so few sheep are raised there, although with the wool they could raise they could provide the whole of Canada with the clothing required and be more than ten thousand miles nearer the best market for lamb and mutton than any other sheep-raising country. Yet we see countries away on the other side of the equator coming across the line and capturing a market that is ten or twelve thousand miles away. We can look at this question from a hundred different angles, but they all lead to this point, that we have not lived up to the opportunities that should present themselves to a people such as ours and a country such as this.

Mr. BENNETT: I confess that I, a mere professional man, am greatly interested in this wool industry. I have been frequently associated with one of the large business enterprises in western Canada, and it has been my good fortune to have expressed to me from time to time the opinion of one of the pioneer stock men of that country, Mr. P. Burns, regarding the development of our cattle and sheep industry. He has frequently told me that British Columbia, in some parts of it, is better adapted in his opinion to the production of large flocks of sheep than any other part of the country he knows. There are sections of Alberta about which the same might be said. Flocks and herds were the foundations of national wealth in the early days of history, and even until to-day a nation's wealth is measured to some considerable extent by its flocks and herds. This country at the present time has less than three million sheep; it should have not less than nine million if we are to maintain the minimum production of flocks; and having regard to the conditions that obtain here, twenty millions would not be an extravagant number of sheep to be maintained in Canada. But we have only three million, and I think it is fair that we should ask ourselves why we have so small a number. The sheep is a peculiarly profitable animal, because not only is its coat of wool valuable, but the production of mutton and lamb for food purposes may be said to be equally valuable. Under those circumstances this country has made little or no progress with respect to the development of the wool industry, and yet there is no country in the world where woollen clothing is in greater demand or is more of a staple necessity of the people. The people of the west require wool, and with the development of its population we must have large supplies of woollen garments, for without them the people really suffer in the winter. That is so practically all over

Canada. We have made, it seems to me, vain efforts to develop the woollen industry and, if you will, the mutton and lamb industry in this country. I asked the other day, for purposes of information only, what the condition of the woollen cloth mills in Canada was, and I find that there are twenty-two mills, and that this is the position:

Woollen Cloth Mills in Canada

—	Cloth mills closed down with machinery still standing	Year closed	Looms
(1) Vancouver, B.C.	Canadian Western Woollen Mills	1926	8
(2) Renfrew, Ont.	Renfrew Woollen Mills	1927	42
(3) Isle Verte, P.Q.	Gulf Textiles, Ltd	1924	7
(4) Amherst, N.S.	Amherst Woollen Mills	1923	46
(5) Odessa, Ont.	Ernestown Woollen Mills	1927	4
(6) Carleton Place, Ont.	Hawthorne Mills, Ltd	1927	32
(7) Pembroke, Ont.	Pembroke Woollen Co	1925	40
(8) Chatham, Ont.	T. H. Taylor & Co	1925	30
(9) Rockwood, Ont.	Harris & Co	1925	22
(10) Appleton, Ont.	Boyd, Caldwell and Co	1925	10
(11) Lanark, Ont.	Boyd, Caldwell & Co	1925	5
(12) Meaford, Ont.	Randle Bros	1924	9
(13) Shawville, P.Q.	Shawville Woollen Mills	1926	2
(14) Owen Sound, Ont.	Harrison Bros	1926	6
(15) Kingston, Ont.	Collies, Ltd	1924	23
(16) Brownsburg, P.Q.	Albert E. Morrison	1927	4
(17) Dundas, Ont.	Clark Blanket Co	1926	11
(18) Arnprior, Ont.	Phillip Dontigney	1927	9
(19) Midland, Ont.	O'Hara and Sons	.....	16
(20) Baltimore, Ont.	Baltimore Woollen Mills	.....	3
(21) Madoc, Ont.	Madoc Woollen Mills	1927	6
(21a) Toronto, Ont.	Canadian Woollens, Ltd (Standard Mills)	1921	40
			375

That shows that there are 375 looms closed. If we turn to the cloth mills to ascertain the number of looms that are operating and idle, we find that there are forty-six cloth mills, and the figures brought up to the week ending January 21, 1928, show looms operating and idle as follows:

Cloth Mills Operating

Average number of looms operated and idle during week ending Jan. 21, 1928

—	—	Looms	Operated	Idle
Perth, Ont.	Tayside Textiles, Ltd	35	20	15
Toronto, Ont.	Barrymore Cloth Co	130	40	90
Campbellford, Ont.	Campbellford Cloth Co	128	37	91
Almonte, Ont.	Campbell Woollen Co	15	13	2
Cape St. Ignace	Methot and Frere	6	6	
Simcoe, Ont.	Brook Woollen Co	40	40	
Brantford, Ont.	Slingsby Mfg. Co	120	70	50
Paris, Ont.	Paris Wincey Mills Ltd	120	80	40
Wellesley, Ont.	Renier Bros. & Co	3	3	
Way's Mills, Que.	Telford and Chapman	7	.....	7
Almonte, Ont.	Thoburn Woollen Mills	20	13	7
Oxford, N.S.	Oxford Manufacturing Co	26	.....	26
Moncton, N.B.	J. Humphrey & Son	32	27	5
St. Croix, N.S.	St. Croix Woollen Mills	7	7	
Bracebridge, Ont.	Bird Woollen Mills	14	7	7
Preston, Ont.	Geo. Pattinson & Co	79	51	28
Warwick, Que.	Warwick Woollen Mills	5	5	
Merrickville, Ont.	Watchorn & Co., Ltd	7	5	2
Lindsay, Ont.	Horn Bros	12	6	6
Dundas, Ont.	Woolstox, Ltd	8	6	2
Barrington, N.S.	R. D. Doane	4	4	
Chicoutimi, P.Q.	La Filature de Saguenay, Ltd	6	.....	6
Glen Williams, Ont.	Glen Woollen Mills	12	8	4
Sherbrooke, P.Q.	Walter Blue & Co	20	18	2
Peterboro, Ont.	Canadian Woollens, Ltd	140	60	80
		996	526	470

That shows a total of 996 looms, of which 526 are operating and 470 are idle. That is the position for the week ending January 21, 1928. There are some eight or ten other mills from which no report could be received by the gentleman whom I asked to get this information. They have only 83 looms, however, and the information that I have given was as full as could be obtained up to that point.

Let it be borne in mind that the first twenty-two mills that I mentioned had all the machinery for preparing, scouring, dyeing, carding, spinning, weaving and finishing wool, and one-half of their capital is invested in plant for manufacturing processes up to yarn. That is an important matter to consider.

I have given this house a list of the woollen mills in Canada. I have shown the condition of the industry on the 21st day of January last, the number of looms idle and the number operating, and in addition, as I said, there are eighty-three looms from which no report was received. Of the number of mills I gave, one-half, practically the first twenty-two mills mentioned, are employed in making use of all processes that convert wool into cloth. They have all the spinning and other machinery that goes with such an industry.

Now what does this tariff propose to do? This tariff, first of all, proposes that machinery shall come in free. I observe that in their submission to the tariff board the French industry strongly urge that French machinery should come in free, and I observe the same with respect to the British industry. That machinery is now to come in free to compete with men who have hundreds of millions of dollars invested in machinery in their industry. It will be a direct incentive to induce people to come in and destroy existing capital in this country. Whatever else may be said by hon. gentlemen opposite, however, strong may be their views with respect to matters of this kind, no less an authority than Adam Smith has pointed out that where you have vested industry established under those circumstances, care should be taken not to destroy the industry. But free machinery is to come in under these tariff proposals.

Then you have free yarns. Who are benefitting by this? It means, first of all, that the machinery now engaged in the production of yarns will become idle. You ask, why should that be so? Cannot Canadian industrial enterprise produce yarns quite as cheaply and quite as readily as can the Bradford and other English mills? With respect to that I can only point out that the evidence given to the tariff board, to which I alluded the other day, and from which I should like to read were it not needlessly taking up the time of the committee, abundantly establishes that under the conditions there obtaining, unless we pay our people a wage on which they cannot live and lower their standard of living to a point that is unendurable, it is impossible for us to compete with them. Who that read the report the other day of the socal service board with respect to child mortality in this country would desire to lower the standard of living in Canada to a level lower than now obtains? I do not think any hon. gentleman would desire to do that. Yet unless we are prepared to do it we must face the fact that placing this yarn upon the free list means that these looms will become idle, and that the capital therein invested will become unproductive and therefore, will be destroyed. I have in my hand the issue of February 22, 1928, of the Textile Argus, published in Bradford. This paper, of course, points out the singular fact to which I alluded the other day.

The changes announced last week by the Canadian Finance minister in tariffs affecting the imports of yarns and fully manufactured goods into Canada would be read with peculiar interest in Bradford. It will be recalled that last year the Canadian manufacturers applied to the tariff board for a revision of import duties which would give them greater protection, and the matter was considered to be of such importance to the trade of Bradford and the West Riding that the West Riding chambers of commerce sent out Mr. J. H. C. Hodgson and the West Riding Manufacturers' Federation, Mr. George H. Wood to place before the tariff board carefully considered reasons why the duties should not be increased. Those who are familiar with the evidence submitted by these two witnesses will realize that they have made an impression on the powers that be in the Dominion, and that their mission to Ottawa last June has been fully justified. There are to be no increased duties on yarns or finished goods. The assistance which the Canadian government is giving to the Canadian manufacturers is to be secured in another and a more acceptable way. A very substantial proportion of the yarns used in Canada has to be imported, and the existing duty on British yarns is to be abolished. Owing to the dry atmosphere in Canada it is impossible to spin yarns there at all comparable with West Riding yarns, and the fact that the latter are to be free will no doubt increase yarn exports from this country to the Dominion.

With respect to that one observation, may I venture further to point out that the memoranda submitted to the tariff board by the British and French textile manufacturers are, one would say, not intended perhaps to influence public opinion, and yet they in terms state that in their view no case has been made out. For instance, with regard to one of these matters that is dealt with in the tariff, that is the duties on cut pile fabrics of mohair, wool,

and so on, being raised from 17½ to 27½ per cent, I read again in the issue of February 29, 1928, of the Textile Argus the following:

As this is rather at variance with the general principle of the revisions, it has caused some surprise, and protesting cables have been sent to Ottawa by private firms and also a joint protest from the Bradford and Huddersfield chambers of commerce. One private cable reads: Astonished to hear British cut pile fabrics of wool, mohair and alpaca are included under general wool tariff, thus raising duties by 10 per cent. This applies to mantle cloths and dress goods as well as furnishing fabrics. We submit that cut pile fabrics for dress goods wear are not manufactured in Canada. New change results in penalizing British manufacturers by reducing preference.

I doubt not that the minister may read to us to-night some of the cables he has received with reference to that matter. I believe this house represents the commonsense of the people of Canada, and that if possible, they desire to develop a woollen industry in the Dominion. I take it there is no gentleman, whether he is a protectionist, a free-trader, or anything else, that does not desire to have established in Canada by some means or other a strong, vigorous woollen textile industry. We need it. We should not be dependent upon other people for our supplies of wool or wool yarns; we should be in a position, if circumstances over which we have no control arise to interfere with our marine communications, where we have sheep sufficient to produce wool to meet the demands upon our manufacturers by our people to supply them with clothing as well as with food.

Now, some of my friends think the woollen manufacturer desires an abnormal profit. I was very much struck by some of the observations I heard in the house, and I wrote to one of our leading textile manufacturers with reference to this matter. Let me quote his words:

I am satisfied with one cent a pair profit on footwear. Suppose I sell for 37½ cents a pair, why should the same retail at 75 cents? We do not get it. It is the spread between us and the consumer.

Then he proceeds,

If I make a dollar a suit profit for the best cloth which can be bought for $15 to $16, say $20 trimmings included, and which when made up will sell for sixty or seventy dollars, I am satisfied.

Now, under those circumstances most of us, I think, had a strong hope that a tariff board, set up and properly equipped, would ascertain the facts and make a report to the Minister of Finance for submission to this house, that would enable every hon. member to conclude what would be necessary to be done to secure this industry to the Dominion. My observation has been, even when talking privately to some of my friends opposite, that they share with me a desire to establish a strong Canadian woollen industry. But they say: This protection, Mr. Bennett, is absurd. When I ask them why, they say: Well, it is too much to expect that an industry should be protected to such an extent, and it will mean that the country will be exploited by the manufacturers. That is the stock answer given. Against that there is the statement of the manufacturer to me, that he will be satisfied with a profit of a cent a pair on woollen socks. Would any man deny that as a reasonable profit? Says this manufacturer: Give me only a dollar profit on any suit I produce, and I am satisfied. That cannot under any circumstances, be said to be exploitation.

Then what should the minister have given to us? He has revised this schedule; he has put yarn upon the free list. That is done at the instance of people who do not live in Canada, and it gratifies them because it means their looms will work while ours are idle. I do not yield to any man in my regard for the mother country and for the people who live there, but my first concern as a legislator must always be this country—Canada. I am untrue to my position if my first concern is not Canada. And if I find looms working in Bradford and idle in Almonte, and the reason is in the action taken by this parliament, to which action I am a party, I have been untrue to this country. That is my submission to my friends opposite.

Now, is it a fact that our looms are idle? I have mentioned that more than half of the looms we have in this country are idle, and that there is increased activity in the looms of other countries by reason of the legislation the minister is putting on the statute books. If this be so, we have failed lamentably to discharge our duties as Canadians. I say it without offence, and I ask my friends opposite if it is not true. If we can protect our people against exploitation, and at the same time develop the woollen industry of Canada, if we can increase our flocks—which have been the foundation of national wealth since the days of Abraham—then let us do it. We cannot lower the standard of wages nor the type of living of our people, and we live in a cold country where woollen clothing is necessary. Is it beyond the reach of Canadian statesmen to attain this end? Is it beyond their capacity to accomplish this object? Let us for a moment forget these shibboleths of the past, let us forget the

terms, free trade, protection, low tariff, high tariff, with which, as the Minister of Finance said in Winnipeg, we play at election times; let us forget them and recall to our minds that we are concerned with the fate of a great Canadian industry that is threatened with absolute destruction. Not in its entirety—they will all tell you that—because those of our mills that have always been importing yarns will be able to do better than they ever did but the mill that has a million dollars invested in machinery to spin woollen yarns will find that machinery idle, while its owner will have the melancholy satisfaction of seeing a corresponding activity, three thousand miles away, in the spinning machinery of another country. That is the duty of Canadian statesmen that is the duty of any Canadian government—to conserve Canadian industry.

This tariff seems to have been moulded by the woollen manufacturers of Bradford and Huddersfield and the textile manufacturers of France rather than by Canadians for Canadians. I concede the right of every man who may be affected to present his views to a tariff board whether in this or any other country. I recall that when the cattle embargo was in force against us during the war it was discussed by Canadians in England, certain representations having been made at the time which we contended should be carried into effect. As I say, I concede the right of interested parties to express their opinions as they see fit. But it is the duty of any man occupying the position I hold, without power to change or modify in any respect the schedules now under consideration, to indicate the danger to which the country is exposed. I know it is futile to appeal to the minister to change his schedules, and in any event, if he does determine upon any change, he does so in compliance with the views of his supporters behind him; and then seeks to blame us on this side for the simple reason that such a procedure makes better reading for the manufacturers. But does the Minister of Finance really believe that anyone is deceived by that sort of thing? Let me assure him, Mr. Chairman, that picayune, peanut politics of this description is precisely the thing that discredits the action of any minister in charge of tariff revision. The idea of saying to a free parliament, after striking out an item the other evening because some of his supporters told him he had to do so, "the opposition must shoulder the responsibility!" Having acted on the request of his own supporters, he turns to us and says, "You are to blame; go and tell your friends the manufacturers what you have done". Is not that sort of thing calculated to make parliament a byword among the people? Everyone saw the play and understood it. Who was deceived? No one, and least of all the people most vitally affected.

I presume it is too late to endeavour to induce the minister to alter or change his plans, but at least we can point out the facts and place the responsibility where it belongs. We can place the responsibility on the government of the day—a government which is not at all concerned about the development of this great industry but which, apparently, is bent upon pleasing people who reside far distant from here, yielding to the importunities and demands made upon it, as indicated in the Textile Argus and elsewhere. It is much easier for the government to do this than courageously to say, as they said in the United States, "We intend to impose high tariffs for the moment in order to encourage the industry and put it on its feet. We intend to control the situation and as circumstances change we shall be able to modify our tariff to suit those changing conditions". At any rate, we on this side shall have to content ourselves with pointing out the facts and leaving the responsibility with those who have incurred it for the state of affairs to which I have made reference and which is reflected in the census taken during the first three weeks of January of this year, in anticipation of the very action that has been taken.

It is not a pleasant thing for one to have to speak in this way with respect to these items under consideration; it is not pleasant to contemplate the injustice which will result from legislation thus enacted. It is all very well to say that free yarns will mean cheaper goods. But I would remind my hon. friend the Minister of Finance that utter dependence upon others operating great distances away has been the undoing of every state of importance; at any rate it has been the ruin of all the states of which I have read in history. Copper is an illustration: what is happening to-day in regard to that industry? What was the state of affairs during the war in relation to copper and zinc? Before the United States went into the war they were able to say to the nations of the world, "There is our price; you pay it or die". Is it worth while to have this country independent? Is it worth while to raise it to the level of sheer independence and make its people economically free? We did this during the war. We entered into a contract with the late Lord Rhondda by which it was agreed that a higher price by a half cent per pound should be paid us for copper

for war purposes if we would develop our copper industry. The United States then raised the price of zinc to 44 cents a pound; that was their answer, before they came into the war, to the assertion of economic independence on the part of the empire and its allies. And in the woollen industry—upon which our life depends in winter—shall we be dependent or independent? Shall we raise vast flocks of sheep, nine, ten, twenty millions, or shall we continue to import mutton from New Zealand? That is the question. With the greatest markets open to us, shall we extend our foreign trade or not? You say it does not require a tariff? I say it requires the use of every tool or implement that parliament has at hand to safeguard the industry. To me it is perfectly indifferent whether it be a tariff, a bonus, a bounty, a drawback or an export duty; I insist that we use the instruments we have for one purpose and one purpose only, namely, to make this country economically independent. Failure to do this is failure to grasp the opportunities that Providence has given us. Is it not a disgrace that a country such as this should be content to raise three million sheep? Those with whom I have discussed the matter understand quite well that in the great reaches of Nova Scotia, New Brunswick, in the far west, in the prairie provinces and in British Columbia, a very considerable industry could be developed if we had the courage. And this country has the courage. I say to the Minister of Finance that if only he would take his courage in his hands those who sit behind him would rally to his support, because although, by profession, they are free traders in the west, in practice they are ready to utilize every instrument or tool that can be pressed into service to make this country great and strong. I am sure that if hon. gentlemen opposite thoroughly appreciated the situation, if the facts were properly put before them by the tariff board and by the minister, so that they could draw their inferences as well as he, they would understand the importance of the industry and be prepared to support it. I can only content myself with protesting against these measures which threaten the economic independence of the country and spell ruin to millions of capital invested in the manufacture of yarns in Canada.

Mr. GARLAND (Bow River): I do not propose to deal with this matter at great length, but I must congratulate the leader of the opposition (Mr. Bennett) on the eloquent plea he has just made. I have heard him on many occasions but rarely has he been in such excellent form and apparently so logical. Let me say, however, that in my opinion he destroyed the force of his speech by the last statement or two he made. The opinion he expressed is one he sincerely holds and believes in, but the idea that it is possible to make any nation economically independent is madness; it is a fallacy of the crassest kind. We can no more make Canada economically independent than the United States has been able to make the United States economically independent. It is a dream, the phantasy of a mind warped by convictions sincerely held in the wrong direction.

The leader of the opposition spoke about the destruction of this industry and he used several other trenchant phrases to emphasize the disaster which was rapidly overtaking it. Now there may be depression in the woollen industry; I sincerely believe there has been some depression in the last two years. But may I point out something that has been so far overlooked. So far as I have been able to ascertain—and in this regard I am rather slightly better able to know what I am talking about—women to-day do not wear wool, or they wear as little as possible. I happened to be travelling in eastern Canada last November and I visited some splendid woollen mills in the maritime provinces. In the Moncton mill I found that the manufacturers were more and more turning their attention to the manufacture of rayon mixtures. It is the introduction of rayon and artificial silks and material of that kind which attracts the ladies—I do not blame them—that has operated against the past profits of the woollen industry. That is one point that has not yet been noted. I do not think it can be stressed too heavily and it is one factor that has rather tended to lower the profits of these companies. But I would say this to the leader of the opposition and to those on his side who are so deeply concerned in this matter. I can produce proof to this house to-night that the woollen industry in Canada is not in bad shape, that it is not suffering seriously and that it is not likely to be destroyed. The best proof I can find is the action which has just been taken by one of the British woollen manufacturers, who has declared his intention to tear down his entire plant in Bradford, to which city my hon. friend referred, and bring the plant to Canada to manufacture wool here. What is his reason? The reason is that the woollen industry in this country is in good condition, and is making money. In to-night's Ottawa Citizen I find a Canadian press cable from Bradford, England, under date of March 22, as follows:

John Moore, woollen manufacturer, has decided to dismantle his mills here and transfer his woollen industry to Victoria, B.C.

I congratulate my friend the ex-Minister of Agriculture (Mr. Tolmie).

In this connection the Yorkshire Post, the chief organ of the Yorkshire woollen industry, says:

"There were dismal pictures of the Canadian woollen industry presented to the tariff board at Ottawa—

We have had more of those pictures to-night.

—when the manufacturers asked for further protection. One need only to refer to the balance sheets of several Canadian manufacturers to see their exceedingly healthy condition. The new woollen business for Victoria is being treated in an exceedingly generous spirit by that municipality.

Among the common advantages to British manufacturers starting in Canada are: Ridiculously low taxation compared with the taxation in Great Britain; electricity a comparatively cheap form of industrial power, and Canada's enjoyment of an enviable freedom from industrial disputes."

I think that one despatch alone should be sufficient answer to hon. gentlemen to my right. The future of the woollen industry is assured so far as the future of any industry can be assured, but that industry cannot continue to live if something better takes its place; it will go if something better comes along. If the people want to buy more silk, rayon or real silk, no protection we can possibly give and no system of bonusing we could possibly introduce could maintain any industry on such an artificial basis.

Mr. LAPIERRE: In the course of his remarks the leader of the opposition gave us a list of woollen mills which had gone out of business, or which had ceased manufacturing cloth. Anyone connected with the woollen business knows that under the conditions obtaining in this country our woollen manufacturers cannot produce cloth in competition with that manufactured in England and Scotland. Serges made of Canadian wool have not been used to any great extent by the people of this country. As a matter of fact, among those mills which have been mentioned by the leader of the opposition are some that went into the business during the war, when prices were at their peak; when prices became normal these mills found that they could no longer continue.

Another reason why our Canadian cloth mills cannot compete with English mills is the rapid change of prices. Our small mills could only manufacture staples; when they went into fancy goods they could not compete with the English mills because of their small production. Our styles are changing more and more every day, and the same thing applies to our hosiery business, as the hon. member for Bow River has stated. There has been a complete transformation of the woollen business; rayon has become the substitute for wool, and rayon combined with cotton is replacing wool all over the world. Hon. gentlemen must have read a despatch which appeared in the papers a few days ago stating that certain rayon manufacturers in England distributed $60,000,000 in dividends among their shareholders, and that business has only been in existence for the last four or five years. It is also a fact that Courtauld's have established a rayon factory in Canada and that their business is continually expanding. It must also be remembered that the production of wool in the United States is continually diminishing.

There is still a further reason why the woollen industry is suffering. With improved machinery, cotton to-day is being combed to resemble wool, and is replacing woollen blankets and many other articles. Even our household furnishings are now largely composed of rayon and cotton, so when hon. gentlemen opposite attribute the depression in the woollen business to changes in the tariff they are far from the mark. I believe the minister has taken the right stand; he is going to allow those woollen manufacturers who now have obsolete machinery to bring in modern machinery which will combine the rayon with wool and cotton, which are the articles sold in the trade to-day.

Mr. EDWARDS (Waterloo): What factories have obsolete machinery in the woollen business?

Mr. LAPIERRE: A great deal of the machinery used on strictly woollen goods is behind the times to-day.

Mr. EDWARDS (Waterloo): No. You do not know what you are talking about.

Mr. YOUNG (Weyburn): Mr. Chairman, I believe the leader of the opposition has not quite expressed our position with regard to this woollen business. We do not begrudge the woollen manufacturer his cent profit on a pair of socks, nor do we begrudge him a profit of one dollar on the cloth going into a suit. As I understand it, hon. gentlemen opposite advocate a duty on raw wool, which would increase the price of the raw material used by the woollen manufacturer. If we increase the price of his raw material he must of necessity increase the price of his finished article. My hon. friend from Bow River and the hon. member for Nipissing have pointed out that to-day the tendency is more in the

direction of substitutes for wool such as cotton, rayon or silk, and every increase in the price of wool will accelerate that movement. So if you put a duty on wool, or increase the duty, you might help the cotton industry, the rayon industry or the silk industry, but you will strangle the woollen industry.

Mr. McGIBBON: In answer to the hon. member for Bow River and the hon. member for Nipissing, I might say that their arguments are rather peculiar. The hon. member for Bow River reads a newspaper article as an authority against the absolute fact that mills are shut down and have been shut down all over the country for years. A newspaper article, I presume, is a much better authority than the actual fact. As far as the hon. member for Nipissing is concerned, it is quite evident that he has not given much study to this question. In the first place he states that a large number of these industries which have failed were started during the war, while as a matter of fact a number of industries which have been put out of business were previously in existence for over half a century.

Mr. LAPIERRE: They increased their output during the war.

Mr. McGIBBON: But now they are out of business altogether because of the tariff reductions by this government.

Mr. LAPIERRE: If they were making these goods before the war they were using antiquated machinery.

Mr. McGIBBON: They did not have antiquated machinery, and they do not need to take any lessons in their business from the hon. member for Nispissing.

Mr. McLEAN (Melfort): I had not intended to say anything on this question, Mr. Chairman, but we have heard so much about sheep and the woollen industry that I think it might be well to make a few observations at this time. We have been told that there should be 25,000,000 sheep in this country.

Mr. BENNETT: I said 10,000,000, one for each person.

Mr. McLEAN (Melfort): Well, whether it be 10,000,000, 30,000,000 or 50,000,000, a few million between friends is neither here nor there.

Mr. MANION: In Australia there are 97,000,000 sheep.

Mr. McLEAN (Melfort): I will come to Australia in a moment; that country is a long way from Canada. It is true that Canada consumes a great deal of wool, and it is also true that Australia is better located for the production of fine grades of wool than are we in Canada. Australia has a very moderate climate for the growing of sheep and can produce small-bodied, thin-fleshed sheep, with a high grade of wool. Canada being a cold country with heavy brush lands, the conditions require sheep of sturdier frame and heavier flesh to enable them to stand the conditions, and these sheep produce a coarser wool than the sheep of Australia. It is not a question of duty at all. If it were, what would the 27,000,000 of sheep in Great Britain do? There they thrive without protection and without tariffs. They are able to do so because of climatic conditions, and the fact that the soil is of a character adapted to the profitable raising of sheep.

Mr. BENNETT: And there is a market for mutton.

Mr. McLEAN (Melfort): Quite so. There is a market for mutton in Great Britain, and that country takes a good deal of mutton as well as wool from Australia. It is better, however, when the mutton market is close at hand. But the principal reason why they are able to produce so many sheep in Great Britain is that the climate and the soil suit the industry. On the other hand, the farmer in Canada has to feed his sheep during the long cold winter. It is an exceptional thing indeed for sheep to be fed in Great Britain. It is true that the lambs are brought down from the hills on to the arable lands in the low country for the winter; and some of the old breeding stock has to be taken from the highlands down on to the lowlands, and fed during that time. Without artificial feeding and under the conditions I have mentioned one can easily see how cheap it is to produce sheep. In this country our wide open spaces have been pre-empted. I do not suppose there is to-day a vacant sheep range in the province of Alberta, or in any other province probably outside of British Columbia. I admit there are some spots in British Columbia where it is likely that sheep could be ranged in large numbers yet.

Mr. BENNETT: Without winter feeding?

Mr. McLEAN (Melfort): Possibly without winter feeding, but climatic conditions are severe on the uplands even in British Columbia. As I say, there are places in British Columbia where sheep could be ranged in approximately large numbers but nothing like ten, twenty or thirty millions and yet make the enterprise profitable for those engaged in it. The hon. member for Ontario (Mr. Kaiser) told us the other night about trying

to induce certain wealthy men to engage in the business, and he stated that he had failed in the endeavour. I do not wonder at it. Sheep growers will not make a lot of money under present conditions in ranging great bunches of sheep on the still vacant lands in Canada.

Just a word about economic independence. I suppose that if the people of Canada were willing to tax themselves sufficiently in order to grow cotton, they might make themselves independent of cotton—either cotton cloth, guncotton, or the other fabrics of which cotton is the basis. The same with the production of citrus and tropical fruits. We have the soil and the fuel. Why do not we produce citrus fruits?

Mr. KAISER: Did I understand the hon. gentleman to say that I was endeavouring to get wealthy men to put their money into sheep-raising?

Mr. McLEAN (Melfort): I understood the hon. member to say that he had endeavoured to get wealthy men to put their money into the raising of angora goats.

Mr. KAISER: There was no talk about sheep-raising at all.

An hon. MEMBER: Goat-getting.

Mr. McLEAN (Melfort): I believe that there have been men who have invested their money in goat-getting but there are some portions of the country where it does not work well. It is impossible as the hon. member for Bow River (Mr. Garland) pointed out, to have economic independence, and I think Adam Smith would be the first one to admit it if he were living to-day.

Mr. BENNETT: I was speaking for the moment, of economic independence in the woollen industry for the purpose of illustrating my other points.

Mr. EVANS: Looking at these schedules, and comparing this item with items 553 and 554, it shows an utter lack of policy on the part of the government. They have neither a tariff for revenue policy nor a consistent policy of protection. Items 553 and 554 are carrying the highest rate of duty in the tariff schedule, 35 per cent. But here we have relieved the manufacturer in the matter of raw materials. Again we have lowered our revenue without any corresponding benefit for the consumer. That is inconsistent. It shows that the government has not followed either policy consistently. It has, however, shown consistent obedience to the group that controls that side of the house to-day. It has shown itself to be a class government. We have plenty of evidence in the treatment of the two items alluded to, and there is no other conclusion to draw than the one which I have drawn. The manufacturer is relieved altogether of paying any revenue under the customs tariff, and the government has seen fit to place the whole burden of protection to-day on the class that has borne it hitherto, the class that has to sell its products in the open markets of the world. I say that the whole policy of protection to-day is laid on the sweated labour of the homesteader, and that of his wife and children. It is inconsistent, and it shows a callous disregard of the rights of other classes. The farmer needs no protection to raise sheep, and protection has been an utter failure for the mills of this country That has been shown by the leader of the opposition. Neither farmer nor manufacturer can prosper under protection. If Canada is going to be economically prosperous the whole thing will depend upon the cost of production, because much as they may try to argue otherwise the prosperity of every industry to-day in Canada depends on the basic industry of the country. And in what condition is that basic industry placed? It has to produce under a protective policy and sell in the open markets of the world. I ask if any man to-day can say that is reasonable, or that this tariff has shown itself to be in any form a scientific tariff. I wonder if the Minister of Finance can spell that word? I wonder if the free traders from Saskatchewan, or the country west of the great lakes, know the meaning of a scientific tariff? What does the Consumers League say to this?

An hon. MEMBER: Who are they?

Mr. EVANS: I see them represented on the other side of the house. Have they considered this situation? There is an utter disregard here on the part of the government of those who are to-day providing the biggest part of the income of this country. The policy which the leader of the opposition has propounded to-night is useless. It is an economic failure, The farmer needs no protection; the mills have failed under it. The cost of living has to do with production in this country. The leader of the opposition touched another point to-night in the tremendous spread which exists between the costs to the manufacturer, or the price which he receives, and what the consumer has to pay. Not only has there been hitherto, as there is to-day, too wide a difference, between the producer and the consumer, but the schedules of the tariff which we are now considering are favourable not

only to manufacturers but to distributors and there are certain other measures which distinctly make that difference wider. This is not as it should be. The minister should consider this item further; he should let it stand in order to see if he cannot bring the raw material and the finished product closer on the tariff list. Surely any reasonable man, any man that has in him anything of British fair play, will see the unreasonableness of the attitude of the government towards those who are to-day making the biggest part of the income of the nation, who, I repeat, are still the homesteader and his family.

Mr. GUTHRIE: The discussion on the wool item has taken rather a wide range and we are discussing under item number 549 practically all the wool items. Perhaps this may have the effect of shortening the discussion in the end. There is only one aspect of the wool business with which I am particularly concerned and that is in respect to the removal of the duty from woollen yarns, number forty and finer, which are manufactured to a large extent by an important firm in the riding which I have the honour to represent.

Until the present budget introduced by the Minister of Finance, worsted yarns were entitled to a protection of 12½ per cent from Great Britain, 17½ per cent on the intermediate tariff, and 22½ per cent on the general tariff; but as all worsted yarns which are imported come from Great Britain, we are not concerned very much with either the intermediate or the general tariff. The protection against worsted yarns coming from Great Britain has now been removed, and they have been placed upon the free list. The result as regards the industry which I have in mind will be, I think, practically to close it up. It is an industry engaged altogether in the spinning of worsted yarns. There is, in connection with the woollen schedules in the customs tariff, a bit of history which perhaps it would be well to remember. The first tariff by a Liberal government—I do not mean away back in the days of Alexander Mackenzie, but in the Laurier-Fielding regime—was introduced into this house in 1897. I think no change was made in the then existing duties on woollens, but there was in that tariff a provision which had a great effect upon the trade. For the first time Mr. Fielding introduced the British preference, granting for the first year, I think a discount of 12½ per cent; for the second year 25 per cent, and in the year 1900 the preference was increased to 33⅓ per cent. I well remember in the year 1902 going with a deputation of woollen men who came to Ottawa to interview Mr. Fielding, who was at that time Minister of Finance. They objected that the reduction of one-third of the tariff in favour of Great Britain brought about a situation under which they could not compete. Mr. Fielding took a reasonable and business-like view of the situation. He said that he would have an inquiry made at once into the whole question, and within the next two years an inquiry was held and a report made to Mr. Fielding. As a result of that inquiry and report there will be found in the Tariff Act of 1904 a clause that manufactured woollen goods—I am not now talking of yarns—should enjoy a net protection of thirty per cent, notwithstanding any preferences, and the woollen trade enjoyed a protection of 30 per cent net from that day until the year 1923. Under a protection of 30 per cent the woollen trade prospered in Canada.

Prior to that time all worsted yarns came in free; but it was felt not only among the trade but among the good people of Canada in general that if we were able in this country to produce a very creditable cloth, a splendid woven cloth, it was strange that we did not complete the fabrication; that we did not go back to the basis and make the yarns. If they could do it in England or in other countries, we could do it in Canada, so a deputation again called on Mr. Fielding and I again accompanied them. We met Mr. Fielding, the late Mr. Paterson and the late Sir Richard Cartwright, and my recollection is that His Honour, the present Speaker, was one of the ministers who received us. They laid their case before Mr. Fielding for the manufacture of worsted yarns in Canada. He heard them patiently; he considered the whole situation, and I think he again ordered an inquiry. My recollection is that he sent someone over to Bradford to make a full inquiry into conditions which prevailed there with the idea of ascertaining why, if they could successfully make yarns in Bradford, we could not do the same thing in Canada. At all events in the session of 1907, when the main Fielding tariff was introduced into this parliament, Mr. Fielding granted the worsted yarn manufacturers a tariff of 12½ per cent British preference, 17½ per cent intermediate and 20 per cent general. Why did he do this? He did it in order to start the yarn industry in Canada. A number of mills which were in the habit of weaving cloths, immediately installed machinery to spin worsted yarn.

Worsted yarn, as a matter of fact, cannot or has not been made solely of Canadian wool. Canadian wool is not considered fine enough

[Mr. Evans.]

to make the finer qualities of worsted yarn. A percentage of it is used for that purpose. Some mill men tell me they use 15 per cent; others have told me they use as high as 20 per cent; but I think 15 per cent would probably be a fair average, and the rest of the raw yarn is imported, mixed with the Canadian yarn and spun in the Canadian mills. Almost all the woven cloth manufacturers have established spinning plants in their own works. One or two have not done so, but in my riding a very extensive plant exists which does not make cloth, which exists only upon the spinning of worsted yarns which it sells to manufacturers of cloth, ladies' garments, carpets, automobile interiors, plushes and the like. It is absolutely dependent upon that trade. It employs over 200 hands. It uses, say, 15 per cent of Canadian wool and 85 per cent of imported wool. All the preliminary processes are gone through in the Canadian mill—the scouring, the picking, the carding, the gilling, the spinning and the twisting—and while it is not altogether male labour that is employed in that work, the largest proportion of the employees are heads of families. This mill has been in operation since about the year 1907 or 1908, and it has gradually worked up a satisfactory and extensive business in Canada. It was started when the Liberal tariff of 1907 was passed by this house, giving a 12½ per cent protection as against the importation of yarns from Great Britain. Why cannot this industry exist without that protection, may be asked, and what does the protection amount to? It cannot exist without protection because of the difference between the wages paid in Bradford, England, and the wages paid in Guelph, Canada, where this mill is situated. I notice that there is a difference between the statements made in regard to wages by the representatives of the Bradford and Huddersfield mills and the representatives of the Canadian mills. If you will read the statements that were made before the tariff board, you will note that the Canadian mill men say that the difference is as between sixty cents and one dollar; that is, that when sixty cents is paid in Bradford for wages, one dollar is paid in Canada. Some of them put it at fifty-nine cents, others at sixty cents. But the representatives from Yorkshire, who desire to gain the Canadian market for their own goods, say that the difference is as between $1 and $1.37. But whoever may be correct, the duty is only 12½ per cent—not very much protection is it, Mr. Minister?

Now what does that duty amount to in regard to the cloth manufactured from worsted yarns? To-day one pound of worsted yarn sells in Bradford at $1.25 and a 12½ per cent duty on that would make a duty of about sixteen cents a pound. One pound of that yarn goes to a yard of cloth. One manufacturer said you can average it at one and one-eighth pounds to the yard, but for my purposes one pound is easier to figure. Taking three and one-half yards of woven cloth to one suit of clothes, the protection amounts to about 56 cents on the yarn that goes into a suit of clothes. That suit will retail at forty or fifty or sixty dollars, and 56 cents is the amount of protection on the yarn in that suit. Yet that protection keeps hundreds and hundreds of men, and women too, working in the Dominion of Canada. The amount of duty involved is so small, so negligible, that it has no effect whatever upon the ultimate price which is charged for that suit of clothes. In the letter read by my hon. leader to-night a manufacturer states that if he could get a profit of one dollar a suit he would be satisfied. I know manufacturers in the county of Waterloo who say that if they could get fifty cents a suit they would be satisfied. Ten or twelve cents a yard they count as their profit on many lines of materials. Now is the duty of 56 cents on a forty or fifty or sixty dollar suit of clothes a burden on the people? I will tell the minister that it is not nearly as great a burden as is the sales tax. He has kept the three per cent sales tax on the sixty dollar suit. That is about three times as much as the customs duty, if the duty is to be considered a tax. This is the proposal of the Finance minister who succeeded Mr. Fielding, who established the worsted spinning industry in Canada by his tariff. These men were encouraged to invest their money in this industry in Canada, and they have invested tremendous amounts. I do not know whether there are other mills exclusively engaged in manufacturing worsted yarns as is the mill in Guelph, but I know that it has received a blow from which it is doubtful if it can recover. Already orders are being cancelled, and where are they being placed? They are being placed in Bradford. One-third of the output of the Guelph factory goes where? To the Oriental Company in Oshawa, for plush for automobiles. They will not buy Canadian worsted yarn in the future. They are going to buy it in Bradford now that it has been placed on the free list. I grant that the Oriental Company are going to be directly benefited to some extent by this proposal of the minister, but on the other hand it is a tremendous injury to the worsted spinning industry, which was established under the Liberal tariff of 1907.

I am not as hopeless of changing the minister's opinion on this matter as is my hon. leader. He seemed to think there was no chance of doing so, but I think that when the facts are fairly placed before the minister he will appreciate the difficulty and provide a remedy.

There are only one or two cloth mills in this country that are going to be benfited. I am told there is only one cloth mill that does not make worsted yarns. It has no machinery for making worsted yarns, and no doubt it will be directly benefited. They are also going to get a benefit in another respect under this tariff, because they have machinery there for making dry spun yarns or French yarns, and French yarns are to have a duty of 10 per cent to which I offer no objection whereas the worsted yarns are to be put on the free list. The manufacturers of worsted yarns are being most unfairly treated in this matter. The minister by his proposal is penalizing some fifty or sixty factories in Canada which have been built up under a 12½ per cent protection. With one stroke of the pen he has wiped out their only protection.

Mr. Chairman, I for one resent what I call the direct interference of the Yorkshire woollen mill men in this tariff application. I have no objection to their filing a brief, nor even to their appearing and making representations, particularly if they are asked to do so by the board, but when we have practically the whole woollen trade of the north of England coming here and demanding a hearing, filing their briefs, making their statements and examining witnesses, I think it is time to make a change in the procedure. In addition to that, as recently as to-day or yesterday, we find these same Yorkshire yarn manufacturers cabling the Finance department objecting to this tariff item or approving of the other item, and I see in part of the despatch which my hon. leader read to this committee to-night these significant words which he omitted to read:

> Dress goods manufacturers are very pleased indeed with the reduction made in the scale applicable to piece goods.

Then follows the sentence to which I particularly wish to draw attention:

> Spinners are none the less satisfied that woollen and worsted yarns excepting for carpets are now free of duty.

I ask my hon. friend the Minister of Finance whether his present proposal is made in the interests of the Yorkshire mill owners or of the Canadian industry. For my part I adopt the language of my hon. leader in this regard. When it comes to a question as between Canadian workmen and Yorkshire workmen, I am for the Canadian workmen every time. But the direct interference by the Yorkshire mill owners in the Canadian customs tariff, their continued interference in this respect, their cabling of their approval or disapproval of this, that, or the other item, leads one to believe that they have had too much to say in fixing the woollen tariff schedules for the Dominion of Canada. I believe that the case of our worsted spinners is so strong that the government will remedy it. It will cause no hardship to the people of Canada, no burden will have to be borne. I remember the words which the minister used in introducing his budget, that one of the considerations which weighed on his mind was that in this country the people must have warm clothing. Give them warm clothing, plenty of it; give them the relief I am asking him to give, the $1.50 off a suit of clothes in the sales tax, but allow those good work people in this country —who for ten, fifteen or twenty years have been brought up to this trade and know no other—to continue in this employment as heretofore.

Mr. WOODSWORTH: Mr. Chairman, I want to join in a word of protest against the rather loose statements of the leader of the opposition (Mr. Bennett). He declared very strongly against the use in this house of slogans and shibboleths, but I fancy no one is guilty of their use more frequently than he himself. That phrase, economic independence for Canada, may sound very well with regard to this woollen manufacture. The picture was drawn of our producing all our own sheep, manufacturing the wool, finding a home market for the mutton, then wearing the woollen cloth, and so on. But I ask: Is that principle capable of being generally applied? What about the cotton industry—does the leader of the opposition intend to grow cotton in Canada? Surely his arguments for economic independence mean that we would have to develop a cotton-growing industry. Does he mean to establish rubber plantations in Canada? We have a very considerable rubber manufacture in this country. No, no; I would suggest to my hon. friends that they do a little clear thinking. I cannot use words more apt than those employed by the leader of the opposition, directing them to himself and his followers: Do not let us get carried away by these things. What about financial independence? We are begging to get financial assistance from outside,—and yet we are told that we ought to try to secure economic independence. We are trying our very best to

establish American factories or turn over our existing factories to international trusts. Again I ask, what about economic independence? I suggest that in considering affairs of this kind we keep a little bit nearer to the realities, and not talk quite so much for the gallery—as some are inclined to do.

An hon. MEMBER: Sit down.

Mr. WOODSWORTH: No, I am not going to sit down. I should just like to repeat some words that are very freely used by certain hon. gentlemen who undertake to censure all the other members of the house, and adopt a very superior attitude in doing so. I could not but think, for example, of the curious situation of the one Conservative member in the three prairie provinces undertaking to interpret the spirit of the west! If one of us did anything of that kind you can imagine the ridicule that would be poured upon us; but the hon. gentleman who leads the opposition presumes to be in a class by himself.

He says dramatically, "is it a fact?" And so on. He has read us a letter—an anonymous letter, although I have no doubt of the good faith of the writer—in which we are told that he, the writer, would be satisfied with only one cent profit for a pair of socks, and with one dollar profit for a suit. Now, I would ask: Is it a fact that the manufacturers of this country have received a profit of only one cent a pair for socks? Is it a fact that they have received a profit of only one dollar for a suit? If that is so, where have the big profits come from in the last five or ten years?

Mr. BENNETT: I can answer my hon. friend. The manufacturer whom I quoted received a profit of less than a cent for a pair of socks and a profit of less than one dollar for a suit of clothes.

Mr. WOODSWORTH: That is an individual case, and surely the leader of the opposition with his long training in the law would not put forth an individual instance of that kind as evidence concerning the whole manufacturing industry. I hope not. However, I rose to my feet to call attention to an altogether different aspect of this question—one that has not yet been touched upon. Every once in a while we hear one of these phrases "protecting the Canadian working man", and the idea has been assiduously propagated across Canada that protection to the manufacturer means "protection" to the man who is employed in his factory.

Some hon. MEMBERS: It does.

Mr. WOODSWORTH: All right, I am glad I do not have to argue the point; those gentlemen admit that is their position. I look at the wages and the hours of labour of those engaged in the textile industry in Canada, and I find that in this very industry we are considering fifty-five hours a week is a very common working period. I turn to other industries that are not protected, to the building trade for example, and I find that the hours run around forty-eight, or even forty-four a week. I wonder whether the workman is "protected" in his working conditions. That is something that is not very often considered, except when in a general sort of way we are told that "protection" means help for the working man.

An hon. MEMBER: The unions protect the working men.

Mr. WOODSWORTH: I tell the hon. gentleman that in a great many of these factories there are no unions whatever, none are permitted, and there is no legislation that will help us in the matter.

Mr. McGIBBON: Is there not a union in the building trade?

Mr. WOODSWORTH: Yes, and that is the reason there are better conditions in that trade.

Mr. EDWARDS (Waterloo): Is there a union in the moulding trade?

Mr. WOODSWORTH: Yes.

Mr. EDWARDS (Waterloo): Then why talk of protection not protecting the working man?

Mr. WOODSWORTH: The moulding trade is not nearly so highly protected as the textile trade. My thesis is this that protection to the manufacturer does not necessarily mean protection to the workmen engaged in the factory.

An hon. MEMBER: It should.

Mr. WOODSWORTH: It should, but it does not. That is what I want to bring to the attention of the Minister of Finance before I get through.

An hon. MEMBER: What about the workmen in the United States?

Mr. WOODSWORTH: The workmen in the textile industries are amongst the poorest paid in the great American republic, and that is the most highly protected industry over there. I am glad that was mentioned,

because it simply emphasizes the condition here in Canada, and it corroborates the position which I am trying to take, that protection to the industry does not necessarily involve protection to the working man.

An hon. MEMBER: Don't they grow cotton in the United States?

Mr. WOODSWORTH: Yes, but I do not know what that has to do with the matter. I find these are some of the wages paid. I am reading from the last report on wages and hours in Canada, published by the Labour department here. I notice that a common weekly wage in this woollen manufacture is around $20 a week for mule spinners. There are a number here—$21.50, $11, $19.50, $22 and $25. I take one example of female workers in the woollen factories, warpers: the weekly wages are $18, $9, $12.65, $20. Now I turn from these to other types of work in Canada and I find the wages considerably higher—laundry workers in the cities or girls engaged in book binding. These would afford a fair comparison, and I find that the wages in these other industries, which are not protected, are higher than those in the textile industries. These are matters of fact, and basing my question on these facts, I would ask whether it is not possible for the Minister of Finance so to arrange that if protection is given to any industry that industry should be forced to pay a fair wage, a decent living wage.

Mr. BELL (Hamilton): We will agree with you on that.

Mr. WOODSWORTH: I have no doubt that the hon. member for Hamilton will agree with that, and if the workers across the country were definitely assured that the protection which is extended to industry meant protection for them in respect of their wages and working conditions generally, a great many more would be inclined to favour that protection.

Mr. BELL (Hamilton): Hear, hear.

Mr. WOODSWORTH: At the present time, however, they are not definitely assured of that; they are not guaranteed it. The figures I have read show that in practice they have not received that protection. I appeal, therefore, to the Minister of Finance, if he continues the policy of protection, to make sure that the workers will receive some share of that protection. No doubt there are certain peculiar conditions that might make some protection necessary for a time in special industries, but the minister should first lay down the condition, in granting favours along this line, that a fair wage for all employees of these concerns shall be guaranteed.

Mr. ANDERSON (Halton): I am surprised at the narrow vision of hon. members to my left with regard to the future of this country. I cannot conceive how anyone can think it impossible for Canada to become economically independent. If there is any country in the world—any young country especially—that ought to become economically independent that country is Canada. We have everything to enable us to attain that independence. We have a large extent of territory, great natural resources of all kinds, a climate that produces the best type of people, and a people who can make the best use of the resources at their command. There is no reason, therefore, why this Dominion should not become one of the greatest nations of the world. I do not say that we can be independent on every score; there are certain things which we must necessarily obtain from outside, just as every other country must depend upon foreign sources for some of its requirements. The United States is economically independent, but the United States draws some of its supplies from without. If my hon. friend from Rosetown (Mr. Evans) had his way he would grow nothing but wheat in Canada, selling it in the markets of the world and getting his manufactured products from abroad. The result would be that he would turn Canada into nothing but an agricultural country. But we know that no country which was purely agricultural ever became great. Industry and agriculture must go hand in hand and develop together.

I have only a few remarks to make in regard to the woollen industry. I have previously stated that in my opinion the Minister of Finance was pointing his tariff revisions at industry in Ontario, and in support of this statement I have a few figures to submit. In the woollen industry in Canada in the year 1925 there were 119 plants as against 127 in 1924. Of these 119 plants producing in 1925, eighty-six were located in Ontario and they produced 80 per cent of the goods manufactured by the industry in the whole country. In 1923 the Right Hon. Mr. Fielding increased the British preference by 10 per cent. In 1922 we imported $196,000 worth of blankets and in 1926, as a result of that 10 per cent increase in the British preference, those blanket imports had risen to $601,000. In knitted goods we imported in 1922, $403,000, and in 1926, $769,000, the in-

crease being attributable to the increase in the British preference. In socks and stockings, we imported in 1922, $1,371,000 and in 1926, $2,555,000—a considerable increase in that period. Taking our total wool products, our imports both dutiable and free amounted in 1922 to $35,000,000 and in 1926 to $46,000,000. This increase was due to the increase of 10 per cent in the British preference, which is a comparatively slight addition.

Now I turn to different sections of the woollen industry and I find similar conditions existing in Canada. Let us take the woollen cloth mills. In 1924 there were sixty of these mills in Canada, of which forty-five operated in Ontario. In 1925 there were fifty-seven. The capital invested in Canada in 1924 amounted to $22,551,000 and in 1925, $21,342,000. The wages in 1925 amounted to $3,913,000. Of the fifty-seven mills operating in Canada in 1925, forty-two were located in Ontario, and the capital in Ontario was $18,128,132 out of a total for the whole country of $21,342,000. The number of employees in Ontario in that year was 3,582 out of a total in all Canada of 4,426; and the wages paid in Ontario amounted to $3,331,000 out of a total I have already mentioned of $3,913,000. This shows the extent to which the woollen industry operates in Ontario in comparison with the rest of the country. Yet these are the industries which are being hit by the Minister of Finance in his budget.

Next I take woollen yarn mills in Canada. I am particularly interested in the woollen yarn business inasmuch as the industry operates in my county. In 1923 we had nineteen mills and in 1925 sixteen. The capital invested in 1923 was $9,279,416, and in 1925, $9,041,892. The greater part of these mills are in the province of Ontario, the capital invested in that province being $8,117,891. The number of employees in woollen yarn mills in all Canada in 1925 was 1,434, and of this number 1,100 employees were engaged in the mills of Ontario; while out of a total wage bill for the same year of $1,171,000 Ontario paid $899,946. Ontario furnished 80 per cent of the employees and 82 per cent of the production of woollen yarn mills in 1925. But this particular industry is being severely attacked by the minister, and in one particular instance a mill in my own town will be practically put out of business. It is in the same position as the mill in the constituency of South Wellington. The effect of this budget will be severely felt, and the mill has already suffered a considerable loss in orders for the present year by reason of this tariff. They failed to meet the competition from the old country, and the manager is of the opinion that they will be unable to carry on. In a letter to me he states:

> The entire problem is based purely on labour costs. We are led to understand that manufacturers in England can obtain experienced spinners for equivalent to $5 per week, whereas in this town under the minimum wage schedule, we are compelled to pay at least $10 per week.
>
> If I recollect correctly, when the textile industry placed their case before the tariff board last year, the difference in labour costs between the industry in Canada and in England was around 70 per cent. It is a strange fact that with such a tremendous difference in producing costs, the price quoted by the English spinners to the Canadian knitter is only around 10 per cent below our price, which leads one to believe that the consumer in Canada is not reaping any benefit, equal in any way to the difference in the cost of production.

Although these mills will be almost put out of business because yarn is placed on the free list, the English spinners make a difference of only 10 per cent in their prices to the Canadian people, and if our mills cease production altogether the English spinners will control the market here and charge any price they wish. So we can reap no benefit from a reduction in these duties.

In connection with carpets, mats and rugs, in 1923 we had twenty-three factories producing these articles while in 1925 there were only sixteen, a reduction of seven mills through the 10 per cent reduction in the British preference. Of this industry 99 per cent is in Ontario; the total production in 1925 for all Canada was $2,905,251, of which the Ontario mills produced $2,874,967, leaving something over $26,000 produced in the rest of Canada. The capital invested in this industry throughout Canada amounts to $4,080,925, of which $4,059,837 is in Ontario, leaving $21,058 for the rest of Canada. These are the industries which are being injured under the present budget.

In 1925 we had thirty woollen cloth mills in Canada as against thirty-one in 1924; the capital decreased in 1925 as against 1924 by $127,942, while the number of employees decreased from 1,024 to 983. The province of Ontario supplied 64 per cent of the employees and paid 67 per cent of the wages, yet the Minister of Finance in presenting his budget fails entirely to grasp these conditions as far as this Dominion is concerned.

I wish to make a plea to the Minister of Finance that he reconsider his decision to place these yarns on the free list, and that he take into consideration the necessity that the spinning mills in this country receive the protection they need. I cannot see where these

reductions will lower the cost of the goods in Canada. If our industries can be kept working at high pressure, employing all their machinery, they will be able to have a larger production with a consequent reduction in price. Again I ask the minister to reconsider this decision with regard to placing yarns on the free list.

Mr. TOLMIE: I think we all agree that in Canada we want to maintain a reasonable standard of living for everyone. We do not want this to be a cheap country; we want good wages paid which will enable the worker to maintain his family in a proper manner. With that end in view we put legislation into effect many years ago for the purpose of keeping out certain cheap workers who could live very much cheaper than our own working people could live, and in so doing we felt that we were protecting our Canadian workmen. We adopted that many years ago and I quite agree with it, but if it is reasonable to do that is it not reasonable to protect our people against the products of cheap labour, manufactured in other countries? If it is reasonable to protect our own working people from the inroads of certain classes from across the Pacific, who work and live more cheaply than we do, what right have we to ask the producers of wool in this country to compete on a free trade basis with wool from South America, Mexico and other countries where labour is very much cheaper and living conditions are not to be compared with those in Canada?

I was very much interested in the comparison drawn by an hon. gentleman opposite between the conditions affecting sheep production in Australia and those which obtain in Canada. The hon. gentleman also referred to the area available in this country for the production of sheep and wool. It is true that in Australia, taken as a whole, they have a better climate for the production of sheep so far as cold is concerned, but on the other hand they have terrible droughts during which sheep die by the million. That condition prevailed during the past year in Queensland, so one condition is easily balanced by the other, and I think in the long run, taken over a period of years, we would probably have a slight advantage.

Mr. ROBB: Does that apply to dairy cattle?

Mr. TOLMIE: I think dairy cattle are usually kept on smaller farms. I am talking now about range sheep.

Mr. CHAPLIN: It does not effect butter.

[Mr. R. K. Anderson.]

Mr. TOLMIE: In connection with the question of wintering sheep in this country I might say that in those sections where it is necessary to feed sheep in winter, which is generally necessary because you must keep your breeding stock in good condition, it takes from two to three pounds of hay per day per head. That is when your range is covered with snow, but when you have plenty of winter range, that feeding is not necessary.

Then something was said about predatory animals. I have never heard that an English or Scotch dog would not chase a sheep. One hon. member made that statement, but although I have been identified with the stock business in this country for over half a century I never heard of that before. I have heard stories about them killing sheep in the old country, but of course I have no proof of that. I do know, however, that Canadian dogs will chase sheep whenever they feel like it. This gentleman also referred to a case where a sheep dog was taken before a magistrate in the state of Kentucky, I believe, but we always shoot our dogs first in British Columbia. We find that if we do not shoot them we take the risk that they will return some time in the early morning or during the night and destroy many sheep. Then we also have the coyote, and I must say that the coyote suffers no disadvantage on the Canadian side as compared with the United States. He knows nothing about tariffs or boundary lines; he crosses wherever sheep are to be secured.

Then I believe it was the hon. member for Bow River who said we were beginning to use rayon instead of wool. Coming from the banana belt as I do, from Victoria, British Columbia, I am not wearing rayon, and I am of the opinion that a man would have to be a trained Highlander for some length of time if he wanted to dress in rayon in this country, especially if he had to walk up parliament hill against a cold breeze in the winter time. The hon. member also said that the ladies were giving up wool and wearing rayon. I would advise him to put on his glasses on a cold day; I do not know whether they wear rayon or not, but they certainly wear wool on the outside.

I would like to refer again for a moment to the question of the limited area for the raising of sheep in Canada. I think that is a mistake. I can tell you exactly about British Columbia, where we have 160,000,000 acres of range land, 100,000,000 acres of what is known as timber range and 60,000,000 acres of open range. Of that area we are using only 6 per cent, and we buy 75 per cent of our meat outside the province. Compare that situation with the four states to our south, Oregon,

Washington, Idaho and Montana, and we find that while their total area is only a little larger than that of British Columbia they use 69.7 per cent of their range and supply themselves with their own meat, shipping their surplus to other places. What I should like to say is that some method should be adopted; at least a thorough investigation should be made as to the possibility of utilizing these hundreds of millions of acres of grass that are going to waste every year.

My good friend the Minister of Finance has stated, or hinted in a sort of shrewd Scotch way, that I had selected the figures that I presented to the house a little while ago. Let me point this out so as to get it on Hansard: The tariff was taken off wool in the United States in 1913. Whether they anticipated the war or not I do not know. At any rate wool was shipped in there in huge quantities. There was so much of it there that on May 27, 1921 they applied the tariff again, and then they applied the Fordney tariff on September 21, 1922. Now the sheep population of the United States on the 1st of January, 1922, was 36,186,000 head. On January 1, 1927, the number was 41,909,000. The wool clip in 1922 amounted to 263,713,000 pounds, shorn and pulled. The production in 1927 is estimated at 328,137,000 pounds. The duty on wool entering the United States is 31 cents per pound, clean content, the clean content being bone dry scoured weight plus 12 per cent for moisture regained. Scoured wool is subject to the same duty but without allowance for vegetable matter which may be contained. Such allowance is made when wool is imported in the grease or washed. The duty on dressed mutton is 2½ cents per pound. On dressed lamb the duty is 4 cents per pound. On live sheep and lambs there is a duty of $2 per head. This information, under date of March 1, 1928, is signed by John F. Bethune, secretary of the United States Tariff Commission. I may say that later figures indicate that in 1928 the sheep population increased to 44,455,000. I just wanted to bring these points to the attention of the house and to place these figures on Hansard for the use of the committee.

Mr. NEILL: I should like to say a word with regard to the last speaker's remarks. Like a good many other members I know very little about the wool tariff and I do not want to know. But the other night my hon. friend was speaking and he spoke of the neglected possibilities of sheep raising in British Columbia. Now he says: there are 160,000,000 acres in British Columbia adapted to sheep raising. I would not question the hon. gentleman's figures, but I think they have been prepared by an optimist; they must have taken in a great deal of the lower parts of the mountains. We have roughly three geographical divisions there. First there is a large portion of what you might call mountain. It is rocks, it may be valuable; in a lot of it there are probably minerals, but it certainly is of no use at all for grazing purposes. Then on the lower slopes which extend along the coast we have timber, but we could not graze sheep there and even if that were possible the wet climate would prevent it. So that the available land is confined to the more or less limited area in what is called the ranges. I think the hon. gentleman would agree that a great part of the land around and behind Kamloops is an illustration of the land of which I am speaking. The hon. gentleman complained the other night that measures are not adopted by which this range country in British Columbia could be utilized for sheep, and he complained bitterly of the amount of wool we are importing. I should like to mention a curious fact. It is quite true that we do import a lot of wool, but it is equally true that we export a large portion of the wool we do grow, for the reason that it is not suitable for the manufacture of cloth in this country. We do not raise the kind of wool that is required, and a great deal of the wool that is imported ostensibly from the United States really comes from Australia and is of a quality we do not grow here. Australia and New Zealand are sheep-growing countries and New Zealand is not subject to drought. Both countries have facilities for sheep growing, partly from long practice and partly from the manner in which they go about it. They run sheep cheaply, and their facilities for dipping and making them clean in every way are much better. When a man has 115,000 sheep on one farm, as I have seen there, it is reasonable to suppose that he has every modern appliance—scientific machinery, motive power for sheep shearing, conveniences for dipping, and things of that kind.

But I was talking about the range country around Kamloops. Now this is a fact within my own knowledge. A number of years ago the grazing land was thrown open, and of course the applicants were men who wanted to run both cattle and sheep, and we all know the bitter enmity there is between sheep men and cattle men. They used to murder each other down in the states because sheep kill a cattle range. They eat the grass closely, and men who are trying to run cattle do not want sheep on a cattle range. At the time these reservations were made, apparently the

political pull of the cattle men was dominant. It would not do to say that nothing but cattle should run on these ranges in British Columbia, that would not look well. So they said: You can run cattle and you can run sheep; but they put a little provision in that if anybody wanted to run sheep they would have to fence in the whole area with wire netting. That country is not rich in luxurious grass. It only carries very few sheep to the acre. I would rather say a number of acres to the sheep; and the idea of having the whole range fenced in with wire netting with a 35 per cent tariff on it meant that you could not run sheep at all. The cattle men did not say so, of course it would not have been politic, but matters were so arranged that the sheep man was not in the picture at all. He was confronted with a condition that he could not possibly economically comply with. So the cattle man had it all his own way. That is why we were not running sheep on the ranges round Kamloops. Time went on, and men saw the advantages and opportunities of running sheep, and they made application again and again to the government of Canada to have this regulation altered. They made application when the Union government was in power and they were refused. It has only been since this government came into power that these regulations have been changed. Since then sheep have been run in the neighbourhood of Kamloops and the number has increased enormously. It has increased in consequence of that little joker of which I have spoken being taken out of the regulations. These are the reasons which perhaps explain why we do not grow more sheep in British Columbia. It is not a question of the tariff.

While I am on my feet I might mention—because it is something that came within my own knowledge—the question of competing with English wool, and that if we had a tariff we would be able to do so. In some classes of this cloth we would not be able to compete, no matter what tariff there was. I was talking with a tailor last year and he gave me the name of a man who made up his mind to go into the manufacture of clothing in Canada—I think in Ontario, within a reasonable distance of Ottawa. He brought the machinery over from England and hired two dozen weavers to work in his mill so there would be no slip-up at all. He turned out excellent suits of clothes and distributed them amongst the tailors of this city; they could be sold at a better profit and for $10 less than other suits. But the man who told me this said there were no repeat orders and he wondered why, and he made it his business to inquire. He found that the manufacturer had the same trouble—no repeat orders. The suit did not wear like the English cloth. The manufacturer had enough money invested that he had to find out what the trouble was, so he went to England and after considerable research he found that it was due to the kind of water that was used in connection with bleaching the cloth. I am not technically expert enough to explain why that was the case. There were some particular springs they had had for a few hundred years and they bleached the cloth after this water had been used with it. It was that that made the difference. No amount of tariff would have put the Canadian stock into the same class of goods with the English made article. The man who wanted to buy the superior article would have bought it, and the fact that he would have to pay more for it would not have given any advantage to the Canadian cloth manufacturer.

Mr. TOLMIE: With regard to the mountains in British Columbia, one of the advantages we have is that we can sell the scenery and still retain the mountains. The usual plan followed in the mountainous country is that of grazing sheep on the foothills where possible. I am not speaking of sheep confined in fences; I am speaking about one to three thousand sheep in charge of one or two men and two or three dogs. The sheep follow up immediately behind the snow on the mountain during the summer, using the succulent grasses for food, and in addition to that the sheep are fond of browsing. They eat many leaves when they can procure them. These mountains will carry many sheep.

With regard to the figures I gave a little earlier in the evening, those sheep I referred to were grown on a ranch within forty miles of Kamloops, the very country the hon. gentleman spoke about. They were raised on the Bill Roper Cherry Creek ranch and it was on that ranch the gentleman informed me that the sheep clipped ten pounds per head and the lambs in the fall weighed eighty pounds apiece. Anybody who knows anything about sheep will know that is a pretty good record under those conditions. We do not need any fences. While the cattlemen and sheepmen had a good deal of trouble in days gone by in British Columbia and south of the line, that is pretty well regulated now by grazing laws. Those figures which I have given, while they may appear optimistic, are Liberal figures, given out by the Liberal government in British Columbia, and while Liberal optimists may be rather scarce, those

are their figures and I am sure they are reasonably correct. I would not want to make any statement that I could not back up with figures. They will give the hon. gentleman what he wants to know.

Mr. McLEAN (Melfort): What is the breed of sheep to which the hon. gentleman referred?

Mr. TOLMIE: Rambouillet crossed with Hampshire.

Mr. KENNEDY: I am a little at a loss to know what the point is in some of the debate that has been going on because, on examining the wool schedules, I find that as regards raw material our manufacturers are not any worse off, though possibly not any better off than they were before, except that there seems to be a discrimination against the manufacturers of yarn and in favour of the users of yarn. I notice in item 555, woollen cloth and wearing apparel, there seems to be a distinct increase. The three duties were previously:

British preferential tariff	Intermediate tarif	General tariff
27½ per cent	35 per cent	35 per cent
20 per cent	27 per cent	30 per cent
22½ per cent	30 per cent	35 per cent
Becoming:		
27½ per cent	35 per cent	35 per cent

So that it appears we are not raising the cost of the raw material but rather decreasing it, if anything, though the decrease is very small, and we are increasing the protection on the finished product so far as the whole industry is concerned.

A good deal has been said in the last few weeks by hon. gentlemen to my right with regard to the possibility of protecting our manufacturers without on the other hand letting them take advantage of it, that is, protecting them as regards the Canadian market, but not allowing them to increase the cost to the Canadian consumer. In view of the fact that notwithstanding all the debates in the House of Commons and the promises in the country, there has not been apparently any possibility of getting away from this policy of protection, I should like very much to see this matter explored. I think the most radical suggestion ever made by the farmers in the west was that people asking for protection should come before a committee of parliament and demonstrate to it their need for protection. I am quite sure that if the manufacturers of yarn have a case against this revision of the tariff because they are losing some of the protection they had, we cannot expect the people of western Canada, who are competing in the sale of their product in the markets of the world with cheap labour from all over the world, are readily going to waive their objections to the protective principle that they at least think has brought about dearer machinery, dearer clothing and higher costs of operations for them while not giving them any advantage as regards the sale of their finished product. But I believe they will be reasonable enough, if there is any possibility of protecting them against exploitation in the quality of the goods they must buy and the price they must pay, so that there is a basis there for doing what has so often been suggested should be done, namely, taking the tariff out of politics, taking away the disputes and the eternal arguments regarding it. But if that is done, it will have to be done in a thorough fashion and made so plain to the so-called free traders of the country that he who runs may read. I do not believe it should be beyond the capacity of our Canadian people and statesmen to ascertain whether it is possible to do that or not. A good many people have said something about a deal that I suggested between the people of the west and the Conservatives. I hope when hon. gentlemen refer to that, they will quote my speech on it, because I will stand back of it anywhere.

Mr. YOUNG (Saskatoon): That was the most radical suggestion made by the farmers of the west.

Mr. KENNEDY: I will stand by that speech in Saskatoon or any other place in Saskatchewan or Alberta—but it will have to be on a basis where we can provide protection for the farmers—and I cannot see so far how this can be done—and where the protected industries, in selling their goods, cannot take advantage of the farmers in price and in quality. But if there is a basis there, hon. gentlemen to my right and hon. gentlemen over there, who are supporting a protective tariff in the woollen schedules that is higher as far as my analysis goes than anything we have had before, ought to be anxious to explore that basis and to see if it is not possible to work out some scheme.

Mr. ROBB: Earlier in the debate the hon. member for Selkirk (Mr. Bancroft) inquired what were the duties on wool in the United States. I might put that on the record so that hon. members will have it. Paragraph 1102 of the Tariff Act of 1922 of the United States reads:

Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or

washed, 31 cents per pound of clean content; imported in the scoured state, 31 cents per pound; imported on the skin, 30 cents per pound of clean content.

That is on wool. Paragraph 1109 of the United States tariff deals with woven fabrics, and reads:

Woven fabrics, weighing more than four ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 24 cents per pound and 40 per centum ad valorem; valued at more than 60 cents but not more than 80 cents per pound, 37 cents per pound and 50 per centum ad valorem; valued at more than 80 cents but not more than $1.50 per pound, 45 cents per pound upon the wool content thereof and 50 per centum ad valorem; valued at more than $1.50 per pound, 45 cents per pound upon the wool content thereof, and 50 per centum ad valorem.

That is the tariff of the United States, and I take it that hon. gentlemen directly opposite, of the official opposition, are arguing that Canada should approach that.

Mr. GUTHRIE: Not at all. Nobody suggested that.

Mr. ROBB: Well, that we should have a higher tariff.

Mr. GUTHRIE: Nobody suggested any approach to the United States tariff.

Mr. ROBB: I am glad to have that statement from my hon. friend, who I admit is as well posted as any hon. gentleman opposite on this question. It has been argued here that we would improve the condition of the woollen industry in Canada by putting a duty on wool. The figures show that in round numbers there are about 3,000,000 sheep in Canada with a population of about 10,000,000 people, while in the United States the figures I have for 1926 show 40,000,000 sheep to a population of about 120,000,000 people. My hon. friend from Victoria gave figures for 1928 which indicated a greater number of sheep, but hon. gentlemen will observe that relative to population there is just about the same number of sheep in each country, notwithstanding a duty of 31 cents a pound in the United States.

The woollen industry in the United States is not in such a flourishing condition, for I observe that last year 58 woollen mills closed in the United States; nor is the woollen industry prosperous in Australia, where they grow the very best wool in the world. If any hon. gentleman feels that this is a good venture to go into in Australia, I might mention that the Australia Woollen Company's mills at Geelong have been advertised for sale for some years and according to the latest advices I have they have not yet found a buyer. They were started by the government of Australia. It is true that in Australia they make excellent rugs and very good knitted wear, but they import tweeds just the same as we do in Canada. I will admit at once in regard to the piece goods branch of the woollen industry in Canada that it does seem to me that it should have a little more of the business. I observe in regard to piece goods that Canadian mills have just about 34 per cent of the business, but in knitted goods the Canadian mills have practically the whole business. If I had time before adjournment—

Mr. GUTHRIE: Can the minister give us the figures of the knitted goods importations?

Mr. ROBB: I shall be glad to give that as we come to it. We have had a very interesting debate this evening, and if it has established one outstanding fact more than another it is the difficulty of making a tariff in this country that will suit everybody. If we had only to make a tariff to suit my hon. friend from Rosetown, that would be very easy, or if we had only to make a tariff in regard to knitted goods, in which my hon. friend from South Wellington is interested, that, too, would be very easy.

Mr. GUTHRIE: I am interested in woven goods.

Mr. ROBB: There is in the constituency of my hon. friend from South Wellington the only mill in Canada, I believe, that does exclusively custom work for yarn, and I will admit that the changes in the tariff may not be as helpful as they might be to that industry. But I want to put on record the statements that were made by the men in the industry in their application before the tariff board. They were asking for an upward revision of the tariff on behalf of the woollen industry, and I quote from a summary of their brief as presented regarding the decline of the industry:

The brief of the applicants as presented to the minister of February 1, 1927, stressed the prosperous condition of the industry and cited certain statistics compiled by the Department of Trade and Commerce, together with certain tariff changes made by parliament, with the expressed object of showing that less protection led to more depression. Inasmuch as the inquiry largely focussed upon the relation of the tariff to the apparent reduction in plants, the following paragraph from the brief is cited:

Then what follows is from the brief presented by the manufacturers:

Between 1899 and 1907, 88 woollen and worsted mills, many of considerable size, closed their doors, the equipment including 129 cards and 559 looms. In 1907 the Canadian customs

tariff was divided into three classes, the British preferential tariff, which gave the lowest duty rates, the intermediate tariff, which gave lower duty rates than before to countries making trade treaties with Canada, and the general tariff rates. Under this schedule by 1910 there were only 78 woollen and worsted mills in operation in Canada, operating 224 cards and 1,154 looms. This was 223 cards and 996 looms less than in 1899, or in other words, the industry had been practically cut in half in eleven years. This decline in the industry can only be attributed to the direct effect of reducing the duties.

Mr. KENNEDY: What date is that?

Mr. ROBB: I am quoting from the brief presented by the manufacturers, February 1, 1927. Now I continue with the argument in answer to their brief:

Comparison of changes within the woollen and worsted industries of the United States, where tariff legislation has not run at all parallel to that of Canada, at once suggest itself as pertinent. For years the United States has followed what may perhaps be described not unfairly as a policy of high protection for its woollen manufacturers, although the benefits have been offset to a certain extent by the duties on wool.

And yet the course of the wollen and worsted industries in the United States has not been that of uninterrupted prosperity. The census of 1870 reported 2,891 woollen mills (as distinct from worsted mills) in operation, producing over $155,000,000 worth of fabrics. From that time until 1914, the census figures show a decrease each decade in the number of mills, and since 1879 a decrease in the value of products, except for the year 1904, when fashion temporarily gave a new impetus to woollen manufacture.

The census of 1914 reported 501 woollen mills with a product value of $103,815,905. The census of 1919 reported, according to the United States tariff commission, the first increase in the number of woollen mills in fifty years, 560 mills reporting a total output valued at $364,896,590. The census of 1921, however, again showed a decline in the number of plants and the value of products. After reviewing these figures, the United States tariff board comes to the following conclusions:

A review of the quantity of woven goods produced in the wollen mills in the last few decades is not encouraging to woollen manufacture. It is an industry that is on the decline if the per capita consumption is considered. When the production figures are studied it will be found that the number of establishments were reduced by more than one-half from 1900 to 1923. With the possible exception of overcoatings and certain types of cloakings, practically all other standard woollens have become somewhat less popular than formerly.

That is the statement of the tariff board in the United States where they do enjoy high protection. They continue:

Prior to 1925 the greatest volume of production was actually attained in 1909, and the successive censuses of 1914, 1919 and 1921 showed a trend downward. In 1923 there was a recovery of part of the ground lost. Omitting figures for partially manufactured articles, and for by-products and wastes, the production of woven goods by the worsted industry has been recorded by the bureau of the census as follows:

1909, 355,070,392 square yards.
1925, 275,105,188 square yards.

My hon. friend from Bow River must have been reading the report of the tariff commission of the United States, because they give practically the same reason that he advanced a few moments ago, that there is less woollen worn. I will come to that in a moment.

The per capita production, which is not materially different from the per capita consumption of domestic worsteds, was 3.92 square yards in 1909 and 2.38 in 1935, or a decrease of 39 per cent

That is the reason for some of the mills closing down. I am not going into the figures, as presented before the board, of the difference in costs. It was established that wages in Canada are higher than in the United Kingdom, and that they vary even in Canada in the different provinces. The relation of wages in Canada to those in the United Kingdom are as 160 to 100, the higher figure applying to Canada. In France and Italy the wages are as 40 to 50 of those in the United Kingdom. That is all I have to say in that regard.

During this debate we have had some criticism of the tariff board and of the representatives of the English mills appearing before the board.

Mr. ROSS (Kingston): Before the minister leaves that subject, was there at that time presented to the tariff board a comparison of the increase or decrease of the cotton business during the time that the wool business was decreasing?

Mr. ROBB: I will look up that information and supply it to my hon. friend to-morrow. We have had some criticism of the tariff board, and also of the representatives of the English manufacturers coming before the board. I inquired carefully as to whether the trade agents of the British government had taken any active part before the tariff board, and I am told they had not. I made this inquiry because the instructions to our trade agents in different parts of the world, from this government and from the preceding government, is that they must be very careful not in any way to interfere with the making of tariffs in the countries where they are located. But that does not prevent individual Canadians, interested in manufacturing or selling, from time to time making representations to other governments.

Mr. CHAPLIN: Do they ever do it?

Mr. ROBB: Yes. I have a case in mind where representatives of certain Canadian manufacturing industries made representations to the British government through the Canadian board of trade in London, England. I recall certain Canadian manufacturers making representations to the government of South Africa, the government of Australia and the government of New Zealand, in an effort to secure certain privileges for Canadian goods which they thought they should enjoy in that market. At this very moment there are representatives of the agricultural industry in Washington. They recently appeared before the tariff board there. I do not find any fault with them. So we in Canada are not in a very good position to criticize the representatives of other countries for coming before our tariff board.

Mr. KENNEDY: Are representatives of Canadian agriculture before the tariff board at Washington examining witnesses and in other ways taking an active part, or are they just watching the proceedings?

Mr. ROBB: I could not say as to that. I know they are there looking after their interests in the hope that Canadian milk and cream will not be discriminated against in the United States market.

Mr. KENNEDY: I do not think they are taking an active part.

Mr. ROBB: Now, may I place on record these comments by the press of the country after the textile application had been heard by the tariff board? First, I quote from the Montreal Daily Star of January 6, 1928:

> The respect for the tariff advisory board shown by the manufacturers and producers during the active life of that body within the past two years is an attitude which parliament and the government should emulate. The deliberate consideration of the merits of cases brought before the board has been in commendable contrast with the former hearings under pressure before the Minister of Finance or parliamentary committees. It is true the board is advisory and that adoption of policy still remains with the government of the day.

Now I quote from the Grain Growers' Guide of November 1, 1927:

> The Canadian Maufacturers' Association maintains experts generally in support of tariff increases, and the Canadian Council of Agriculture and the Consumers' League generally represent the low tariff sentiment of the country. By thorough study of the problems before the board the representatives of these bodies are able to bring out all phases of the situation. The meetings are all public and open to the press and stenographic reports are taken of all evidence and cross-examination.

[Mr. Chaplin.]

Next I read from the Toronto Financial Post of January 20, 1928:

> It is undoubtedly a considerable improvement upon the former system, under which the Finance minister wasted most of his time listening to isolated and prejudiced pleas for tariff changes, and succeeded only in getting a superficial view of the problems before him.

Then the Winnipeg Free Press of January 10, 1928:

> The value of this work canot easily be overestimated. In each case the position of the industry is examined in minute detail. Facts in regard to past financing, costs of production, efficiency of equipment, domestic and export prices, are revealed. Invariably the applications have been opposed, and opposition has aided in laying bare prevailing conditions in each industry.

The Toronto Globe of January 14, 1928, has this comment, on the tariff advisory board:

> It has held nearly one hundred hearings, has heard 41 pleas for upward revision of the tariff, others for lower tariff and sales tax adjustment; and those who have appeared before it testify to the thoroughness of its inquiries. It is not satisfied with less than a full presentation of both sides of every question, reinforced in many cases by independent investigations. Its disposition to be fair to all interested parties is conspicuous.

Then I have some comments upon the conduct of the woollen inquiry by some of those who appeared before the board. Mr. J. A. Burns, former president of the Canadian Woollen and Knit Goods Association, Toronto, said:

> On behalf of the woollen manufacturers I would like to express our deep appreciation of the fair manner in which this investigation has been conducted.

From Mr. J. H. Shaw, manufacturers' agent in Montreal—and Mr. Shaw, by the way, not only represents the Canadian industry but is an importer—there comes the following:

> Might I associate myself and my confreres with the expression of appreciation just given by Mr. Burns?

Then we have Mr. Hodgson of the Bradford Chamber of Commerce, Bradford, England:

> May I be permitted to thank you and the board on behalf of Mr. Wood and myself for the very kind way in which you have received us and for your courteous consideration to us throughout a most intricate hearing.

I put this on record in justice to the board to show that there has been a full and fair enquiry. I am not sure that we can make much progress to-night but we have had a pretty full debate. I should like to meet my hon. friend from South Wellington, whose position I can appreciate. I fancy that if I had a woollen industry in my county

which was the only one in Canada I should feel pretty much as he does. Unfortunately, however, parliament must look to the country as a whole and consider every phase of industry, and while the Guelph Worsted Spinning Mill may not be helped it is believed, after a full inquiry, that the industry generally will benefit. It is true, as my hon. friend has said, that the company is selling most of its products to Oriental Textiles—

Mr. GUTHRIE: Not most; about a third.

Mr. ROBB: Well, they sell a good deal to Oriental Textiles, and if there is a mill in Canada that might complain of Britishers coming before our tariff board it is not the Guelph mill, because I am advised that the owner of that mill is a gentleman who resides in England, coming here occasionally to look after the concern.

Mr. GUTHRIE: He is part owner.

Mr. ROBB: Yes. I have great sympathy with my hon. friend's argument, but this gentleman lives in England all the time and he is not in a position to attack others who appear before the board.

Mr. EDWARDS (Waterloo): That is not the only mill.

Mr. ROBB: There may be other mills.

Mr. EDWARDS (Waterloo): The mills altogether are affected to the extent of 40 per cent.

Mr. ROBB: Many of the other mills are equipped with spinning machinery for their own mills; they will not be in a worse position.

Mr. EDWARDS (Waterloo): They not only spin for their own mills but they sell to other concerns such as the York mills.

Mr. ROBB: The importations have been considerable—

Mr. CANTLEY: Does not the minister think that it would be better to have one hundred English gentlemen rather than one invest here?

Mr. ROBB: Yes, and that is what we are trying to do. The press this morning states that a mill will be established in Victoria, British Columbia, not only because of the change in the tariff but because of reduction of taxation in Canada.

Mr. CHAPLIN: Will that gentleman live in the old country?

Mr. ROBB: I do not know, but his own statement is that he is moving out. As regards the statement that the spinning departments of Canadian mills will be closed down, it is possible that they may get a slight assistance in buying yarns that they do not make.

Mr. EDWARDS (Waterloo): I would point out that the dyeing department will also be affected, as many of these yarns are two strand, of different colours.

Mr. ROBB: As regards the worsted cloth mills, there are nine without spinning plants, including plush and haircloth. These plants are: Oriental Textiles, La France Textiles, Canada Haircloth, Dominion Haircloth, Demetre Sault Ciriez, Dupont Textiles, Lockwoods Limited, Roxborough Textiles, Sykes & Taylor. I am told that these mills are unanimously in favour of the change. Those mills equipped with spinning plants are Paton, Canada Woollens, Rosamond and Forbes. Those who have gone carefully into the matter inform me that for every dollar in loss—if there is any loss—and every man put out of employment, there will be two dollars in profit and two men employed. The argument has been advanced to-night that the woollen industry has not been over prosperous. My hon. friend from Halton (Mr. Anderson) quoted figures to show that in recent years there has been an increase in imports of woollen manufactured fabrics; but when you compare that statement with the statement I put on Hansard a few days ago, showing a considerable increase in the imports of wool, it seems to me that there is not very good ground for the allegation that Canada is not growing. If the country is not growing then the people living here are wearing more and better clothes, because there are more imports coming in both in wool and in finished products.

The tariff board, in considering how they could best help the industry—and everyone desires to help it—had two ways open to them: they could either put up the duty on the finished product or give a concession on the raw material required for the industry. They took the latter course and I believe it is sound. The people of Canada will be more inclined to endorse a policy of reducing the cost of production, making the goods for our people cheaper and better, than to adopt the policy of the United States of raising the tariff as high as Haman's gallows. We have the experience of the United States before us. Within recent years, since their high tariff has been put up, fifty-eight mills have

closed down there, and we know of one of the largest and best woollen mills in that country which has not paid dividends for the last two years.

Mr. GUTHRIE: There is one phase of the matter that has not been discussed. The mills will now obtain free machinery?

Mr. ROBB: Yes.

Mr. GUTHRIE: Has the minister considered the question of compensation to those mills that have paid large sums in duty into the treasury? I ask this question having regard to the elaborate statement of the Prime Minister, in speaking on the budget, with reference to the sales tax; he could not remove it because it would be unfair to those who had paid. Will the same principle apply to these mills in respect of their machinery on which they have paid duty?

Mr. ROBB: My hon. friend has been a long time in parliament and he knows that duties that have been paid have never been refunded. This government is not yet through trying to settle the claim made by the automobile dealers in connection with the reduction of taxes made by a government of which my hon. friend was a supporter. That, I think, should satisfy him.

Mr. GUTHRIE: You should have had that cleaned up long ago.

Progress reported.

Friday, March 23, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

First report of the joint committee on the printing of parliament.—Mr. Marcil.

BUSINESS OF THE HOUSE

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

That on and after Monday, 16th April next, and all subsequent Mondays and Wednesdays until the end of the session government notices of motions and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

Motion agreed to.

IMMIGRANTS FROM SOUTHEAST EUROPE

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I wish to draw the attention of the Minister of Immigration to press reports which state that between four and five hundred new immigrants from southeast Europe are being sent into the prairie provinces, and I shall be glad to receive an assurance from him that there will be no flooding of the labour market in western cities such as occurred last year.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): Every effort has been made to prevent such a thing taking place. If, despite our efforts it does happen I shall be glad to have the matter brought to my attention.

ADDITIONS TO NATIONAL PARKS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to inquire of the Minister of the Interior what credence is to be attached to reports in the newspapers this morning that portions of the rest of the public domain in British Columbia are being attached to the parks department of Canada for administrative and other purposes.

Hon. CHARLES A. STEWART (Minister of the Interior): There are two sections of British Columbia we are anxious to obtain if we can by agreement with the government of that province, namely, Mount Robson and Mount Assiniboia. In the cases of Mount Assiniboia the area is 20 square miles and in the case of Mount Robson, 840 square miles. The deputy minister of the department is in British Columbia at the moment seeing if it is possible to make the necessary arrangement. As these two areas are notable for their scenic beauty and lie adjacent to our present parks, Banff and Jasper, we are anxious to obtain them.

REVALUATION OF SOLDIER SETTLEMENT LANDS

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): I have a communication from a returned soldiers organization and with respect to it I wish to ask a question of the minister who has to deal with soldier settlement. If a returned soldier, after applying for revaluation, has been turned down by the provincial commission, can he appeal his case, and, if so, to whom?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): The appeal must be made to the exchequer court.

CHICAGO DRAINAGE CANAL

On the orders of the day:

Hon. CHARLES A. STEWART (Minister of the Interior): The hon. member for St.

Lawrence-St. George (Mr. Cahan) made inquiry yesterday with reference to the return containing copies of documents relating to the diversion of water at Chicago. I am informed upon inquiry that it will not be possible to bring down the papers until the middle of next week.

THE McCONACHIE CASE

On the orders of the day:

Mr. F. P. QUINN (Halifax): May I ask the Minister of Immigration if any effort is being made to admit to this country the wife and child of a domiciled Canadian citizen? The Minister of Immigration knows to whom I am referring; it is McConachie.

Mr. FORKE: I do not know of any Canadian citizen that is in trouble in that connection.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose we were discussing the following:

Customs tariff—549. Wool, the hair of the camel, alpaca, goat or other like animal, not further prepared than combed: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Hon. H. H. STEVENS (Vancouver Centre): Last night the committee had this matter under consideration. As a matter of fact the discussion in connection with the woollen industry, as in the case of the previous schedule dealing with cottons, was of a rather general character. This is made necessary by the fact that amendments to one item necessarily affect other items. The minister, however, during the closing moments of yesterday's sitting gave utterance to certain views which I think merit attention and, indeed, demand some consideration from us. I wish to deal with some of the things which the minister said last night, and to invite his attention once more to the damage to the woollen industry of Canada which undoubtedly will result in consequence of his action under this budget.

Now, one of the points emphasized by the minister last night was that our woollen industry was not necessarily suffering very much, and indeed if it was suffering, he attempted to offset the seriousness of its condition by suggesting that the woollen industry in the United States was also suffering; therefore we should not complain. I must say that I have no sympathy whatever with that sort of argument. It is pretty hard, Mr. Chairman, to discuss this subject if the whole house is going to carry on conversations.

The CHAIRMAN: Order.

Mr. STEVENS: The point at issue between the Minister of Finance and ourselves is whether or not the measures immediately before the committee are going adversely to affect Canadian industry, particularly at this moment the woollen industry. I noticed that in one of his observations when answering an interjection by my hon. friend from South Wellington (Mr. Guthrie) the minister said:

I am glad to have that statement from my hon. friend.

That is, that we were not asking that the woollen schedule should be raised, as high as the United States tariff.

It has been argued here that we would improve the condition of the woollen industry in Canada by putting a duty on wool.

This is one of the minister's characteristic statements. When he finds himself confronted with an argument that is not answerable, he seeks to evade the issue by suggesting that we are asking for something that is unreasonable and neither in the interests of the people of Canada nor of the country's industrial development. Our point is this, Mr. Chairman, and we are not going to allow the minister to becloud the issue in the public mind. We submit that the woollen industry is a basic industry, that it must be recognized as an industry indigenous to Canada, and must receive such consideration as will place it upon a healthy and prosperous basis.

I should like to draw the attention of the committee to this distinction between the woollen industry and the cotton industry. Let it be understood that I am not attacking the cotton industry in making this distinction. The cotton industry must necessarily depend entirely upon imported raw materials; we grow no cotton. But Canada by reason of its climate and the physical nature of the country is peculiarly suited to the development of the woollen industry. With the exception perhaps of some of the finer wools furnished by Spain and Australia, we can produce wool of excellent quality suitable for almost every branch—I want that to be noted—suitable for almost every branch of the woollen trade. But what is of far more importance, Canada must continue to be a heavy consumer of wool. It does not matter what artificial silks or other new products may be introduced, they will com-

pete far more with cotton than with wool; but by reason of our climatic conditions we must be a wool-using people, and the larger our population grows and the more our country develops, the greater will be the demand for woollen goods. Furthermore—it is so obvious that it scarcely needs to be mentioned—during the past years furs have played a very large part in the winter clothing of our people in the colder sections of the Dominion; but furs are getting more expensive and scarcer year by year, and consequently we are depending more upon woollens than ever before to protect us during the winter season. I emphasize that. There is no parallel between the cotton and woollen industries; the latter is an industry indigenous to this country.

My second point is that the cotton industry is very largely controlled by a few large concerns. This is peculiar to the industry—and quite proper; I have no fault to find with it. But the woollen industry in Canada has been established for over a hundred years, it is scattered throughout the Dominion, and is based on the principle of individual factories rather than large concerns as in the cotton industry. In other words, it is an individual rather than a trust or combination business. It might be wise, Mr. Chairman, to bring about an amalgamation of some of our woollen concerns and place them on a larger producing basis, but that is an economic question that does not enter into a consideration of this tariff. The point is that during the last century we have established a large number of individual woollen factories, built up by Canadian enterprise, and these individual industries are being jeopardized by the tariff revision immediately before us.

I think I might summarize very briefly the attitude of the minister or of the government towards the cotton industry and the woollen industry. In respect of the cotton industry it is a policy of deceit; in respect of the woollen industry, a policy of destruction. Referring again to the artificial silk industry, this does not enter into competition with the woollen industry to anything like the degree that it does with the cotton industry; and where artificial silk does affect woollen goods it is only those finer and higher classes upon which a duty might very properly be imposed, and which might be classified almost as luxuries. But the ordinary woollen goods worn by the ordinary citizen year in and year out are of a character not brought into competition with artificial silk at all.

My hon. friend the minister made reference to the United States. He quoted the duties imposed in the United States, which are very high, and in order to impress them on the minds of the committee I might indicate what they are; they are well worth considering. The duties imposed in the United States are exceptionally high as compared with our own. They are as follows:

> Woven fabrics, weighing more than four ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 24 cents per pound and 40 per centum ad valorem; valued at more than 60 cents but not more than 80 cents per pound, 37 cents per pound and 50 per centum ad valorem; valued at more than 80 cents but not more than $1.50 per pound, 45 cents per pound upon the wool content thereof and 50 per centum ad valorem; valued at more than $1.50 per pound, 45 cents per pound upon the wool content thereof, and 50 per centum ad valorem.

I wonder if the committee realizes the extent of these duties imposed by the United States. Then take blankets and similar articles. The duties are as follows:

> Blankets and similar articles, including carriage and automobile robes and steamer rugs, made of blanketing, wholly or in chief value of wool, not exceeding three yards in length, valued at not more than 50 cents per pound, 18 cents per pound and 30 per centum ad valorem; valued at more than 50 cents but not more than $1 per pound, 27 cents per pound, and 32½ per centum ad valorem; valued at more than $1 but not more than $1.50 per pound, 30 cents per pound and 35 per centum ad valorem; valued at more than $1.50 per pound, 37 cents per pound and 40 per centum ad valorem.

That is the duty on woollen blankets, that is, blankets made of wool, or partly of wool. It will be observed that the duty in the United States is altogether beyond anything that we have ever suggested should be imposed in Canada. I have not checked the figures, but I venture the statement that they are perhaps two, three or four times as much as the corresponding items in our tariff. The minister said last night: I suppose my hon. friends opposite want us to put on a tariff as high as that of the United States. We have made no such suggestion, Mr. Chairman. What we are asking for, as I have already indicated, is an adjustment of the tariff that will permit the Canadian industry to be maintained in a condition of real prosperity in Canada.

Mr. ARTHURS: To enable them to live.

Mr. STEVENS: Yes, it has indeed come to that, that some of them are asking merely for the privilege of continuing their existence in Canada. I continue this brief examination of the United States condition, and in checking up the United States government returns, at pages 624 and 625, I find that they had a production of raw wool, in 1926, of 269,000,000

pounds, and imports of 299,000,000 pounds; that is, they imported approximately the same amount as they produced. But their imports of manufactured wool were 37,000 long tons, or about 82,000,000 pounds valued at $70,000,000. I ask the committee to consider this point for a moment. The United States imported woollen manufactured goods at the rate of 60 cents per capita—$70,000,000 worth as against 120,000,000 people, while in Canada, which is more a wool using country, we imported $40,000,000 of manufactured woollen goods, or at the rate of $3.50 per capita, or about six times as much per capita as the United States. It may be said that there is no argument in that, but the point I want to make is this: The minister suggested that the woollen industry in the United States was not flourishing because it had a high tariff. That was his implication, but I do not think it is his opinion. It was just that kind of general statement used frequently by those who argue for free trade to prejudice the public mind against the principle of protection. That is all it was, and that is all it was intended to do. But the facts belie his statement.

The United States, as I have already indicated, use in the production of woollen goods some 568,000,000 pounds of wool; that is their total consumption of wool used in manufacturing. They export only 14,000,000 pounds out of 568,000,000 pounds that they use in manufacturing; so practically all the wool they import and almost all the wool they grow they use in their own factories. Their importations are only 82,000,000 pounds, or about 12 per cent of the total amount of their production. So it will readily be seen, Mr. Chairman, that the United States is virtually self-contained so far as the woollen industry is concerned. They have built up a strong, virile industry there which is being maintained, and which is serving the needs of the people.

Now I wish to turn to another point in the minister's speech. He referred in a very casual way to the question of wages as if that were a subject of no importance. I am not going to go over the arguments that have already been presented as to what a very small factor, after all, is the duty so far as the internal production of woollen goods is concerned. For instance, I think my hon. friend from South Wellington demonstrated that most excellently last night when he showed that the amount of the duty on a suit of clothes costing from fifty to sixty dollars was between fifty and sixty cents. That would be the effect of the duty, so it does not influence the consumer, but what is its effect upon the worker? My hon. friend from Winnipeg North Centre yesterday made a statement which impressed me very much. He said that if the workers of Canada could be persuaded that they were receiving any benefit from the imposition of a duty upon the manufactured article, they would support the imposition of such a duty, or words to that effect. The minister gave us some figures last night which were very interesting, and which I think ought to be considered very carefully by this house. Comparing wages, and taking Great Britain at the figure of 100, he said that the wages in France would represent 50, Italy 40, and Canada 160, as compared with 100 in Great Britain.

Mr. HEAPS: What is the hon. gentleman's interpretation of those figures?

Mr. STEVENS: I am using the minister's figures, although last year I gave an exact comparison of the actual wages paid in Great Britain, France, Germany and Canada. But I am using the minister's own figures, and an interpretation of those figures I think would show this, that in Canada we have to pay four times as much in wages per diem as they do in Italy, over three times as much as they do in France, and over 160 per cent of the wages paid in England. Now I ask my hon. friend from Winnipeg North Centre to give this thought consideraton. Before the manufacturer gets one atom of protection, you must give him a protection that will bridge the difference between those wages, that is, in so far as the wage content of cloth is concerned. Now the wage content of manufactured cloth, I am informed, is 55 per cent of the value of the cloth.

Mr. WOODSWORTH: Is it not true that figures were presented to the tariff board showing that protection was granted equivalent to the entire wage bill?

Mr. STEVENS: We are unfortunately at a disadvantage in not having the evidence indexed and before us in proper form, but I recall the time when the presentation was made. I believe it was made by Mr. Deachman.

Mr. ADSHEAD: I have the figures here.

Mr. STEVENS: I have on two separate occasions carefully analyzed these wage figures based upon the data and statistics supplied me by the Labour department of Canada. Speaking from memory I may say that the result of my deductions indicated that the difference was almost double so far as Great Britain is concerned, about three times so far as France and Italy are concerned, and with a similar difference as regards Germany.

Mr. WOODSWORTH: By reason of the lower cost of living in those countries, is not the nominal wage really higher than it seems?

Mr. STEVENS: That does not enter into this point. I know what my hon. friend has in mind and in some respects his argument is sound, but it does not apply here. The figures I compared were the actual wages paid in Great Britain, Germany, France and Italy and the actual wages paid in Canada for the same work. I gave the figures last year and they are all on Hansard. And they were taken from the Labour department's own statistics. I am now taking the statement presented yesterday by the Minister of Finance, and now I submit to the minister that it is his obvious duty, if he is to do the right thing by Canadian workmen, to impose a tariff under the woollen schedules, equal to the difference between the wage scale in Canada and the wage scale in Great Britain, France, Italy and Germany, before he gives the manufacturer any protection at all. The position is inescapable. Let us for the moment leave aside what that difference is. I do insist, however, that it is the minister's duty, if he is to protect Canadian workmen—leaving the manufacturer out of it altogether for the time being—to impose a duty equal to the difference between the wage scale in Canada and those in other countries.

Mr. HEAPS: Does my hon. friend not think that he ought to take into consideration all the various factors that enter into the cost of production in Great Britain and which are higher than in Canada? Take the item of taxation, for instance, and various forms of insurance which have not to be paid over here.

Mr. STEVENS: I am not objecting to that. Let me point out, however, that the cost of building in Canada as well as the cost of heating is very much higher than it is in England.

Mr. HEAPS: What about the income tax?

Mr. STEVENS: Well, the income tax is fairly onerous here too, although it is not so severe as it is in England. But I am not disputing the point; I simply suggest that we stick to the question under discussion for the moment. So far as wages are concerned, we have a right to do justice to our Canadian workmen and to impose a protection on the manufactured articles equal to the difference between Canadian wages and wages paid in other countries.

Mr. WOODSWORTH: Wages constitute only one of the factors in the cost of production, and if other costs in Great Britain are higher than they are here surely the hon. gentleman cannot ignore them in his computation.

Mr. STEVENS: I am not disregarding them, and my hon. friend's position is sound. But I do not admit that the costs in other directions are generally higher in Great Britain than they are here. My own impression is that the costs there are lower, although their income tax exceeds ours. The minister will correct me if I am wrong, but I question whether their corporation income tax is higher than ours.

Mr. HEAPS: What about local taxation in Great Britain?

Mr. STEVENS: Local rates in Great Britain are not, in my opinion, a bit higher than ordinary municipal rates in Canada. As a matter of fact, you can follow the general ratio of costs in Great Britain as compared with Canada and you will find that capital in Great Britain is cheaper than it is in this country. No one will dispute that. And that is a big factor. Then take taxes and insurance. There is no appreciable difference between the two countries; if anything, the insurance rates would be higher in Canada because of the general use of wooden buildings as compared with stone and brick construction in the old country. In Canada, again, we have a dual taxation imposed in many of the provinces both by the provinces and by the federal authorities, and it is higher than the corporation income tax in Great Britain. Personal income tax is a different matter; it does not enter into consideration until you have earned profit and paid it to the individual. So that personal income tax is not a factor; it must be eliminated.

Mr. GARLAND (Bow River): The hon. member, I take it, would apply that principle fairly to all industry?

Mr. STEVENS: I have no objection to the application of it generally.

Mr. GARLAND (Bow River): Then the next question is, would he apply it to the farming industry and allow the farmers the total cost of labour in the form of a bonus?

Mr. STEVENS: I am prepared to discuss that question on its merits and in its proper place. I have certain views which I might be induced to express on the subject some day. The committee, however, has before it a practical issue. We are not discussing any general theory of economics; what we are considering is whether we shall do so and so

with a given industry. I was discussing the question of building costs. The cost of heating factories in Canada, the cost of building a structure capable of being heated, is certainly much higher than it is in Great Britain. Parenthetically I may observe this: One reason why industry is developing on the Pacific coast of Canada and the United States —and there is a new development there—is the fact that climatic conditions are such that the overhead in relation to heating and the cost of structures is less than it is in the central portions of Canada and the United States where the climate is cold. So that on a fair analysis of cost figures it will be found that the British, French and Italian woollen mills have a distinct advantage over Canada. Now I return to the question of wages.

Mr. WOODSWORTH: Does the hon gentleman consider the question of over-capitalization that prevails in this country watered stock, and so forth?

Mr. STEVENS: My hon. friend is introducing a question which is certainly a fair subject of debate. But in fixing the rates of duty the tariff board could very well ignore any question of over-capitalization; indeed, they would have to do so if they did their duty. I am not here advocating the practice of watering stock, but I may say that companies that have been established, as many of our Canadian woollen industries have been established, for a hundred years, and which have constantly turned back their profits into the business, are entitled to stock issue for these returns to the business. As an hon. member reminds me, we are now dealing with the question of costs of production and not with that of watered stock. I agree with my hon. friend that if there is undue inflation of capital, that fact ought to be ignored in the fixation of the duty. Let me, however, finish my rather disjointed argument on the question of wages. The minister cited it himself and I say to him and to the hon. member for Winnipeg North Centre that before the manufacturer receives one atom of protection, you must impose a duty equal to the difference between wages here and wages in other countries that are competing with us.

Mr. WARD: What percentage of woollen goods consumed in Canada is imported from Italy?

Mr. STEVENS: I have the figures with me but I do not think my hon. friend desires me to check them up.

Mr. WARD: I think it is very important. The hon. member has endeavoured to impress upon the house the necessity for a balancing as between duties imposed and wages paid between the two different countries. If he is going to give Italy as an example he should give to the house the benefit of the imports.

Mr. STEVENS: If this is any comfort to my hon. friend, I am willing to eliminate all other countries than Great Britain which is the country from which we import the major portion of our woollen goods. We can thus eliminate Italy, France and Germany. All these countries do supply us with some woollen goods, the exact amount of which I have not in mind, but the preponderance of imports comes from Great Britain, and we can stick to Great Britain for all the practical purposes of this issue. I want to carry this wage question one step further. According to a well-established principle in the manufacture of woollen goods, fifty-five per cent is claimed to be represented in wages. That, I think, is a fair proportion. In that case, if we take the difference between wages in Canada and wages in Great Britain, it would be a simple matter to determine what amount of duty should be imposed in order first of all to protect the Canadian workman without giving any protection whatever to the manufacturers. That rate would be something in the neighbourhood of 22 per cent or 23 per cent.

I turn to one of these items. The minister under item 551b eliminates a duty of 12½ per cent on yarns and warps and he puts them on the free list. The committee ought clearly to understand what we are doing in this regard. We are giving a distinct advantage to one factory, a factory which is in the riding of the hon. member for Ontario (Mr. Kaiser); but it is rather significant—and I make this merely as a statement of fact without conveying any impression other than the fact itself conveys—that this factory is located in the riding contested by the chairman of the tariff advisory board, a riding which he purposes contesting again. The house ought to know this fact and they can put on it whatever construction they like. The point is this, that one factory is benefited and since this revision has been made, I am informed that they have already cancelled their orders for these yarns to other factories from whom they have been buying these yarns during recent years. These are worsted yarns which are used in the manufacture of plush. I presume the plush is used in upholstering automobiles and so on, these yarns being used as the foundation upon which these plush goods are built up. The question which this house must decide is whether it is doing its duty by the

woollen industry of Canada in removing a duty of 12½ per cent on British imports of yarns and warps used in this way, putting them on the free list to the distinct advantage of one concern and to the ruination of a part of the business of many other concerns.

I turn to another part of the minister's speech. Last night he read to the house extracts from the press and also from statements made by certain gentlemen who appeared before the board. His whole object was to convey the impression that the press of Canada were prefectly satisfied with the tariff advisory board. He complained rather bitterly that some of us on this side, my honoured leader, myself and some others, had attacked the actions and reports of the tariff advisory board. He said himself that he was not considering the advisory board but he was using, as he said, his own common sense in the formation of this tariff. I am not going to give all the quotations which will be found on page 1628 of Hansard, but I wish to refer to them. Then I shall refer to the report itself and the committee can judge as to what bearing these quotations have upon the issue before us. The Montreal Daily Star says:

> The deliberate consideration of the merits of cases brought before the board has been in commendable contrast with the former hearings—

And so on. Then he quoted the Grain Growers' Guide, and among other things they said this:

> By thorough study of the problems before the board the representatives of these bodies are able to bring out all phases of the situation.

I ask hon. members now: Have they had facts brought before them of all phases of the situation based upon a thorough study by the board? Have they had placed before them the result of the deliberate consideration of the merits of these cases? I ask the minister to lay on the table of the house a single fact found by this board. He has not done it; he cannot do it, and yet he reads this to the house. Let us see what the next statement is. This is the Toronto Financial Post, an influential trade paper, quoted by the minister to show that he and the advisory board stood well in the eyes of the business people; that they had done their duty, and that we are captious in our criticism of the advisory board. The Toronto Financial Post of January 20, says:

> It is undoubtedly a considerable improvement upon the former system, under which the Finance minister wasted most of his time listening to isolated and prejudiced pleas for tariff changes, and succeeded only in getting a superficial view of the problems before him.

[Mr. Stevens.]

Is there a single indication that the minister has done anything other than listen to isolated pleas? Can he show the committee a single finding, a single utterance by the advisory board which has in any sense departed from the old system? He cannot do it. He may have one but he tells us he has not. He has not laid it on the table and yet he reads us this statement. The Winnipeg Free Press, one of the most influential journals in western Canada and, indeed, one of the most outstanding papers in Canada, says on January 10:

> In each case the position of the industry is examined in minute detail. Facts in regard to past financing, costs of production, efficiency of equipment, domestic and export prices, are revealed.

And so on. Where are these facts? Are they before the house? Not a single one. It may be that the facts were laid before the board and that they examined them. It may be that they understood them. They may have examined into the industry in regard to finances, as my hon. friend to my left said a moment ago; they may have examined into the cost of production and into the question of efficiency, domestic and expert, as suggested by my hon. friend, and so on. The Winnipeg Free Press says all these things have been examined into by the board, but my hon. friend directed a very intelligent question to me a moment ago, and I was unable to answer it. Why? I could not answer because these facts are not vouchsafed to the attention of the house; because the minister has not brought them down, nor has he given to the house any of the facts found by this board. Then the Toronto Globe was quoted by the minister:

> It is not satisfied with less than a full presentation of both sides of every question, reinforced in many cases by independent investigation. Its disposition to be fair to all interested parties is conspicuous.

Very good; perhaps the board were inclined to be fair; it is possible that they made independent investigations, and it may be that the evidence was reinforced by other information. It may be that a full presentation was made, but not a single fact or finding has been presented to the house, and we are twitted and taunted by the minister because we criticize his budget, without these facts or findings and in fact without even a summary of the evidence.

The CHAIRMAN: Order. My hon. friend has exhausted his forty minutes.

Mr. STEVENS: Very well. I will speak again in a few minutes, probably for another

forty minutes, although I would have been through in about five minutes more.

Mr. ADSHEAD: I was extremely interested in the figures presented by my hon. friend; one of the things which struck me was his statement that with regard to woollens the wage costs were 55 per cent of the cost of production. I have here a statement made by the gentleman who represented the woollen industry before the tariff advisory board, and I may say this is one of the benefits my hon. friends might derive from the members of the Consumers' League which they derided so much the other day. Mr. Barrett stated that the total wage cost amounts to 25 per cent of the selling value of the finished article.

Mr. EDWARDS (Waterloo): Was that for knitted or woven goods?

Mr. ADSHEAD: I could not say; it is for woollen goods. My hon. friend gave the cost as 55 per cent, and even if there were a difference between the two classes of goods surely it would not be so great as that.

Mr. EDWARDS (Waterloo): There is that difference.

Mr. ADSHEAD: This gentleman represented the woollen industry before the tariff advisory board, and in his testimony stated that the figure of 25 per cent represented the wages plus the salaries of his company.

Mr. CHAPLIN: My hon. friend has just stated that that 25 per cent refers to the selling cost, which is very different from 25 per cent of the production cost.

Mr. ADSHEAD: But then my hon. friends ask for a tariff which would provide for the difference between the wage cost of England and the wage cost of Canada, and surely a tariff of 35 per cent represents more than that difference.

Mr. EDWARDS (Waterloo): That is the production cost in the mill, but by no means the selling cost.

Mr. ADSHEAD: In England the cost of labour represents only 15 per cent, so this tariff means that the protection afforded the industry in Canada is double the wage cost of production in England. Then, with regard to the imports of woollens, my hon. friend has stated that these amounted to $40,000,000 in 1927.

Mr. STEVENS: No, in 1926.

Mr. ADSHEAD: That is quite correct, but you must take that in proportion to the total volume of trade. In 1878 we find that the imports of wollens amounted to 10 per cent of the general trade of Canada. That figure dropped in 1897 to 8 per cent and in 1927 to 5 per cent, so in 1927 our imports of woollens in relation to the total trade of Canada were less by a half than in 1878, when we introduced the national policy of protection.

Then reference was made to the difficulties in which the manufacturers find themselves. They were asked by the tariff advisory board to produce their books to show how much they were losing, but with one exception they absolutely refused to do so.

Mr. EDWARDS (Waterloo): No, my hon friend is wrong there.

Mr. ADSHEAD: I have the statement here.

Mr. EDWARDS (Waterloo): Although I will not do so, I could name at least two mills in which they put in their own men to investigate the books.

Mr. ADSHEAD: The statement was also made before the tariff advisory board that the trouble with the woollen industry is that in many cases plants were built during the war when costs were high and production was heavy; in many cases these mills were equipped for the operation of two shifts. Now they have found themselves unable to operate and make the profits they made during the war, and they ask that the rest of Canada be especially taxed to assist them.

Mr. STEVENS: I am delighted that the new rules permit one to take a little rest in the middle of a speech. My hon. friend, as to whose honesty of purpose there can be no question, has been a little misled by the terminology of the report which he has been reading. It is obvious that when you are considering the relation of the wages paid to the cost of production you cannot do so by taking the retail selling price or the wholesale selling price of the goods. I quoted official figures which were supplied by the Department of Labour, and these I offered not on my own authority but on the authority of the statisticians of the government. I think my hon. friend was quoting from a special pleading—

Mr. ADSHEAD: I was quoting the evidence of Mr. Barrett, who represented the woollen manufacturers before the tariff advisory board.

Mr. STEVENS: The point my hon. friend made was based upon the selling price of the goods. I think he will agree after reflection that such a comparison is neither fair nor

proper, so there is no use pursuing that argument further. Then, with regard to the last statement of my hon. friend that the companies would not allow investigation of their books, there is a statement contained in this report which I have not immediately under my hand, in which they declared that they were given every possible assistance by those who appeared before them, and were allowed to examine books and so on. They not only made no complaint but they refer especially to it, in the following words:

In conclusion, may we express appreciation of the effective co-operation received from those who have appeared before the board.

I think my hon. friend, in justice to those who appeared, will not be inclined to press the suggestion that they withheld information, which I think would be unfair.

Mr. ADSHEAD: The report said they would not make their books available.

Mr. STEVENS: The report does not say that, and I am sure we desire to be fair in this matter.

Mr. ROBB: If my hon. friend will permit me, I think it is fair to the mills to say that I have had no report from the tariff board that the mills were unwilling to give any information asked for. Indeed, I think the fact is quite to the contrary.

Mr. STEVENS: I believe it is so stated somewhere in this report. I cannot place my finger on it for the moment but I believe I quoted it the other day.

I should like to return to what I was discussing a moment ago and that is the observations of the minister last night, or the purpose that he may have had in quoting certain statements from the press. Now I shall proceed first to refer to his quotations from the statements of gentlemen who appeared before the board. The minister said:

Then I have some comments upon the conduct of the woollen inquiry by some of those who appeared before the board. Mr. J. A. Burns, former president of the Canadian Woollen & Knit Goods Association, Toronto, said:

"On behalf of the woollen manufacturers I would like to express our deep appreciation of the fair manner in which this investigation has been conducted."

Next the minister quoted a statement by Mr. Shaw who had this to say:

Might I associate myself and my confreres with the expression of appreciation just given by Mr. Burns?

Then the minister quoted Mr. Hodgson as follows:

May I be permitted to thank you and the board on behalf of Mr. Wood and myself for the very kind way in which you have received us?

These are simply expressions of courtesy. Surely the minister does not wish us to conclude that because these gentlemen courteously thanked the board for a fair hearing, therefore this schedule—based upon the minister's own common sense without one shred of evidence, without one shred of a finding or a fact from the advisory board—is wholly approved by them? The minister read this into Hansard for the purpose of giving out to the public the impression that the woollen industry, and these gentlemen in particular, were entirely satisfied with the schedule of duties before us.

Mr. ROBB: Not at all. They were entirely satisfied with the hearing, and that is all I said.

Mr. STEVENS: That is what I have been trying to point out to the minister, not only to-day but the other day as well. The results of this hearing are somewhere, heaven knows where, perhaps in the mind of Mr. Moore—

Mr. ROBB: They are before the committee.

Mr. STEVENS: There is not one fact or result before the committee, not a single finding not a single comment—not one. That is what we are complaining of. To my mind this house ought to go on record as censuring the board for dereliction of duty in presenting this report. Here is what the board say and the report speaks for itself:

Moreover, the transcripts contain the arguments of the applicants and their opponents, which, in our opinion, cannot be satisfactorily summarized, and after mature deliberation we have concluded that to attempt a summary would be not only unfair to those who have argued before the board, but as well would render to you and to parliament an incomplete service. The obvious intent of argument—

I wish the committee particularly to note this:

The obvious intent of argument is to influence those who have authority over the matter under discussion.

Thus it is that we have deemed it our duty to pass on to you the transcripts containing the records of our public proceedings, with only explanatory comment.

I have been unable to find any explanatory comments. They may be scattered through a mass of evidence unassimilated, undigested and unindexed, without comment, not brought into juxtaposition one with the other, but scattered—part of a hearing to-day and the balance of the hearing two weeks hence—and

then we are asked to go through all that evidence, bring one part and correlate it to another, and make up our minds as to what was presented. The board has been organized for two years, and Mr Moore has been sitting for more than a year, day in and day out, hearing witnesses, able to judge of their veracity and their capacity, and yet he does not vouchsafe one atom of advice or comment to this parliament. That is what I complain of, and I complain of the action of the minister in putting on Hansard, extracts from the press and the comments of certain gentlemen, and now trying to say to this house if we would permit him: This is the evidence that these people have had a fair hearing, and that they are perfectly satisfied with the findings. I say again, Mr. Chairman, that this house ought to censure the board, or as an alternative, censure the government, for they are responsible for the board's action, for presenting to the house a report as barren of information as this report is. I am not going to say any more on that at present.

I conclude with the observation, that as far as the woollen schedules of the present tariff are concerned, they bear every evidence of ruin for a number of factories, if not for the whole industry. Here is a factory which, we will say, has one half of its capital wrapped up in the spinning of yarn and the other half devoted to the purchase of machines for the utilization of these yarns. The effect of this clause to which I have referred will be to put out of business that part of the factory which is spinning yarns and allow the other half to continue operating. Does anyone presume to suggest that this, for a time at least, will not spell ruin to that industry? It means that the industry must convert its capital, its investment and its machinery into some other use and sustain the loss of such conversion, whatever it may be. I therefore impress upon the minister the seriousness of his action, and even yet hope that he may see his way clear to remedy this injustice which is being done to this industry. After all, the matter is one involving the welfare not of one or two concerns but of the whole industry of the Dominion.

Mr. ROBB: Each year since 1924 I have been accused by hon. gentlemen of destroying industry, so that my hon. friend's speech is not at all new to me. To-day we are discussing, not automobiles nor agricultural implements but woollens, and as I listened to my hon. friend I tried to make up my mind just what was the object of his remarks. Was his speech intended as an attack on the board or on the chairman of the board? Was it intended as an attack on the minister or on the policy of the government?

Mr. STEVENS: It was intended as an attack on the government.

Mr. ROBB: On the government?

Mr. STEVENS: Absolutely, because the government is responsible for this action.

Mr. ROBB: I was going to give my hon. friend another guess. I was wondering whether his speech was an attempt to prevent the woollen manufacturer, who yesterday announced that he intended establishing in Victoria, from coming over and locating.

Mr. STEVENS: It just happens that I met that gentleman when in the old country recently.

Mr. ROBB: My hon. friend must have persuaded him to come.

Mr. STEVENS: No, but I was glad to hear that he was coming. It may be interesting to point out that before coming he received a guarantee from the city of Victoria of the bonds of the company to the extent of $125,000, and in the second place a concession of free water—which is a very important factor in the cost of manufacturing woollen goods—to the extent of 200,000 gallons per month. With these inducements he has come and I am exceedingsly glad that he has done so. In addition to this he will receive twenty-seven acres of land free of taxation.

Mr. ROBB: That does not enter into it.

Mr. STEVENS: I would consider it a fair factor.

Mr. ROBB: Everyone knows that towns and cities throughout Canada vie with each other in offering inducements to industries to establish in their midst. My hon. friend has at least made it clear that he is advocating some higher tariff for the woollen industry. He does not say how high, but I am not doing him an injustice when I say he is advocating a higher tariff for the industry.

Mr. STEVENS: I will never run away from that.

Mr. ROBB: The inference is made that this government is responsible for having so reduced tariffs as to injure the woollen industry. I have before me the brief which the woollen industry themselves presented to the tariff board. This is their own brief, their own statement. They claim that:

> Wool manufacturing has been declining steadily in Canada since 1897, with the exception of two or three war years when importa-

tions of manufactured goods from abroad were largely shut off and when orders for woollen goods were sold to other countries—

—and when they had the great business they had at home.

I am not going to go through their arguments for higher tariffs; but when they come to the question of what governments have done to injure them, they make this statement which will be found on page 12 of their brief presented to the tariff board on the 1st February, 1927:

In 1919 there was a reduction of five per cent in the duties on goods imported from Great Britain—

This government was not in office in 1919. We are not responsible for reducing that tariff by five per cent.

—and in May, 1920, a reduction of 7½ per cent on goods imported from foreign countries.

Mr. STEVENS: That was the war tax which was taken off. There was a war tax, a horizontal tax, imposed on everything and at the conclusion of the war it was taken off everything.

Mr. ROBB: The point I am making is that at that time the people of Canada were united. The government was not a Conservative government. I am not blaming, nor am I giving them credit for this. We had in office at that time a Union government and it was the policy of the country that we should reduce duties on woollens.

Mr. HEAPS: The only excuse I have for rising now and detaining the committee for a moment or two is that last night and this afternoon we have heard two new principles enunciated by the Conservative party. Last night we had the idea of the economic independence of Canada and to-day we have had enunciated by the hon. member for Vancouver Centre (Mr. Stevens) the principle that protection is for the purpose of conserving the standard of living for the workers in this Dominion.

Mr. STEVENS: As a matter of fact we have always contended that as one of the main principles and reasons of protection.

Mr. HEAPS: The only regret I have to make is that it has not worked out in practice.

Mr. STEVENS: It has not had much of an opportunity.

Mr. HEAPS: I will come down to facts if the hon. gentleman wants them. A year ago last October I was in the city of Vancouver, right in the constituency of my hon. friend and I happened to meet some manufacturers of woollen goods who came to me and said that they wanted more protection for their industry. I asked them where their main competition came from and against whom they would like to be protected. The answer was: Eastern Canada. I should like to know how you can protect those manufacturers of knitted and woollen goods in British Columbia against what they term cheap importations from the eastern part of the Dominion. They complain about the low wages paid in the east. I have heard manufacturers in the city of Winnipeg complaining about competition from Montreal on account of the low wages paid to the women engaged in industry in that particular city. Protection has given no benefit to those large manufacturing centres in eastern Canada, because if protection did protect the worker, why is it necessary to have in those provinces minimum wage acts? Why is it necessary at the present time in Quebec for a commission to inquire into the question of minimum wages for girls working in the textile industry and various other industries in that province?

The hon. member also enunciated the theory that because wages are lower in Great Britain than they are in Canada, we should have some protection given to the manufacturer here against the lower wages of Great Britain and, I believe, Italy as well. What is the hon. member going to ask us to do when the competition comes from a country where wages are higher than in Canada? What about importations from the United States? I have been in this house for just three sessions, but during that time I have heard members of the Conservative party say: Look at the United States; look at the high wages they are paying there. If the United States are paying higher wages than Canada, then according to all logical reasoning we ought to cut off the tariff entirely against goods coming from the United States. I do not however suppose the hon. gentlemen will for a moment suggest doing anything of that kind because the main competition is not so much on goods from Great Britain as from the United States.

Mr. STEVENS: Not on the woollen tariff schedule.

Mr. HEAPS: I was going to make that reservation. There again I was rather surprised to see the hon. member for Vancouver Centre as well as the leader of the opposition make the observations they did on this question. Hon. gentlemen of the Conservative party are the ones who talk most about patriotism, about imperial unity, about the greatness of the empire. This is their stock-in-trade especially at election time. If that is the case, why this outcry

against the British manufacturer? Why did they almost tell us last night that they did not want him here at all? They are willing to allow his capital to enter but not his goods. I want to go a little further than that. The British people are the best customers that Canada has, and if you are going to refuse to buy anything from Great Britain, Great Britain on the other hand might say to Canada: We refuse to buy anything from you. In that case Canada would suffer a great deal more than Great Britain, because Canada finds her best customer in Great Britain, that nation being by far the largest importer of our farm products. International trade is international barter and you cannot sell goods to a country without taking other goods from it in return. If you close the markets of Canada to Great Britain, the next thing that will happen will be that Great Britain will be bound in self defence to trade with those people who are willing to buy the goods that she herself manufactures. You cannot escape the logic of that particular economic argument. That may not be in line with the idea of economic independence. But I want to go a little further. No country to-day can be economically independent—

Mr. KENNEDY: What does the hon. member mean by that?

Mr. HEAPS: That is that we should buy nothing from another country but sell everything to it. That cannot be done. I believe the greatest punishment a nation can impose unon another is to establish a blockade against it. In the past few years we have had examples of this. When a nation has been unfriendly to another nation it has endeavoured to compel that nation to become economically independent by blockading its ports. That is punishment one nation has inflicted on another for doing something of an unfriendly character. I do not think the Conservative party are doing themselves credit, or doing any good to the cause of closer imperial relations by taking the attitude they have on this particular question. I should like to see Canadian goods consumed in Canada as much as possible. I want to give protection to the workers in this country. Where there are lower standards of living in other countries than there are in Canada, the manufacturers are entitled to protection against imposing a lower standard of wages on the workers. The statement of the hon. member for Winnipeg North Centre is one to which I entirely subscribe. It is unfortunately true that the protection that has been given in the Dominion of Canada has not in the least degree given any protection to the worker; the protection has been entirely a benefit to the manufacturer. When the workers get a certain amount of protection, you will find that they will take the attitude that the workmen do in Australia, where they are for protection, but the first protection given in Australia is not for the manufacturer, but for the work people engaged in industry. I have made these few observations on account of these two new ideas enunciated by the Conservative party last night and to-day. This idea of economic independence to me is one which it is impossible to carry out, and if it were attempted to be carried out, it would mean economic stagnation in the Dominion of Canada.

Mr. EVANS: I wish to say a few words on this matter, and my remarks will very largely take the form of questions addressed to the hon. member for Vancouver Centre. I do not admit the right of any government to place a tariff on any goods whatsoever to be consumed at home, but if there is an industry essential to the welfare of this country which is seeking protection, then I think that that industry should be willing to lay its books on the table and let us see its profits, and whether or not it is over-capitalized. If it seeks protection, we should know the reason why.

But suppose, as the hon. member for Vancouver Centre states, that the actual wages paid here are much higher than the wages paid in European countries. That is a handicap to the manufacturer, I admit, but who does the hon. gentleman suggest should shoulder that difference? What industry is there in Canada to-day that is so prosperous that it can shoulder the difference? The hon. gentleman has overlooked the facts as they are. Perhaps he will answer that question yet. He says that it is the duty of the government to grant as much protection as will cover that difference. Upon whom will the burden fall? I have said before in this house, and I repeat it now, that those who advocate protection in Canada will never know what protection means until the farmer is placed in such a position that he can charge a price for his product sold in the home market that will give him a profit over the whole of his production whether sold at home or abroad, and when he is in a position to do that, he will be doing exactly the thing which the protected manufacturer is now doing. In what way does my hon. friend think the primary producer can overcome that same difficulty regarding wages? How does he think that we who have to com-

pete against the cheap labour of the world, of Europe, Asia and other countries, can overcome that same difficulty in wages? Is the agricultural industry so prosperous that it can shoulder the difference? I say that it is not, and because of the protective system in Canada to-day we are losing farmers continually from the land. We are in less numbers in Saskatchewan to-day than we were five years ago, despite all the immigration that has come in there. The handicap of wages is due to the very system that my hon. friend himself is advocating, which handicaps even the class that is to shoulder the burden which he would thus increase. But not only has the farmer borne the burden of protection for all the other industries to manufacture in Canada for the Canadian market, but the protected manufacturer has used the trade penalties to charge the home consumer a price that gives him a profit over the whole of his output whether sold at home or abroad. I can name industries that have done that, the steel industry, in particular, and I can mention other industries to prove the case. I wonder, when a revision of the tariff is taking place now to an extent that we have not seen for some years, why hon. gentlemen will not face the facts as they are. Does the hon. member for Vancouver Centre believe that the agricultural industry can shoulder this extra burden now? Does he know anything about agriculture?

Mr. STEVENS: I surely do. I spent my boyhood in it.

Mr. EVANS: Is the hon. gentleman engaged in that industry? On what other industry would he place this extra burden, if not on agriculture? The prices that the agriculturist has to pay to-day are far in excess of those paid in any other country with which we have to compete, and they are raised out of line with other countries of the world through the protective system increasing the cost of living. I would draw the minister's attention to this one fact, that the twine industry to-day is doing very well. It gets its raw material free, and there is no duty on its finished product. Does the hon. gentleman mean to say that the wages paid in the twine industry in Canada are the same wages that are paid in Belfast? No. The twine industry is doing very well, even after having to shoulder the burden of increased wages in a protected country. Why cannot the woollen industry do the same? It should be a maxim to be followed in this country that when raw material is placed on the free list for the manufacturer, his finished product should also be on the free list.

[Mr. Evans.]

Since this discussion began, no proof has been given that the woollen manufacturers are in a bad way. No auditor's name has been quoted. The books of none of these companies have been laid on the table, nor even before the tariff board.

Mr. EDWARDS (Waterloo): The hon. member stated that the books have not been opened to audit. That is quite untrue. The books have been audited in many cases by the auditor, but it is quite obvious that a manufacturer will not make public his business for the benefit of his competitor. But the tariff board has that information; the Minister of Finance has said so.

Mr. EVANS: I have not seen their books, and the tariff board has not seen them.

Mr. ROBB: The accountants representing the tariff board have seen them, and the books have never been refused in any case where they were asked for.

Mr. EVANS: Before this house should be asked to give them protection, we should know exactly how they stand.

Mr. McGIBBON: Is not the fact that so many firms have gone out of business after having been in business for forty or fifty years sufficient evidence for my hon. friend? What more evidence does he want?

Mr. EVANS: I do not know why they are out of business, but I would think it was because of incompetency in their methods and lack of up-to-date machinery.

Mr. McGIBBON: They ought to engage the hon. gentleman as general manager.

Mr. EVANS: Whenever the farmer complains, we are told in this house that he is behind the times and that he should adopt modern methods. I say the same with respect to other industries. Most of the finished articles in the woollen schedules carry a duty of 35 per cent. That is an import penalty, and yet the protectionist advocates would blindly increase the burden on the class to which they are looking for the home market. Is it reasonable? But I have never yet heard from any hon. gentleman in this house a logical argument for protection. Protection kills itself in the end; it works against industry, no matter how high the tariff. Strange to say, to-day the British manufacturer can get over the tariff wall of any country just as easy as he can get into a free trade country. But where the argument of the hon. member for Vancouver Centre (Mr. Stevens) falls flat is in the fact that he has begged for protection against countries pay-

ing a lower wage than obtains in Canada. Yet he himself has been an advocate in this house for protection against the United States because of the higher wages there. How can he reconcile those two statements? How inconsistent the argument for protection has always been.

If the woollen industry of the Dominion is suffering from a lack of protection, I ask again, how is it that our woollen manufacturers can compete in countries, against which hon. gentlemen say they must be protected. Our woollen manufacturers have done very well in the export market in years gone by. Either they can compete without any protection, or else they are fleecing the home consumer by charging him a price to give them a profit on the whole output, whether sold at home or abroad. As I said last night to the minister, I take it as being only fair and reasonable, that these woollen schedules should be withdrawn for a time and be reconsidered. It is unreasonable to allow the revenue of the country to be impaired by complete free trade in raw materials when the home consumer is charged over one-third as a penalty on what he has to buy. It is unfair, it is class legislation in the worst form, and brands the government as serving only one group, comprising the capitalists and manufacturers of this country. I still wish him to explain, if he can, why this is being done at the present time. Not only in the tariff, but in the income tax also the capitalist is being relieved and a proportionately greater burden is being shifted to the working classes. Is there any British fair play in such a policy? it is unreasonable. This means placing the burden on those who are working double the hours that obtain in urban industries. Even our women and children on the farms are being discriminated against. I can take hon. gentlemen into districts where our children do not even know how to play. You are placing this burden on the sweated labour of the families now homesteading on the farms of Canada. I say again, it is unfair.

Mr. ADSHEAD: Mr. Chairman, my attention has been drawn to an error on my part. I said that the companies had refused to have their books investigated. What I intended to say was that they had refused to make their statements public, with the exception of one company. The Penman Manufacturing Company made their statement public.

Mr. EDWARDS (Frontenac): It is difficult, Mr. Chairman, as anyone will at once admit who has given any study to economics, to frame a tariff schedule which will be fair all around, for so many things dovetail into other things that when you attempt to frame a tariff in regard to one article, you find yourself confronted with the fact that by so doing you are adversely affecting some other article closely related to it.

In regard to the woollen industry, it has always appeared to me that one of the first questions we should ask ourselves is, whether or not in a country like Canada it is advisable to encourage the sheep industry for the production of wool to be used in turn for the manufacture of woollens in the Dominion. In asking myself that question I have never been able to come to any other than one conclusion: that Canada is specially adapted, climatically and otherwise, for the raising of sheep. Therefore, it is a country where the sheep industry should be encouraged in every possible way, a country where every encouragement should be given to our farmers along that line. We should produce vast quantities of wool, and we should manufacture that wool into the finished article. I do not think it is possible for us to raise sheep as cheaply as they can be raised in Australia and New Zealand; consequently those countries can produce wool more cheaply than we can. But because of that fact are we to decide that we will go out of the sheep industry and let Australia and New Zealand supply our requirements? Hon. gentlemen like my hon. friend from Rosetown (Mr. Evans) take that position. It is the favourite attitude of the free-trader: let that country which is best adapted to the production of any particular article supply it to other countries not so well favoured, and let the latter devote themselves to some other line that they are best adapted to produce. I do not think that is a sound position to take, nor a position which any one of us in this Dominion dare take.

It has always appeared to me that the persons to be first considered in fixing a tariff schedule with respect to the woollen industry are our farmers who keep sheep and produce wool; and that to give them the encouragement which they deserve there should be a duty on wool to place them in a fair position in relation to their competitors in other countries enjoying certain climatic and other advantages. That in my judgment is where we should start in fixing a tariff on wool and wool products, our first object in view being the welfare of our farmers, the producers of wool; our second object should be the welfare of our manufacturers of woollen products, they being in a secondary position to the primary producers, the farmers.

My hon. friend who has just sat down (Mr. Evans) said that he has never heard a sound argument for protection. Of course, I cannot agree with him. I am not referring now to any arguments that I have attempted to advance in favour of protection; rather I have in mind tariff conditions in the various countries of the world. When I see their statesmen advocating protection, it seems to me that they at least are of average intelligence and capable of advancing sound arguments in favour of the protective principle. But let us take the country from which my hon. friend came; what about the Key Industries Act of the old country? What about the success which has followed the efforts of the British government in placing a comparatively high duty on the importation of automobiles? Even free-traders in England have come to the conclusion that certain industries are entitled to protection, and they are giving those industries protection. Under protection those industries are succeeding, with advantage to the working people of the old country, and with distinct advantage to the domestic consumers of the articles produced, because they are being produced under protection at a less cost than when those industries were operating under free trade. That is a situation which, I contend, strongly confirms the soundness of the protective principle.

But let me give another instance which comes right down to the question of tariff in relation to the woollen industry, the cotton industry, and so on. We have certain factories in the province of Ontario. Is it not a fact that we have in this province of Ontario a minimum wage law, under which the owners of factories are obliged to pay a minimum rate of wages to their employees? They cannot go below a certain rate paid, for instance, to girls working in their factories. The law of the land compels the manufacturer to observe a certain standard, and the wages paid under this standard are found to be double the wages paid in some industries in England to girls employed in the same kind of work there. I venture to say that there is not a member of this house, not a member of the government, who would suggest for a moment that the minimum wage law should be abolished. That being so, we are at one on the necessity for a minimum standard of wages for our workmen. As I say, the minimum wage paid to the girls in these factories in Ontario is double the wage paid for similar work done by presumably just as efficient girls in England. Now, having subscribed to that law, of compelling the manufacturers to pay a certain wage, is it not logical to afford the manufacturers here some protection against foreign manufacturers producing the same kind of goods at a very much lower cost? The question may be argued from any point of view, but I argue from the standpoint of fair play. It is not because of what one government is doing; it is because the law of the land with respect to minimum wages places a certain responsibility upon the manufacturer in this country and leaves him at a decided disadvantage in competing with the manufacturers of similar goods in the old country where wages are lower.

Mr. HEAPS: The minimum wage law applies in Ontario; does not the manufacturer in Ontario, according to my hon. friend's argument, deserve protection against low paid labour in Quebec?

Mr. EDWARDS (Frontenac): The law is enforced in British Columbia too, I may say. My hon. friend's position as indicated by his question is not tenable. Within the bounds of a family there must be give and take; there is no getting away from that. You might as well say that the state of New York should impose no restrictions not acceptable to Pennsylvania, say. The fact is that the farmers of the northern states, New York, Pennsylvania, Ohio, Michigan are operating at a decided disadvantage in competition with the farmers in the southern states whose products are cheaper. But the northern farmers have no redress; there is no possible way of the difference being overcome. In the northern states there is a severe winter to cope with, whereas climatic conditions in the south are advantageous. But it is a very different thing when you come to put on the statute books a law intended to protect the country from unfair competition from abroad, where the people do not help to pay our taxes. Obviously we cannot pass a law in Canada prohibiting the goods manufactured in Quebec, say, from entering Ontario, or the products of some other province being shipped to any other. Nevertheless the minimum wage law exists, and I submit that in all fairness, and logically, a country such as ours, with a minimum wage law enforced in certain provinces, should give some consideration to the manufacturers who are compelled to operate under that law. The minimum wage law places them in a position of disadvantage as compared with manufacturers producing similar goods in other countries where there is no such restriction.

Mr. EVANS: What has made the minimum wage law necessary?

Mr. EDWARDS (Frontenac): My hon. friend must know as well as I do that the object of the law is to ensure to the workers in industrial concerns in those provinces which have adopted it, a scale of wages which will make for a decent standard of living, a standard such as we think ought to obtain in Canada. We cannot dictate to England what its standard should be; it is for England to take action in that regard. But we can say, and we do say in Canada, in certain provinces at any rate, that girls working in our factories shall receive at least such a wage as will afford them a fair chance in life; and we ought to say to England and to other countries as well, "We do not propose to let you send free into this country, to flood our markets, the products of cheap labour where the standard of living is below ours." My hon. friend from North Winnipeg (Mr. Heaps) spoke about England being a great customer of Canada and suggested that we should not impose restrictions upon her goods coming into this country, seeing that she freely admits most of our products.

Mr. HEAPS: I did not say that. What I did say was that if we did not take in return goods shipped from Great Britain, economic factors would compel her to go into the markets of the world where British goods are bought in return.

Mr. EDWARDS (Frontenac): Great Britain will buy her wheat from the Argentine, the United States, India or from any other country if she can get it cheaper there than in Canada. British statesmen are not fools; they are not throwing away money; they will not pay $5 a bushel for Canadian wheat if they can get it at $4 a bushel from other countries.

Miss MACPHAIL: Would it not be perfectly logical for us to buy our woollen goods where we could get them cheapest?

Mr. EDWARDS (Frontenac): It would, perhaps, from my hon. friend's standpoint, if I can come to any conclusion as to what her politics amounts to. But we are laying down a policy for Canada and not for Great Britain, although it does seem to me that the government has been more concerned in fixing a fiscal policy in favour of the United States and other countries rather than for the benefit of the people of Canada. We are here to legislate for Canada, and I do not subscribe to the sentiments expressed by my hon. friend from North Winnipeg that because we are a part of the British Empire and because Great Britain buys freely from us, we should let down our tariff walls entirely, let our industries go to pot, and allow the goods of that country unrestricted access to our markets. The statesmen of Great Britain have laid down a policy which in their judgment is best—for whom? For Canada? Not at all; they have laid down a policy which they believe best for the people of Great Britain, and if we exercise the same common sense we will lay down a policy with as little regard for what they think as they have for what we think. We should define a policy in the best interests of the people of this country, and no statesman in the British Isles will whine about our tariff being too high for their manufactured goods; they are too good sportsmen for that. Britishers will say that Canada is exercising its rights to do what is best for the people of this country, just as they in Great Britain exercise their right in the same way. It is not a question of sentiment at all, although as a matter of fair play I would rather buy goods from Great Britain than from any other country in the world, because they are our best customers. If I had two customers, one of whom bought from me very extensively and who allowed me to sell my goods to him freely, while the other customer bought as little as possible and sold as much as he could, I think in all fairness I would give much more consideration to the man who was treating me more generously. I think that is what we should do as a nation. The United States tariff is against us on everything; it is as high as they can possibly make it, and on some things which affect our farmers very acutely it is almost prohibitive.

What attitude is taken by my hon. friends to my left in that regard? I ask them if they can advance any sound reason why we should permit butter, cheese and eggs to come into this country from the United States when that country desires to send them here in order to stabilize their markets, at a tariff of three or four cents per pound on butter, while we must pay twelve cents a pound if we desire to do the same thing? Yet that is the very thing which my friends advocate all the time. They have carried their free trade ideas beyond the point of sound reasoning to a ridiculous extreme. As far as our farmers are concerned, I say that if the United States place a duty of twelve cents a pound on our butter, I would never allow a pound of butter to enter Canada from that country under a duty of less than twelve cents a pound, and I would treat them in the same way with regard to eggs and hay. As long as they maintain a duty of $4 a ton against our hay I would not allow a ton of hay to come into Canada from the United States for less than $4 a ton.

Mr. YOUNG (Weyburn): Would you do the same thing with boots and shoes?

Mr. EDWARDS (Frontenac): I would consider how it would affect Canadian industry, because I do not believe any industry in Canada should be permitted to exploit the people. That is not reasonable or fair. My hon. friend thinks he is very smart in asking that question. If the United States has no duty on a particular article, would I remove the duty on that article also? That is the effect of his question, and it does not amount to anything; it does not show any vast amount of intelligence. I have stated certain items on which I would raise the tariff, and I have given my reasons for so doing. Now, if my hon. friend has any ideas worth giving, let him get up and say why he favours a duty of four cents a pound on American butter while they are charging us twelve cents.

Mr. YOUNG (Weyburn): Probably we want the butter.

Mr. EDWARDS (Frontenac): Then my hon. friend's answer is only a probable answer after all, although I thought I might get something definite from him. I will put it to him again: If we had a surplus of 20,000,000 or 30,000,000 pounds of butter, in which case there would be no possibility of our starving for butter from the United States, what would he say?

Mr. YOUNG (Weyburn): Their butter would not be coming into Canada, and the price would be determined by the world market.

Mr. EDWARDS (Frontenac): Now my hon. friend goes back to the old crutch upon which hon. members from the west lean when they have nothing better, but that crutch is cracked and broken and bent and twisted.

Mr. BROWN: My hon. friend mentioned hay. Who would benefit and who would suffer if the duty on hay entering Canada from the United States were increased to $4 per ton?

Mr. PRESTON: The farmers.

Mr. BROWN: In order to prove that you would have to show some hay was being imported, but according to the figures there is none.

Mr. EDWARDS (Frontenac): Therefore the principle of the thing does not count at all, I suppose? I wonder if my hon. friend from Lisgar is now showing concern about the horses, as to whether they are going to get enough hay to eat? The principle is there. If in any part of Canada we have a surplus of hay which we desire to ship into the United States in order to relieve the market situation, we must pay a duty of $4 per ton. If you turn it the other way around, however, and have a surplus in the United States which they desire to ship into Canada to relieve their market, they are allowed to bring it into this country at $2 a ton.

Mr. BROWN: That is a theoretical argument which has nothing to do with the facts of the case.

Mr. EDWARDS (Frontenac): I think it has, although I have not the figures under my hand.

Mr. STEVENS: I will give my hon. friend the figures. In 1925 we imported something over 10,000 tons, and in 1926 something over 8,000 tons.

Mr. EDWARDS (Frontenac): As usual, the hon. member for Lisgar did not have the facts.

Mr. BROWN: I put the figures on record for last year.

Mr. EDWARDS (Frontenac): That is the line of argument usually adopted by the hon. member for Lisgar. He will search the records until he finds something he considers favourable; he will pick out a particular year or month and place those figures on record, then pat himself on the back and consider that he has produced an argument which will turn fiscal questions upside down. In regard to hay I was arguing on the principle of the thing, but we are told that 10,000 tons of hay were imported from the United States. Did that have any effect on our farmers in Canada? If that hay had not come in from the United States the price of Canadian hay certainly would not have gone down; the market would have been a litttle better and the price a little higher. Surely there can be no question of that. What has happened time after time? Consider the question of eggs.

Mr. ROBB: Mr. Chairman, I do not object to hon. gentlemen talking from now until the first of July about woollens, but I do submit to you that eggs are not involved in this item.

Mr. EDWARDS (Frontenac): I will admit that there is a good deal in the objection of the minister. I was making a general application of the argument, and I am quite sure the minister understood my point. I will not carry that further, because I do not want to take up the time of the com-

mittee unnecessarily, although I believe if I wanted to argue the point of order I would have fairly good grounds upon which to do so. I got up to stress this point in regard to wool: That inasmuch as we have in this country a minimum wage law which has been endorsed by the members of this house —at least there has been no attempt made to get rid of it; I do not think any hon. member would advocate anything of the sort —that since we as a people, or as a government, or as a party, or as members of parliament have subscribed to that minimum wage law and thereby arbitrarily placed the manufacturers of woollens in this country at a disadvantage in competing with other countries that have not got a minimum wage law, in all fairness it is up to us to take that into consideration and give those manufacturers a reasonable amount of protection against cheaper production costs and unfair competition which has been forced on them. That is the position I take, and I was drawn into a discussion on other points. I do not wish to take up the minister's time unnecessarily but I was applying the argument in the case of woollens to the case of eggs, hay and other commodities, as the minister understood very well. However, I appreciate his desire to get along with business and I do not want to interfere unnecessarily or unfairly with that desire.

I will just say in conclusion that in the fixing of the schedules on woollens the position which I have always taken, no matter on which side of the house I sat, was that I believed that any government in this country approaching the matter from the right angle or the right viewpoint would consider it from the standpoint of the farmer, of the man who keeps the sheep and the man who produces the wool, and recognize that the manufacturer should be secondary to the producer.

Item agreed to.

Customs tariff—549a. Hair, cleaned or uncleaned, but not curled, dyed nor otherwise manufactured; and horse hair not further manufactured than simply cleaned and dipped or dyed: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROBB: There is no change here.

Item agreed to.

Customs tariff—549b. Hair, curled or dyed, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. ROBB: There is no change.

Item agreed to.

Mr. ROBB: I beg to move that the following item, enumerations and rates of duty be inserted in schedule A:

Customs tariff—549c. Haircloth, composed of horse hair in combination with any vegetable fibre: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. STEVENS: This is a new item. We ought to have some explanation from the minister because we do not have that item before us.

Mr. ROBB: My hon. friend will observe it is a small item. The total imports for the year ending March 31, 1927, under this item, were $74,970.

Mr. STEVENS: It is very difficult for us to grasp just the significance of an item of such a technical character which is read and does not happen to be before us. What is the reason for this item? I should think it would deserve some explanation. It is described as:

Haircloth, composed of horse hair in combination with any vegetable fibre.

We have already passed and dealt with vegetable fibre items.

Mr. ROBB: I am advised that identically the same item was in the old tariff, and in preparing the new schedules this item was inadvertently left out.

Mr. CHAPLIN: What was the number of the item in the old tariff?

Mr. ROBB: It was 645.

Mr. STEVENS: I will not ask the minister to give notice of any new items, but I think he should formally move them in every case. May I point out that this item is not the same as item 645 in the old tariff. The latter reads, "Haircloth of all kinds." The present item deals with haircloth in combination with vegetable fibre.

Mr. ROBB: The item reads:

Haircloth, composed of horse hair in combination with any vegetable fibre.

There has been a change in the definition.

Mr. GARLAND (Bow River): Is not vegetable fibre in a class by itself somewhere else?

Mr. ROBB: The vegetable fibres are contained in different items.

Mr. GARLAND (Bow River): Is vegetable fibre dutiable, and if so, to what extent?

Mr. ROBB: If it is cotton it is dutiable, and if it is linen, it is dutiable. It is a mixture that comes in under this item.

Mr. GARLAND (Bow River): I feel very much as the hon. member for Vancouver Centre feels. The minister is not only bringing in a new item but he is adding something to the old item. Why does he now include vegetable fibre as well as the haircloth itself?

Mr. ROBB: I am advised that the old item covered haircloth of all kinds.

Mr. CHAPLIN: Yes.

Mr. ROBB: The customs officials advise that this is a better definition for administrative purposes.

Mr. STEVENS: That is where I differ. I simply put my layman's opinion against the opinion of the experts. We have already dealt with a number of items, for instance here is one, item 542a, "Woven or braided fabrics . . . . wholly or in part of vegetable fibres." This would cover the very fabric the minister mentioned.

Mr. ROBB: It might or might not.

Mr. STEVENS: My hon. friend will recall that in our discussions of last week this question arose on two or three occasions. It appeared that some manufactures were importing under one item, and some entering under another item, which occasioned a difference in duty. I do not know whether the same situation exists in the present case. My point is that in several of the preceding items we have dealt with vegetable fibres in combination with other material. Now we are putting into the tariff another item which seemingly would permit one importer who knew the tariff to enter his goods under this, whereas another importer would enter his goods under another item. It is very desirable that we should avoid that likelihood. I should like the minister to note my objection.

Mr. ROBB: I will look into it.

Item agreed to.

Mr. ROBB moved:

That the following item, enumeration and rates of duty be inserted in schedule A:

549d. Manufactures of hair, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. STEVENS: What was that in the old tariff?

Mr. ROBB: It is part of item 646.

Mr. GARLAND (Bow River): Is there any change here?

Mr. ROBB: There is no change in taxation.

Mr. GARLAND (Bow River): I should like the minister some time or other to consider the change made here. This is a very high duty but the item may not be a very important one.

Item agreed to.

Customs tariff—550. Rags and waste, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, unfit for use without further manufacture, not to include used garments nor waste portions of unused fabric: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROBB: There is no change.

Mr. GARLAND (Bow River): In reference to this item I wish to refer to an answer made by the minister the other day. The hon. member for Peace River (Mr. Kennedy) had asked him this question:

Mr. Kennedy: I would ask the minister if he knows whether or not any ruling was made by a customs board or any other body which enabled wool which had previously come in under item 555 to come in free under item 554?

Mr. Robb: I think that has been the practice for a good many years.

Mr. Kennedy: What is the reason for that? It looks like sharp practice on someone's part to make a separate item under which sheep's wool is dutiable, and then to allow it in free under another item. This is the kind of thing which makes us think there will be grave difficulty in the future in connection with the different classes of rags which come in free and the others which come in under a duty.

The relevancy to this particular item is now made clear. I want to ask the minister first of all whether wool produced in Canada is of as fine a quality as wool produced elsewhere.

Mr. ROBB: I suppose that is a matter of opinion depending upon the man who owns the particular flock of sheep. Every man's sheep are better than those of another. Before my hon. friend proceeds, I will explain the question raised the other day by the hon. member for Peace River. I have this memorandum from the Dominion appraiser:

Under items 554 and 555, since the inception of the tariff in 1897, Leicester, Cotswold, Lincolnshire, Southdown and similar combings have been held dutiable under tariff item 555, while merino and crossbred combing wools have been admitted free of duty under tariff item 554.

Mr. GARLAND (Bow River): That is just the point. The merino and other wool is a very fine class of wool. It is true that it is not even grown in this country; we do not grow that particular quality, and so it is put off the dutiable list. In the cotton schedule the minister will find the anomaly that occurs

in the whole structure of this tariff and that is rather in keeping with the confusion which is apparent in our minds and in the appraiser's action. I am quoting from page 652 of the evidence in the cotton case. This was written to the chairman and members of the Advisory Board on Tariff and Taxation, and it is a presentation of their case by the Canadian Spool Cotton Company of Montreal protesting against the Wabasso cotton application. The charge made by these Montreal people is as follows:

During the past six years we have on different occasions tried samples of Wabasso Company's yarns, but these did not come up to the standard deemed necessary for our trade.

The minister under this new tariff places a duty on fine cottons, number forty and finer, although the company manufacturing them in Canada are, according to their own friends' evidence, not manufacturing them of a standard deemed necessary for their trade. He is imposing a duty on the fine cottons from England and then he takes the fine wools and allows them to come in free. I cannot understand the minds that have been at work on a tariff of this kind. The fine cottons are dutiable but the fine wools are free. When hon. members to the right talk about improving the wool industry and the type of sheep in this country and all that sort of thing, they might, instead of raving about the industry itself, ask the minister why he allows free into this country—and I am not objecting to this by any means—fine wool, but imposes a duty on fine cotton?

Mr. ROBB: Raw cotton is free. My hon. friend is speaking about manufactured cotton.

Mr. GARLAND (Bow River): Spool cottons, number forty and finer, are dutiable.

Mr. ROBB: I changed the item. My hon. friend will remember that I changed the item, making it free under the British preference.

Mr. GARLAND (Bow River): Yes, under the British preference only. But they are dutiable under the intermediate and the general.

Mr. ROBB: They are.

Mr. GARLAND (Bow River): That is the inconsistency.

Item agreed to.

Item 550a agreed to.

Customs tariff—550b. Garnetted material, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, obtained by disintegrating yarns or fabrics, prepared for use; waste portions of unused fabrics, rags and waste, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, sold by weight, not to include remnants nor mill ends, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. ROBB: I beg to move that the following be substituted for item 550b:

Customs tariff—550b. Garnetted material, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, obtained by disintegrating yarns or fabrics, prepared for use, n.o.p; waste portions of unused fabrics, machine-cleaned waste, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, n.o.p., not to include remnants or mill ends: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. GARLAND (Bow River): What is the reason for the change?

Mr. ROBB: It is to make the wording conform with that of the similar clause under the cotton schedule.

Mr. GARLAND (Bow River): The minister had in the original item the words "sold by weight."

Mr. ROBB: That is struck out.

Mr. GARLAND (Bow River): Why?

Mr. ROBB: For administrative purposes.

Mr. GARLAND (Bow River): I think he was very wise there.

Mr. STEVENS: I am a little suspicious of the words "machine cleaned," injected into this item. I am not sufficiently acquainted with the methods to know whether there is any substantial difference between machine cleaned and cleaned in some other way. What is the significance of these words?

Mr. ROBB: We are advised by the customs officials that machine cleaning is one of the modern methods of handling this product and they have asked that these words be inserted.

Mr. STEVENS: Under what item does the other class "not machine cleaned" come?

Mr. ROBB: It comes in under some of the previous items.

Mr. STEVENS: That which is not machine cleaned comes in under the free item. That which is machine cleaned pays a duty of 7½ per cent, 10 per cent and 12 per cent. Is that right?

Mr. ROBB: Yes.

Item as amended agreed to.

Item 550c agreed to.

Mr. ROBB: I beg to move to insert the following new item in schedule A:

Customs tariff—550d. Batts, batting and sheet wadding, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. CHAPLIN: What was the number of the old item?

Mr. ROBB: Number 520.

Mr. STEVENS: Item 520 covers a multitude of sins.

Mr. ROBB: The old rates were 15 per cent, 22½ per cent and 25 per cent.

Mr. STEVENS: In this item we are again faced with the old difficulty. It is utterly impossible to know just what the reason is for this. I confess frankly that I am unable to offer any criticism, but here are the facts as I see them. Under the old item 520, the duties were 15, 22½ and 25 per cent, and the item included batts, batting and sheet wadding of wool and cotton. We have here a new item 521, covering batts of cotton and so forth, carrying duties of 5, 10 and 12½ per cent. Then we have batts of wool, which the minister proposes shall carry duties of 20, 22½ and 25 per cent. It would be most interesting to learn just why the change from the old rate was made, and why cotton batts should be 5, 10 and 12½ per cent, and wool batts 20, 22½ and 25 per cent.

The CHAIRMAN: The resolution reads 12½, 22½ and 25 per cent.

Mr. STEVENS: Then I was mistaken.

Mr. GARLAND (Bow River): I do not know why the change has taken place, and why this is separated, and I think the hon. member for Vancouver Centre is entitled to an answer to his question.

Mr. ROBB: In the old item there was only the word "batts", and it was not easy to administer because in some cases wool and cotton were coming in mixed. The customs authorities have asked for a separate classification for administration purposes. There is very little change involved.

Mr. GARLAND (Bow River): What are the imports?

Mr. ROBB: There is no separate classification, but the imports are very small.

Mr. STEVENS: The imports were not very large. The total imports last year were only 400,000 pounds, about $61,000. That included batts, batting and sheet wadding, which comes under the old item 520. I do not suppose it is of any great significance.

Mr. ROBB: No.

Item agreed to.

Customs tariff—551. Yarns composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. STEVENS: What is the change here?

Mr. ROBB: There is no change in the British preferential. The intermediate tariff is reduced from 27½ to 22½ per cent, and the general from 30 to 25 per cent. The total imports last year were $240,386. The estimated reduction in taxation is $628.

Mr. ADSHEAD: What were the imports under the British preference?

Mr. ROBB: They amounted to $229,000.

Mr. ADSHEAD: That is the greater part of the imports. There is no change?

Mr. ROBB: Very little change.

Item agreed to.

Customs tariff—551a. Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, n.o.p.: British preferential tariff 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. FRASER: What were the importations?

Mr. ROBB: The imports for the year ending March 31, 1927, under item 558, were $3,614,888. There is no change in taxation.

Mr. STEVENS: The imports were all practically from Great Britain?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—551b. Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, in the weaving of woollen or worsted fabrics (but not including carpets nor floor rugs): British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. CHAPLIN: What is the number of the old item?

Mr. ROBB: The old item numbers were 558, 559 and 560, and the duties respectively were 12½, 17½ and 20 per cent; free, free, free; free; free; free. The total imports of yarn for the year ending March 31, 1927, under 558, were $3,614,888.

Mr. FRASER: That is the same figure the minister gave a moment ago.

Mr. ROBB: I suppose they have divided it up. It is estimated that of this total, yarn valued at $1,000,000 is used by manufacturers of worsted fabrics, and the saving in taxation on that score alone will be $125,000. This concession will help mainly the worsted manufacturers, as the manufacturers of woollens usually find it necessary to spin their own yarns in order to secure the pattern and type of cloth required. In regard to items 559 and 560, importations for weaving purposes will under the new item enter free under the British preference, as formerly.

Mr. GARLAND (Bow River): This is another item that looks to me very much like an increase, in spite of what the minister has said. He gave the importations under item 558, which was formerly dutiable, but he did not say anything about the imports under item 559, which was free. Has the minister the total value of the imports under item 559? This was free before; it is now dutiable. There is another item, 560, not included under this, which also was free. I think on the whole this is an increase in the duty, and if you study the trade returns I think you will find that the increase will damage the hat and cap industry seriously, as it will increase the cost of manufacturing braids and things of that kind used in hat and cap manufacturing.

Mr. ROBB: If my hon. friend is right, then my hon. friends opposite have been wrong in delaying this item.

Mr. GARLAND (Bow River): The minister should not waste his time and mine worrying about who is right and who is wrong. It is his business to tell the committee what is the matter with the item under consideration.

Mr. ROBB: I submit that there is nothing the matter with it. This is a concession to the trade, and as a result we shall have cheaper cloth.

Mr. PECK: This item affects an industry in my own city, and I shall therefore endeavour to point out what is the matter with it. We discussed this question pretty fully last evening, particularly the hon. member for South Wellington (Mr. Guthrie), whose city is also affected by this change in the tariff. The change, as I understand it, is this, that worsted yarn, which previously had a reasonable protection of 12½ per cent against the British manufacturer, is now put on the free list. That leaves the manufacturer of worsted yarn without any protection at all against his English competitor. Under the protection that has been accorded this industry for several years, a good many of the factories engaged in woollen production have built up a business, and they manufacture the yarn for their own industry. It is not the raw material, as was pointed out by the Minister of Finance the other day; it is the material which is partly manufactured and represents about one-third of the labour in producing the finished commodity. In my city we have two industries engaged in woolen production, both under one management They have been manufacturing their own yarn. The persons employed in the manufacture of a portion of the production number 189, and the annual payroll is $141,704.

Now, I understand that the manufacturers have waited upon the Minister of Finance and presented their views. It is my purpose now to say a word or two on behalf of the men employed in the industry, for if these tariff changes become operative they are likely to lose their occupation, which to them would be a very serious matter. As we all know, the woollen industry has not been on a very good footing for some years, and many of the men engaged in these factories have had to be content with part time employment. The proposed changes will enable British manufacturers, employing labour at a much lower scale of wages than obtains in Canada, to compete with our own manufacturers, and it is extremely likely that that portion of the mill in Peterborough in which the yarn is produced will be forced to close down, thus throwing the men out of work. This condition will not be confined to Peterborough, it will exist in industries located in other towns which will be similarly affected, as was so ably pointed out last night by the hon. member for South Wellington. This being so, between seven and eight hundred men employed in the manufacture of Canadian yarn are very likely to lose their employment. I would ask the minister to lay this matter over for another year, so that in the meantime the facts may be presented to him in a clearer fashion than is possible at the present time. What is gained by passing this item? What will be the resultant benefit to the consumer? Very few people are much in-

terested in whether they pay a few cents more or less for an article; but it is a very serious matter to those Canadian workmen who will have to face the prospect of unemployment. Again I ask the minister to let this subject stand for a year at any rate, in order that he may give it more careful consideration.

Mr. EDWARDS (Waterloo): Mr. Chairman, I feel I cannot allow this item to pass without another word of protest. I should very much like to find myself sharing the opinion of the hon. member for Bow River (Mr. Garland) that this is an increase. But fine yarns—40's and finer—came in under the old tariff at 12½ per cent, and that is the only portion I am interested in. Practically all those yarns came from Great Britain. If there was any quid pro quo, so to speak, for the consuming public there might be some justification for this change in the tariff. The case has been so well presented by my hon. leader (Mr. Bennett), by my hon. friend from South Wellington (Mr. Guthrie) and by my hon. friend from Peterborough (Mr. Peck) that I do not feel it necessary again to go over the ground that they have so ably covered. Let me take as an example of what would happen under this item to the selling price of an ordinary suit of clothes, valued at about $40. The actual cloth from the mill entering into that suit would be 3½ yards at about $2.25 per yard, or somewhere in the neighbourhood of $8. In other words, only 20 per cent of the cost of the suit is in the cloth. To manufacture that cloth—known as 14, 15 or 16 fine worsted, meaning 14 ounces, 15 ounces or 16 ounces to the yard—approximately a pound and an eighth or a pound and a quarter of yarn yer yard is used. This shrinkage from a pound and a quarter of yarn to a pound per yard of cloth is due to the fact that the natural oil of the wool and the lubricating oil that becomes impregnated in the yarn during the process of spinning are taken out in the scouring. If that 4½ pounds of fine worsted yarn were purchased in the old country at to-day's price and at the current rate of exchange it would cost $1.28 per pound. The previous duty on worsted yarn was 12½ per cent. According to my figuring, this would amount to 72 cents; the hon. member for South Wellington placed the duty at 60 cents. What would be the saving to the consumer, the man who buys the suit of clothes? If you could say to him "You will save anywhere from two to five dollars on a suit of clothes," then there would be some justification for this change in the tariff. But there is a saving of only 72 cents, and to effect this saving you are taking from

the mills that spin their yarn to manufacture their woollen and worsted cloths practically 40 per cent of their business and putting it on a free trade basis. Up to the point where the wool is changed into fine yarn the work is done by the heads of families, the cleaning, scouring, carding and spinning involving heavy coarse labour. After the yarn has gone through those processes it is put into the looms and handled by female help. So the damage that is being done to 40 per cent of the workers in these mills affects the heads of families, and consequently presents a very serious situation. To bring its gravity home to the minister I need only cite two cases In one town of 3,500 people we have a mill employing a thousand hands, and in another town of about 5,000 people, a mill employing 228 hands. Those mills are typical of the industry. We have several of them in the constituency of South Waterloo. This part of the tariff schedule dealing with fine worsted yarns should be reconsidered, for the proposed change will give nobody any particular benefit, and it is fraught with serious consequences to many of our Canadian working people.

Mr. GARLAND (Bow River): The light has failed.

Mr. EDWARDS (Waterloo): My hon. friends to my left are always talking about the manufacturer being benefited by these tariff changes. Let me say that no manufacturer of yarn is being benefited by this item; and there is no doubt that the 72 cents or the 60 cents, as the case may be, that is being saved under the tariff will not be passed on to the consumer. It will slightly reduce the cost of yarn, but it will put out of business a large part of the manufacturers' equipment. In the large mill I spoke of—it is located in Hespeler—the housing and spinning equipment represent an investment of practically one million dollars. In the other mill—located in Preston—the investment is between $400,000 and $500,000. I am not going to say that the employees in that mill will be thrown out of work entirely—

The CHAIRMAN: I do not want to interrupt the hon. gentleman, but the electric light having failed the reporter may have difficulty in following his notes, and I would suggest that we call it six o'clock.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 74 for the relief of Dorothy Estelle McCutcheon.—Mr. Casselman.

Bill No. 75 for the relief of Adelaide Marie Moore.—Mr. Church.

Bill No. 76 for the relief of Delia Elizabeth Davies.—Mr. McPhee.

Bill No. 77 for the relief of Edith Duff McCoo.—Mr. McPhee.

Bill No. 78 for the relief of Kathleeen Marion Baldwin.—Mr. Ryckman.

Bill No. 79 for the relief of Frederick James Lee.—Mr. Anderson (High Park).

Bill No. 80 for the relief of Laveania Maud Kelly.—Mr. Stewart (Leeds).

Bill No. 81 for the relief of Arthur John Evans.—Mr. Harris.

Bill No. 82 for the relief of Margaret Constance McIntyre Fairbanks.—Mr. Kay.

Bill No. 83 for the relief of Lina Elizabeth Foster.—Mr. Ross (Kingston).

Bill No. 84 for the relief of Winifred Osborne Gimblett.—Mr. Garland (Carleton).

Bill No. 85 for the relief of Ruby Jean Standing.—Mr. Young (Toronto Northeast).

Bill No. 86 for the relief of Albertine de Varennes.—Mr. Casselman.

Bill No. 87 for the relief of William Bye Kasken.—Mr. Young (Toronto Northeast).

Bill No. 88 for the relief of John Alexander Parsons.—Mr. Church.

Bill No. 89 for the relief of Martha Golding.—Mr. Church.

Bill No. 90 for the relief of Reginald Key.—Mr. Garland (Carleton).

Bill No. 91 for the relief of Madeline Massey Knox.—Mr. Smoke.

Bill No. 92 for the relief of James Parker—Mr. Garland (Carleton).

Bill No. 93 for the relief of Dorothy LaBelle.—Mr. Garland (Carleton).

Bill No 94 for the relief of Richard Henry Orr.—Mr. Edwards (Ottawa).

Bill No. 95 for the relief of Marjory Sterne Boyd.—Mr. Garland (Carleton).

Bill No. 96 for the relief of Florence Louise Parsons.—Mr. Goodison.

Bill No. 97 for the relief of George Daniel MacDonald.—Mr. Lennox.

Bill No. 98 for the relief of Evelyn Connor.—Mr. Garland (Carleton).

Bill No. 99 for the relief of Annie May Caldwell.—Mr. Garland (Carleton).

Bill No. 100 for the relief of Florence Marjorie Cressman.—Mr. Young (Toronto Northeast).

Bill No. 101 for the relief of Esther Buck Scott.—Mr. Casselman.

Bill No. 102 for the relief of Norah Jones.—Mr. White (Mount Royal).

Bill No. 103 for the relief of Albert Wood.—Mr. White (Mount Royal).

Bill No. 104 for the relief of Louisa Baldock.—Mr. Geary.

Bill No. 105 for the relief of Albert John Morison.—Mr. Harris.

Bill No. 106 for the relief of Amelia Judd Wasserman Berliner.—Mr. McPhee.

Bill No. 107 for the relief of Ernest Edmund Parrington.—Mr. Bowman.

Bill No. 108 for the relief of Margaret Beaton Hale.—Mr. Preston.

Bill No. 109 for the relief of Annie Constance Vipond Coleby Lazier.—Mr. Edwards (Ottawa).

Bill No. 110 for the relief of Gladys Caroline Isbell.—Mr. Jacobs.

Bill No. 111 for the relief of Victoria May Hardwick.—Mr. Jacobs.

Bill No. 112 for the relief of Annie Alice Tushingham.—Mr. Harris.

Bill No. 113 for the relief of Rita Peden.—Mr. Smith (Stormont).

Bill No. 114 for the relief of Lorne William Paterson.—Mr. Garland (Carleton).

Bill No. 115 for the relief of Albert William Hornby.—Mr. Anderson (Toronto High Park).

Bill No. 116 for the relief of Marguerite Adele Berwick.—Mr. Garland (Carleton).

Bill No. 117 for the relief of Harriett Ellen Isabel Kirkpatrick.—Mr. Garland (Carleton).

Bill No. 118 for the relief of Martha Evelyn Taylor.—Mr. Garland (Carleton).

Bill No. 119 for the relief of Winnifred Clark.—Mr. Bowen.

Bill No. 120 for the relief of Maria Eremca, otherwise known as Marcia Eramko.—Mr. Robinson.

Bill No. 121 for the relief of Albert Glenn Steinberg.—Mr. Casselman.

Bill No. 122 for the relief of Charles Frederick Spittle.—Mr. Thorson.

Bill No. 123 for the relief of Helen Lazelle Margaret Zeller.—Mr. Cayley.

Bill No. 124 for the reilef of Rachel Pearson.—Mr. Jacobs.

Bill No. 125 for the relief of Ida Myerson.—Mr. Jacobs.

Bill No. 126 for the relief of Arthur Wellington Henry.—Mr. Stewart (Leeds).

Bill No. 127 for the relief of Dorothy Warren Gorrie.—Mr. McPhee.

Bill No. 128 for the relief of Stanley Edmunds.—Mr. Church.

Bill No. 129 for the relief of Irene Frances Phebe Fricker.—Mr. Young (Toronto Northeast).

Bill No. 130 for the relief of Jean Maxwell Douglas.—(No Petition).

Bill No. 131 for the relief of Constance Brown Kinsman.—Mr. Heaps.

Bill No. 132 for the relief of William Wilbur Blackburn.—Mr. Anderson (Toronto High Park).

Bill No. 133 for the relief of Viva Venetta Rahmer.—Mr. Anderson (Toronto High Park).

Bill No. 134 for the relief of George Ranney Price.—Mr. Lennox.

Bill No. 135 for the relief of Percival Bovill. —Mr. Hocken.

Bill No. 136 for the relief of Paul Charboneau.—Mr. Lennox.

Bill No. 137 for the relief of William Franklin Darby.—Mr. Harris.

Bill No. 138 for the relief of Lorne Wilbert Helmer.—Mr. Ryerson.

Bill No. 139 for the relief of Mary Marjorie Jacques.—Mr. Edwards (Ottawa).

Bill No. 140 for the relief of John Edward Gladstone King otherwise known as John E. King.— (No Petition).

Bill No. 141 for the relief of Winnifred Lilias Maunsell.—Mr. Edwards (Ottawa).

Bill No. 142 for the relief of Hazel Kathleen Mulligan.—Mr. Garland (Carleton).

Bill No. 143 for the relief of Jessie McLean. —Mr. Rothwell.

Bill No. 144 for the relief of Winifred Margaret Pope.—Mr. Garland (Carleton).

Bill No. 145 for the relief of Elizabeth May Thornley.—Mr. Rennie.

Bill No. 146 for the relief of Norton Webster Kingsland.—Mr. Young (Toronto Northeast).

Bill No. 147 for the relief of Alice Edith Knowles.—Mr. McGregor.

Bill No. 148 for the relief of John McArthur.—Mr. Young (Toronto Northeast).

Bill No. 149 for the relief of Charles Alfred Turner.—Mr. Edwards (Ottawa).

Bill No. 150 for the relief of Olivè Druker. —Mr. Anderson (Toronto High Park).

Bill No. 151 for the relief of Lillian May Chandler.—Mr. Lennox.

Motion for second reading agreed to on division.

Bill No. 69, respecting The Interprovincial and James Bay Railway Company—Mr. Parent—was read the second time and referred to the select standing committee on railways, canals and telegraph lines.

[Mr. McPhee.]

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Customs tariff—551b. Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, in the weaving of woollen or worsted fabrics (but not including carpets nor floor rugs): British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. EDWARDS (Waterloo): At six o'clock I was discussing the serious damage which will undoubtedly be done to the workers in textile mills through this change in the tariff. I was about to say that I was not sure that they would be thrown out of employment entirely, but I believe that these mills will try to change their equipment so as to spin coarser yarns. This will result in throwing on the market the coarser yarns which are now used in the knitted goods trade, to the general disturbance of the whole textile business. I have nothing to add on this subject. I felt that I should protest once more against this change, but the ground having been so well covered and the case so clearly put by the hon. member for South Wellington, I may well leave it where it stands. I want to second what the hon. member for West Peterborough (Mr. Peck) has said; I think it would be wise to leave this item in abeyance until some further investigation is made by the department.

Mr. ROBB: I am afraid I cannot accede to that request; I think we had better put the legislation through as it is. I would remind my hon. friend that parliament will meet again in another year, and there is no desire to do injustice to any industry. I am advised that this will work out to the general advantage of the industry in Canada.

Mr. KENNEDY: The minister has given the imports under item 558. What imports have there been under 559 and 560, the items which were formerly free and which are now dutiable under the intermediate and the general tariffs? I want to see whether there is an increase or a reduction.

Mr. ROBB: I have repeatedly stated that there is a considerable reduction. The total imports of yarns were $3,614,888 and it is estimated that, of this total, yarns valued at about $1,000,000 are used by the manufacturers of worsted fabrics. The saving on this score alone will be $125,000.

Mr. KENNEDY: That is dutiable. What about items 559 and 560 which formerly were free?

Mr. ROBB: There is no change so far as weaving is concerned; they are all free for weaving.

Item agreed to.

Customs tariff—551c. Yarns composed wholly or in chief value of merino wool, not more advanced than singles, dry spun on the French or Belgian systems, but not containing silk nor artificial silk, imported by manufacturers of knitted goods for use exclusively in the manufacture of such goods in their own factories: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. KENNEDY: Is this a reduction or an increase?

Mr. ROBB: A reduction.

Mr. KENNEDY: There are some free items here which become dutiable at 10 per cent, 17½ per cent and 20 per cent. There is a 2½ per cent reduction in the British preference on one item, but an increase in the other cases, so that I do not see how the reduction works out.

Mr. BENNETT: Where does this come from?

Mr. ROBB: Practically all under the British preference.

Mr. GUTHRIE: Is there any merino wool produced in Canada?

Mr. ROBB: I imagine there is a small quantity.

Mr. GUTHRIE: Where?

Mr. ROBB: I could not tell you. I say I imagine there is because I know a few farmers who have merino sheep, but the production is very limited.

Mr. GUTHRIE: Does this item make merino wool free?

Mr. ROBB: This is a yarn item.

Item agreed to.

Customs tariff—552. Felt, pressed, of all kinds, in the web, not consisting of or in combination with any woven, knitted or other fabric or material: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. STEVENS: What was the old tariff?

Mr. ROBB: There is no change.

Item agreed to.

Customs tariff—553. Household blankets, n.o.p., not to include horse blankets, automobile rugs, steamer rugs nor similar articles: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. STEVENS: What was the old tariff?

Mr. ROBB: This is the same; there is no change in taxation. A material reduction was made in the duty on cotton blankets. The total imports under this item amounted to $631,154.

Mr. ADSHEAD: I would like to ask the Minister of Finance, since this is an article very much used by the common people, and since he has seen fit to make reductions in the duty on raw materials entering into the manufacture of these articles, whether it would not be fair to the people to give them the same consideration in regard to the manufactured article. Not long ago I understood the minister to say in connection with the reductions on such items as formaldehyde and bluestone, when there was only one industry manufacturing the article, that he made the reductions because he considered that the number of people using those articles to be a good deal larger than the number of people manufacturing them. There are 10,000,000 people who use blankets, and I do not see why that principle should not be applied to this item as well.

Mr. ROBB: Of course that argument would apply to all the items in the tariff.

Some hon. MEMBERS: Hear, hear.

Mr. ADSHEAD: I understood the minister to lay down that principle the other day.

Mr. STEVENS: Principles change with this government.

Mr. KENNEDY: In view of the fact that the minister has made a reduction in the duty on the raw material, while he has maintained the duty on the finished article, does he not think that the Conservative party have a real complaint against him for stealing their policy?

Mr. GUTHRIE: Does not the minister think the item might be worded a little differently? It reads at present, "Household blankets, other than horse blankets," and I would suggest that it read "Blankets, other than horse blankets."

Mr. ROBB: Later I am going to make a change in the schedule on horse blankets, so I think this might remain as it is.

Item agreed to.

Customs tariff—554. Woven fabrics, composed wholly or in chief part by weight, of wool, the hair of the camel, alpaca, goat or other like animal, not exceeding in weight six ounces to the square yard, when imported in the grey or unfinished condition, for the purpose of being dyed or finished in Canada: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. ROBB: Hon. gentlemen will notice that I have amended the proposed item and that there is a reduction from 22½ per cent to 17½ per cent under the intermediate tariff.

Item as amended agreed to.

Customs tariff—554a. Woven fabrics, consisting of cotton warps with wefts of lustre wool, mohair or alpaca, generally known as lustres or Italian linings, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. KENNEDY: The minister might tell us just what the imports were under the old items?

Mr. ROBB: This is an amendment to the proposed item. For the year ending March 31, 1927, the imports under item 566 amounted to $1,005,499 and under item 561 to $182. The estimated reduction in revenue under item 566 is $100,549, while the estimated increase under item 561 is $45, making a net estimated reduction in revenue of $100,494.

Item as amended agreed to.

Customs tariff—554b. Woven or knitted fabrics composed wholly or in part of wool, the hair of the camel, alpac, goat or other like animal, not exceeding in weight five ounces to the square yard, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. KENNEDY: This looks like an increase.

Mr. ROBB: No, it does not show up that way. A very small proportion of the imports came in under these items which have a tariff. The imports for the year ending March 31, 1927, are estimated at one-sixth of the total cloth imports under item 567, chiefly under the British preferential rate. These would amount to $3,795,000. The estimated reduction in taxation on the basis of the estimated imports is $190,000.

Mr. KENNEDY: But what about the other three items?

Mr. ROBB: The estimate includes those.

Item agreed to.

[Mr. Robb.]

Customs tariff—554c. Woven or knitted fabrics, composed wholly or in part of wool, the hair of the camel, alpac, goat or other like animal, n.o.p.: British preferential tariff, 27½ per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. ROBB: This is an amendment to item 554c as proposed.

Item as amended agreed to.

Customs tariff—554d. Woven or braided fabrics not exceeding twelve inches in width, whether with cut pile or not, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal: British preferential tariff, 27½ per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. ADSHEAD: Might I ask the Minister of Finance why this tariff item maintains the British preference at 27½ per cent? That seems very high to give any preference.

Mr. ROBB: These are narrow fabrics. The British preferential rate is lower than the intermediate and the general rates.

Mr. ADSHEAD: It is higher than any of the others that we have had up to date.

Mr. ROBB: That may be, but as I said before, they are narrow fabrics.

Mr. EDWARDS (Waterloo): Does the item include tape and braid?

Mr. ROBB: No, the braids are in another place.

Item agreed to.

Mr. ROBB: I beg to move that the following item, enumerations and rates of duty be inserted in schedule A:

Customs tariff—554e. Woven fabrics, with cut pile, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, n.o.p: British preferential tariff, 22½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—555. Clothing, wearing apparel and articles made from woven or knitted fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.; fabrics coated or impregnated, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 27½ per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 555:

555. Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured,

composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but of which the component of chief value is not silk nor artificial silk, n.o.p; fabrics, coated or impregnated, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p: British preferential tariff, 27½ per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. KENNEDY: I wonder if the minister will pretend that this is a reduction in the tariff.

Mr. ROBB: No, it is not a reduction.

Mr. KENNEDY: How does this square with the past policy of the Liberal party? We started in the woollen schedules with putting raw materials on the free list, notwithstanding the declarations by the Liberal party in favour of a substantial reduction of the duties on the necessities of life, and so on. We have an increase here and it is a fairly large increase too. The rates at first proposed were 20, 27½ and 30. Under the resolution which the minister proposes the rates will be 27½, 35 and 35. How does the minister justify that increase in view of the declared policy of his party? The amendments that have already been put through in the case of wool have practically placed the raw materials of the woollen industry on the free list.

Mr. ROBB: I gave my hon. friend a few days ago, the figures of the importations with regard to materials that are affected here. They are comparatively very small.

Mr. KENNEDY: Yes, but the minister has not given us any reason for this increase. I should like him to explain the reason for this increase in item 555.

Mr. ROBB: I do not admit that there is an increase in regard to the whole item. The importations are very small.

Mr. KENNEDY: There is no possibility of claiming there is a decrease in this item. If the minister did make such a claim it would simply prejudice all the claims he has made throughout the whole schedule.

The CHAIRMAN: Shall the item carry?

Mr. KENNEDY: No, Mr. Chairman, we are waiting for an explanation. I want to know why the increase was made. There must be a reason for it, and the minister should be able to give it to us.

Mr. GUTHRIE: We will have the reason.

Mr. BENNETT: The reason is it is there; that is the whole reason.

Mr. ROBB: There have been a number of these items—cotton, flax, silk, and so on—where the importations are very small. I gave the figures with respect to them a few days ago and they are on Hansard. My hon. friend will recall that.

Mr. GUTHRIE: The hon. gentleman wants to know the reason for the increase.

Mr. ROBB: Reclassification.

Mr. FANSHER (Last Mountain): The importations under these schedules would be small because the duties are prohibitive. This item covers knitted fabrics. A good deal has been said about the woollen industry and the condition it is in, but nothing has been said in regard to knitted goods. We all know, however, that the knitted goods industry is in a very prosperous condition. In a cold climate like ours knitted fabrics are needed for six months in the year, especially in the west, and yet the highest tariff in the whole schedule appears to be imposed on clothing and various other items. In view of the declarations by the Liberal party at the last election, and especially of the western members, some explanation should be given as to why such duties are imposed on what are really necessities of life.

The CHAIRMAN: Shall the item carry?

Sir GEORGE PERLEY: No, Mr. Chairman, I think the Minister of Finance should give some explanation in answer to the hon. members who have spoken. He has said that the importations are not large but I do not suppose he will advance that as a reason for increasing the rate of duty. I am very much interested in getting an explanation from the minister as to the reason for the increase in this item, or for that matter in any other item. He must have some reason for the action he is taking.

Mr. ROBB: I submit again to my hon. friend that according to the memorandum I have received from the officers of the department, who have gone carefully into the matter, there will be very little change in taxation. It is really a matter of reclassification. Certain items that were formerly in cottons and linens, and other classifications, now come in here, but the main importations are under item 567.

Mr. KENNEDY: There is undoubtedly an increase in the tariff and I should like to ask the minister again if he will just state the reason for it. Whether small, or not, there is evidently an increase, and I think

we are entitled to know the reason for it. If the tariff board has recommended the increase, surely they must have supported it with some argument. If they did not do so the increase must have been recommended by someone else, and I should like to know why it is done.

Mr. ROBB: I will give my hon. friend the imports. The total imports under item 567 amounted to $2,599,634. But I am not able to give the portion coming under this item that we have increased, because there is no separate classification.

Mr. BENNETT: The minister cannot say to what extent they are affected.

Mr. ROBB: There is a total of $1,247,000, but some of it comes under another item, clothing of linen, and as I explained to my hon. friend, the woollen fabrics are not affected in this. There is no increase in the woollen fabrics.

Mr. KENNEDY: But there is an increase in the other two items and I want to know the reason why.

Mr. ROBB: It is comparatively small and it comes under other classifications that we have passed.

Mr. KENNEDY: That does not answer the question why the increase is made. That is the point we want to get.

Mr. BENNETT: Is the real fact not that there is a thread of silk in it and they no longer classify it as woollen, so that the duty is higher in order to protect the woollen industry in Canada?

Mr. ROBB: No; it is not.

Mr. ADSHEAD: I do not wish to harass the minister, but not long ago I heard the minister express—and I think he was sincere—extreme sympathy regarding employees of certain factories, saying that he did not wish to see the industry ruined because a reduction in the tariff in that particular item might affect the employees in that industry. Surely I may appeal to the minister to consider further this item, which is perhaps the most important one in the whole schedule of clothing and knitted fabrics, on behalf of the thousands of little boys and girls and workingmen who need these articles in their common everyday life. They are entitled to some reduction in the tariff on the necessaries of life which they use every day, especially after the statements made by the minister in regard to reducing the duties on the raw materials of manufacturers.

[Mr. Kennedy.]

Mr. ROBB: If the goods cost less to produce, competition will take care of that and there will be a decrease.

Mr. CARMICHAEL: I cannot help saying a word or two in connection with this item, because it recalls to my mind that during the last election there were inserted in all the local papers in my constituency glaring advertisements to the effect that all people were divided into two classes: they were either Conservatives or Liberals. That conclusion was arrived at on the basis of their tariff policy. I have before me part of the old 1919 chart that has been referred to so often in this chamber. It is an old maxim that you have to keep repeating, repeating and repeating and after a while perhaps it will soak in. In this chart we have these words as to the doctrine of the Liberal party:

> That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear.

We have in the item before us a substantial change in the duties upwards. If it is Liberal doctrine to revise the duties downwards, then Conservative doctrine must be to revise the duties upwards, and if the party in power is revising the duties upwards we can conclude only that it must be following Conservative doctrine.

Mr. FANSHER (Lambton): Not as sincerely.

Mr. CARMICHAEL: My hon. friend says: "Not as sincerely." An hon. member in this corner has persistently asked for a reason for this upward revision on this important item of wearing apparel, but the minister is unable to give the reason. I think the real reason is that this old shibboleth of the difference in tariff doctrine is merely a matter of words carried into action at election time and forgotten in between elections.

Mr. FANSHER (Lambton): I am rather surprised that this item, which includes woollen clothing, should not have been reduced. It seems to me that the schedules are ridiculously high. Practically every two years since this government came into power we have had tariff revisions. The first one we had of any account was during the session of 1924 when the duties in the agricultural schedules were reduced to a considerable extent. Those were reductions that you could see with the naked eye and that you could feel when you went to buy an agricultural implement. Those reductions were effected under the old method, there being no tariff board in existence at that time. In 1926, two

years later, we had good substantial reductions in the duties on automobiles and electrical generating plants for supplying electricity to farm homes, public buildings, and the like. The reduction in the duty on automobiles varied from 35 to 20 per cent on the minimum priced car to not quite so much on the higher priced car. Since 1926, a tariff advisory board has been created and we now have the result of their first endeavours in a revision of the textile schedules. As was pointed out before, the Liberal platform contained a pledge stating that the duties on wearing apparel should be substantially reduced. Yet after they have given this promise; after they have made the preparation of having a tariff board appointed; after that board has spent a year on this tariff schedule, and after we have spent all this time in the house, we have practically no reductions at all. I wonder if we have made any progress by having a tariff board appointed. It seems to me that the old system would have been better because substantial reductions were effected under it in 1924 and 1926.

These textile schedules are being revised this year and it is not likely that we shall deal with them again for a number of years. I know there is a low tariff sentiment in this house. I know there are a number of members from Ontario who were elected because of the budget on low tariff principles of 1926. I know the vote they received was because of those reductions. Yet in the face of the preparation that has been made through a tariff board to effect reductions in these schedules, what have we accomplished? What is the public going to think? These schedules are all entirely out of line with the schedules that were revised in the other two previous budgets and I want to put a few of them on record to show how very high some of them are. I will quote a few of these clothing schedules with the rates proposed.

—	British Preferential tariff	Intermediate tariff	General tariff
Cotton fabrics, unbleached	12½ p.c.	20 p.c.	22½ p.c.
Cotton fabrics, bleached	15 "	22½ "	25 "
Cotton fabrics, n.o.p.	20 "	25 "	27½ "
Cotton sheets, traycloths, quilts, napkins, etc., hemstiched only	15 "	25 "	27½ "
Cotton blankets	15 "	22½ "	27½ "
Cotton socks and stockings	20 "	27½ "	30 "
Cotton clothing	22½ "	25 "	30 "
Shirts, not knitted, collars and cuffs, all of cotton	20 "	30 "	32½ "
Fabrics of flax, unbleached	15 "	25 "	27½ "
Fabrics of flax, bleached or coloured	20 "	30 "	32½ "
Woven or knitted fabrics of vegetable fibres, n.o.p., and linen velveteen	20 "	27½ "	30 "
Handkerchiefs of linen, plain	20 "	30 "	32½ "
Handkerchiefs of linen, fancy	22½ "	32½ "	35 "
Clothing and manufactures of linen	22½ "	30 "	35 "
Collars and cuffs of linen	20 "	30 "	35 "
Wool blankets, household, n.o.p.	22½ "	30 "	35 "
Woollen fabrics, not over 5 ounces to square yard	22½ "	30 "	35 "
Woollen fabrics, heavy	27½ "	35 "	35 "
Socks and stockings of wool, expensive	27½ "	32½ "	35 "

And so on. Hon. gentlemen will observe that the rates in these new schedules are in very few cases below 20 per cent, and most of them in the intermediate and general tariffs are over 25 per cent. In other words, assistance is being given to the extent of one-quarter of the price of the article protected, and that in spite of the fact that we had a pledge in the Liberal platform of 1919 that the duties on wearing apparel would be reduced. That pledge was not only given at that time, but this government has since proclaimed itself as a low tariff government, a government in favour of tariff reduction. Even last session the Minister of Finance was proud to say that this government was a low tariff government. But I would ask, do the rates I have quoted indicate that?

Mr. SMITH (Stormont): Are not the duties lower than they were?

Mr. FANSHER (Lambton): On the whole there is only a slight loss in revenue from this revision, according to the figures given by the Minister of Finance. The Liberal party pledged itself in its platform to provide relief by way of tariff reduction along these lines, and yet the first time these clothing schedules are touched at all, they are left at these

ridiculously high levels and in a few instances the duties are increased. I maintain that this is not a reduction that one can see with the naked eye at all. It is not a reduction that will be felt when one goes out to purchase any of these articles.

Now what is going to be done about it? To my mind there is in this country a strong feeling and a demand that these schedules should be reduced, and if the electors in this country come to realize that they cannot accomplish a reduction along these lines through the Liberal party, which pledged itself to provide these reductions, the low tariff element in this country is going to find expression in some other way. It has done that before. In spite of the assistance that has been given to the government through the increase of low tariff sentiment on the government side of the house since the last election, by the acquisition of a larger number of low tariff men from the province of Ontario and from the western provinces, it seems to me that the government is proceeding in the opposite direction to lower tariffs, and that it is not reducing the tariff after all the preparations that have been made to effect a reduction. The tariff board has given a year's study to this subject, and the low tariff men are in larger numbers than ever before on the government benches, and yet we are asked to put through these schedules with the rates as high as I have mentioned.

The plea of the government used to be that they could accomplish something if they had stable government. But what is being accomplished in these schedules? The agricultural implement schedules were not nearly as high as these, and yet a substantial reduction was effected in them. The automobile duties and other tariffs corresponded with these now before us in rates of duty, and yet a substantial reduction was effected in them, but we have no reduction in these clothing schedules, in spite of the fact that we now have stable government, with the Liberals in a big majority in the house. The Minister of Finance last night, in giving his reasons why all these reductions were being made in the way of placing raw wool and cottons on the free list, said:

> The tariff board in considering how they could best help the industry—

He is speaking of the woollen industry:

> —had two ways open to them; they could either put up the duty on the finished product, or give a concession on the raw material required for the industry. They took the latter course, and I believe it is sound.

But what about the consumer, Mr. Chairman? There was a pledge given to the consumer in the Liberal platform of 1919, that these tariffs would be reduced, but the consumer is not mentioned or even thought of in these schedules. Consideration is shown only for the industry. The industry has had its raw material placed on the free list, while the duties on the finished article remain where they were. This budget provides no relief for the consumer. Is this all we are going to get from the tariff board? We asked for relief for the consumer, we asked for tariff reductions, and that is what we expected to get through our organization, the Consumers' League, but all we get is free raw materials for the manufacturers, and no corresponding reduction for the consumer. I feel that I should not let these tariff schedules pass without bringing them to the attention of the house to show the ridiculously high level at which they are being maintained. Let us remember that once these schedules are passed it is not at all likely that they will be referred to again for a number of years. Consequently we are committing ourselves to these schedules indefinitely. Are we making much progress along the lines of the Liberal platform and in the direction that the electorate expected when they voted at the last election for the Robb budget on the promise that there would be further reductions?

Mr. SPENCER: Mr. Chairman, several hon. members in this corner of the house have asked the minister the reason for the increase in this item 555. I for one should be glad to hear some explanation.

Mr. ROBB: At the risk of tiring the house, let me repeat that there is no increase of the tariff on woollen clothing. I admit that on a very small portion of the item "coated or impregnated, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal," there is a slight increase. But these goods are not wearing apparel; they come under a former classification, and are imported for the class of industry that the last speaker (Mr. Fansher) has just been discussing. They are used largely by the manufacturers of automobiles. Some of it is what is known as imitation leather.

Mr. KENNEDY: The minister says there is no increase?

Mr. ROBB: No increase in woollen clothing.

Mr. KENNEDY: What about the proposal in connection with the British preference that the minister hinted at in his budget speech; will that be an increase?

Mr. ROBB: My hon. friend is referring to the British labour content?

Mr. KENNEDY: Yes.

Mr. ROBB: I am bound to say my hon. friends have convinced me to-night that they have not paid attention to what I have said in the past.

Mr. KENNEDY: I admit it is somewhat difficult to hear the minister in this corner when so much conversation is going on throughout the chamber.

Mr. ROBB: Yes, I sometimes have difficulty in hearing my hon. friend because—

Mr. KENNEDY: Because of the continual chatter.

Mr. ROBB: —because of the busy atmosphere around me. I have told the house at least three times that in the budget we were serving notice on the world that in October we intended changing the percentage of British workmanship to qualify imports under the British preference. Australia had represented to us that 75 per cent would be fair; I think New Zealand suggested 75 per cent also; I do not recall whether South Africa favoured 50 or 75 per cent. We always took the position that 50 per cent would be about fair. Indeed, looking at our own exports to other countries, we were not very much interested in having the percentage higher than 50. This will be done, as it has been done before, by regulations issued by the governor in council. But we are not going to disqualify our own importers in any way by making the percentage of British labour content so high that the goods cannot come in. We want them. But we do not want the middleman on the docks at Liverpool to bring in goods from continental countries and then ship them here under the British preference, thus preventing British workmen from getting any part of the advantage of this change. We are not going beyond what the British manufacturers themselves have imposed upon our industries. I repeat, under the regulations we make there will be certain reservations, and there may be items that will not come in under that 50 per cent. For instance, I am told that certain cotton yarns possibly could not qualify, those yarns will be exempted. I say to my hon. friend now that we will exempt such articles so it will be quite possible for them to come in under the British preference.

Mr. SPENCER: Is that left entirely to the discretion of the minister?

Mr. ROBB: I think it is done through the governor in council.

Item agreed to.

56103—106½

Customs tariff—556. Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, valued at more than $1.50 per pound: British preferential tariff, 27½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. KENNEDY: There is an increase.

Mr. ROBB: My hon. friend will observe there are three classifications for that material. Under 556, which is the high rate, there will be an increase of $20,732; there is no change under 556a; under 556b there will be a net decrease of $43,305. So that on all three items there is a decrease of $22,573.

Mr. KENNEDY: Will the minister explain the reason for dividing the item in this way? It seems to me there will be a lot of difficulty in connection with appraisals, and that it is an attempt to encourage our people to wear cheap goods. We do not want too much of such goods in Canada; our climate calls for the best kind of socks and stockings, especially for people working out of doors. For the life of me I cannot see why there should be this discrimination in the tariff. You would have to buy a pair of these cheap socks every week—perhaps every time you changed your shoes. It looks to me to be an utterly foolish rearrangement.

Mr. ROBB: The items have been prepared after consultation with the tariff board and the officers of the Customs department. We are told by the appraisers, those who are conversant with the trade, that the highest grade takes in largely what are known as sports goods—fancy lines of hose. If my hon. friend is a golfer he may hit back at me, because I am told golf hose and golf jackets come in under the higher classification.

Mr. KENNEDY: No, I am not a golf enthusiast, but I know what it is to sit on a load of wheat at 50 below zero,—

Mr. ROBB: We are in the same class.

Mr. KENNEDY: —and I certainly object to paying an extra tax when doing that kind of work for the Dominion. I think the minister would be well advised to go back to the old items and treat them all alike.

Mr. ROBB: If I did that, my hon. friend would be losing this reduction of $22,573.

Mr. KENNEDY: That is an estimated reduction. I notice how readily the minister refers to these reduction claims, but when we ask him to explain an increase he seems to find it impossible to segregate the imports under items that were previously free but are now dutiable. I would not take that too

seriously. I fancy the reduction in taxation will be more than offset by the increased expense in appraising and watching the different classes of socks coming in.

Mr. SPENCER: Is the increase or decrease based on the estimates of a year ago?

Mr. ROBB: It is based on the business of 1927.

Item agreed to.

Item 556a agreed to.

Customs tariff—556b. Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. KENNEDY: We have been told about some of the higher quality socks. Who are the victims condemned to wear socks under item 556b?

Mr. ROBB: I am in the class that will wear the lower priced socks.

Item agreed to.

Items 557 and 557a agreed to.

Customs tariff—557b. Garnetted material wholly of silk, artificial silk or similar synthetic fibres, produced by chemical processes, obtained by disintegrating cocoons, yarns or fabrics, prepared for use; filaments or loose fibres wholly of silk, artificial silk or similar synthetic fibres produced by chemical processes, not more advanced than in the form of sliver; waste portions of unused fabrics, rags and waste, wholly of silk, artificial silk or similar synthetic fibres, not to include remnants nor mill ends, n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. STEVENS: What is the duty under the old item?

Mr. ROBB: Under the old item the rates were 7½, 10 and 12½; they are all down now to 5, 7½ and 10. It does not make much difference in the cost.

Item agreed to.

Customs tariff—558. Yarns and warps wholly of thrown silk, in the gum: British preferential tariff, 10 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Mr. EDWARDS (Waterloo): What were the importations of thrown silk?

Mr. ROBB: $12,140.

Item agreed to.

Items 558a, 558b, 558c and 558d agreed to.

Customs tariff—558e. Yarns and warps, wholly of thrown silk in the gum, rovings, yarns and warps, wholly of spun silk, not coloured, imported by manufacturers for use exclusively in their own factories for knitting underwear, for weaving or for the manufacture of silk thread: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. KENNEDY: Is the minister going to let this pass without claiming a reduction? It looks to me like an increase but it may be a reduction.

Mr. ROBB: My hon. friend is quite right; I do estimate a slight increase but the business does not amount to anything.

Mr. GUTHRIE: Why increase it?

Mr. ROBB: We have increased it under the intermediate and the general but it remains free under the British preference.

Item agreed to.

Customs tariff—559. Black mourning crapes: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. KENNEDY: This seems to me to be the masterpiece of the tariff revision. There is a reduction of 2½ per cent under the British preference on mourning crapes. Evidently the minister anticipates the general result of the introduction of his budget.

Mr. ROBB: What does my hon. friend mean by that? Does he want us to think that he was serious in his speech the other day when he referred to a possible alliance between the two groups opposite?

Item agreed to.

Items 560, 560a, and 560b agreed to.

Customs tariff—560c. Woven fabrics composed in part of silk, n.o.p., knitted fabrics wholly or in part of silk, not to contain wool: British preferential tariff, 22½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. FANSHER (East Lambton): There seems to be an increase; will the minister explain it?

Mr. ROBB: There is an increase in the intermediate and the general but a reduction in the British preference. The bulk of the imports comes under the preference.

Item agreed to.

Items 560d, 560e and 561 agreed to.

Customs tariff—561a. Woven fabrics composed in part of artificial silk, or similar synthetic fibres produced by chemical processes, n.o.p., knitted fabrics wholly or in part of such artificial silk, not to contain silk nor wool. British preferential tariff, 22½ per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. HEAPS: I think 35 per cent is too high. This class of goods is bought pretty generally by all classes of our people, and I think if there is to be any reduction it should be in this item. I would ask the minister to give his reasons for retaining this duty at 35 per cent.

Mr. ROBB: Does my hon. friend mean that the intermediate rate should be 30 per cent instead of 32½ per cent?

Mr. HEAPS: I would like to see the whole thing reduced.

Mr. ROBB: I would not like to reduce the whole schedule, because we have had practically no inquiry into the silk question, so we are not making many changes. However, I think there might be some reason for lowering the intermediate tariff to 30 per cent, because formerly there were two classifications at 30 per cent and only one at 32½ per cent. With the permission of the house I will move that the intermediate rate be 30 per cent instead of 32½ per cent.

Mr. FRASER: What is the rate under the British preferential?

Mr. ROBB: It will be 20 per cent.

Mr. STEVENS: It is 22½ per cent in the resolution before the committee.

Mr. ROBB: I intend amending that and making it 20 per cent.

The CHAIRMAN: The item before me reads 20 per cent, and I read that in the first place.

Mr. STEVENS: That does not make any difference; the resolution before the committee reads 22½ per cent, and can only be changed by motion of the minister.

The CHAIRMAN: The minister of Finance moves that the preferential rate be made 20 per cent and the intermediate rate 30 per cent.

Amendments agreed to.

Mr. FANSHER (Last Mountain): Did I understand the minister to say that the tariff board have not passed upon the silk schedules?

Mr. ROBB: Not completely. They sat in with me on this re-classification, but they have made no inquiry.

Mr. FANSHER (Last Mountain): It seems to me we can secure greater reductions when the tariff board have not made an investigation.

Mr. QUINN: The item is not changed?

Mr. ROBB: It is a re-classification.

Item as amended agreed to.

Items 562, 562a and 563 agreed to.

Customs tariff—564. Woven fabrics wholly, or in chief part by weight, of silk or artificial silk, or both, imported in the web in lengths of not less than ten yards each by manufacturers of neckties for use exclusively in the manufacture of such articles in their own factories: Brtish preferential tariff, 17½ per cent: intermediate tariff, 20 per cent; general tariff, 20 per cent.

The CHAIRMAN: The minister of Finance moves in amendment that the word "ten" in the third line be deleted, and the word "five" substituted.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—565. Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, n.o.p.; bobinet, manufactures of lace, handkerchiefs, pillow shams and curtains, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

The CHAIRMAN: The minister moves in amendment that the words "nets, nettings," be included before the word "bobinet," and that the words "nets, nettings and embroideries" be included after the words "manufactures of lace." The item will then read:

Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, n.o.p.; nets, nettings, bobinet, manufactures of lace, nets, nettings and embroideries; handkerchiefs, pillow shams and curtains, n.o.p.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—566. Socks and stockings wholly or in part of silk: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. HEAPS: I think the minister might show his generosity and make a reduction in this item and in item 566a as well. This is one of the highest tariffs in the whole schedule, and I think a duty of 35 per cent on socks and stockings, which are used by everyone in Canada, is much too high.

Mr. ROBB: I am sorry I cannot meet my hon. friend on that. These are regarded at least as a semi-luxury.

Mr. KELLNER: I would like to ask the minister if stockings composed of part silk and part wool would come under this

item or under the woollen item? The rate is a little higher under this item, and if they were admitted under the other item the rate would be 2½ per cent less.

Mr. ROBB: I cannot tell my hon. friend. It would be a matter of interpretation by the National Revenue department.

Mr. KELLNER: It seems rather strange that the stocking with a silk content should come in at a lower rate of duty than the stocking with a woollen content.

Mr. STEVENS: There are more of them worn.

Mr. HEAPS: During the discussion yesterday it was mentioned that one of the reasons for the decline in the woollen industry was the increasing use of artificial silk. An increasing number of women are now wearing stockings made of this fabric, and that fact should be borne in mind in fixing the rate of duty. The interest of the masses should be considered and the duty made as low as possible.

Mr. ROBB: I think the next item takes care of artificial silk.

Item agreed to.

Customs tariff—566a. Socks and stockings wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, but not containing silk: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. ROBB: There is a difference in the classification here.

Mr. HEAPS: Is the minister going to provide for some reduction in the duty?

Mr. ROBB: I said a moment ago that there had been no inquiry in the case of silk. I prefer not to make any changes in regard to these fabrics until there has been an inquiry.

Mr. HEAPS: And will the minister make a reduction in the duty after the inquiry has been held?

Mr. ROBB: My hon. friend is making his suggestion at a very early period.

Mr. LUCAS: What were the importations under this item?

Mr. ROBB: They amounted to $127,106.

Mr. HEAPS: That shows the need of a reduction in the tariff.

Item agreed to.

[Mr. Kellner.]

Customs tariff—567. Clothing, wearing apparel and articles made from woven or knitted fabrics and all textile manufactures, n.o.p., wholly or partially manufactured; fabrics, coated or impregnated, n.o.p.; all composed wholly or in part of silk: British preferential tariff, 30 per cent; intermediate tariff, 35 per cent; general tariff, 37½ per cent.

Mr. ROBB: I beg to move that the following be substituted for item 567:

567. Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manuactured, n.o.p., of which silk is the component of chief value; fabrics, coated or impregnated, n.o.p., composed wholly or in part of silk: British preferential tariff, 30 per cent; intermediate tariff, 35 per cent; general tariff, 37½ per cent.

The importations under item 583 of the old tariff, were $3,598,402. There is no change in the rate.

Mr. FRASER: What about the other one?

Mr. ROBB: Part of the other one goes into this item as I explained a few moments ago.

Mr. FRASER: You will have an increase of revenue there?

Mr. ROBB: Yes.

Mr. FANSHER (Lambton): Will the minister explain what change has been made in comparison with the items in the old tariff?

Mr. ROBB: I explained that before in the case both of the cotton and linen items, and also that respecting wool.

Mr. KENNEDY: I do not think the minister has explained why the increase in the duty was made. I think he did explain that certain materials were placed in this class, but he did not explain to anybody in this house the reason for the increase in the duty.

Mr. ROBB: I do not know that I can offer any further explanation than I have already given. The material affected is a highly finished fabric and we could not place a lower duty on it than on the raw material from which it is manufactured.

Mr. KELLNER: Does the minister feel safe in raising the duty before there is an investigation rather than reducing it?

Item as amended agreed to.

Customs tariff—567a. Clothing, wearing apparel and articles made from woven or knitted fabrics and all textile manufactures, n.o.p., wholly or partially manufactured; fabrics, coated or impregnated, n.o.p.; all composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk: British preferential tariff, 30 per cent; intermediate tariff, 35 per cent; general tariff, 37½ per cent.

I beg to move that the following be substituted for item 567a:

567a. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes; fabrics, coated or impregnated, n.o.p., composed wholly or in part of artificial silk, or similar synthetic fibres produced by chemical processes, but not containing silk: British preferential tariff, 30 per cent; intermediate tariff, 35 per cent; general tariff, 37½ per cent.

Mr. QUINN: A general revision downward.

Item as amended agreed to.

Customs tariff—567b. Church vestments of any material: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. FANSHER (Lambton): Does not the minister think there should be a reduction here? It seems to be quite a high tariff.

Mr. ROBB: What does my hon. friend suggest

Mr. FANSHER (Lambton): Salvation is free.

Item agreed to.

Customs tariff—568. Knitted garments, n.o.p., knitted goods, n.o.p., knitted underwear, n.o.p., all to be valued at more than 90 cents per pound: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 568:

568. Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at more than ninety cents per pound: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. HEAPS: Is this another of the items that is going to be investigated by the tariff board?

Mr. ROBB: There has been no inquiry yet.

Mr. HEAPS: Will there be a reduction in duty after the hearing?

Mr. ROBB: I could not make any announcement in advance of the hearing before the board.

Item as amended agreed to.

Customs tariff—568a. Knitted garments, n.o.p., knitted goods, n.o.p., knitted underwear, n.o.p., all to be valued at 90 cents per pound or less: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. ROBB: I beg to move that the following be substituted for item 568a:

568a. Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at ninety cents per pound, or less: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. QUINN: Who asked for the reduction there?

Mr. ROBB: Now we are coming into the schedule dealing with knitted goods. This has been partly before the board at least.

Item as amended agreed to.

Customs tariff—569. Hats, caps, hoods and bonnets, n.o.p.; hat and bonnet crowns and hat, cap and bonnet shapes: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. KENNEDY: Why the increase?

Mr. ROBB: There is no increase.

Item agreed to.

Customs tariff—569a. Unfinished hoods, composed of leghorn, manila, palm leaf, grass, willow or chip, not bleached nor blocked: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. KENNEDY: What is the reason for this increase—protection?

Mr. ROBB: It was free under all columns before. It is free now under the British preference.

Mr. KENNEDY: There is an increase?

Mr. ROBB: There is an increase amounting to $90.

Mr. KENNEDY: Increased protection.

Item agreed to.

Customs tariff—569b. Hat sweats, cap peaks, hatters' tips and sides when cut to shape, imported by manufacturers for use exclusively in the manufacture of hats and caps in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, 7½ per cent.

Mr. GUTHRIE: Is any change proposed by the minister in regard to this item?

Mr. ROBB: These were free under all columns previously. This item is a part of items 638a and 538. Item 638a was free under all classes. Under item 538 the duties were 15 per cent, 22½ per cent and 25 per cent. These are all free now under the British preference, but it is proposed that under the treaty rates the duty will be 5 per cent,

and under the general tariff, 7½ per cent. The manufacturers have been asking us to make this item free under all classes, but we thought it would be better to have it in this way. I should be glad to hear my hon. friend's views on the subject.

Mr. GUTHRIE: I have not any very definite views more than this. These bands and trimmings, that are known as sweat bands, are not and never have been manufactured in Canada. The bulk of the importation of them has always been from the United States, because the trade in Canada demands the United States sweat band. I realize the very laudable effort of the minister to drive this trade into British channels, but British sweat bands and trimmings are not suitable to the Canadian trade. I do not know who has asked for this change, and I do not think the matter was investigated by the tariff board. I think this is done just by the whim and fancy of the minister or his assistants. The whole schedule is got up without any principle; it is purely hapahazard, guess-work. Any communication that has come to me on the subject from manufacturers—and I have quite a large hat factory in my riding—has been merely to leave these matters as they were, free, free, free, from all countries.

Mr. STEWART (Leeds): I wish to support the hon. member for South Wellington in his remarks in connection with this item. From the information which I have, the demands of the Canadian trade with respect to these articles are such that all imports must come from the United States. In England they do not make the varieties and styles that the Canadian people want and that correspond with the United States styles. If the minister could tell us just how much of the imports comes under the British preference and how much comes from other sources, we might be able to arrive at some conclusion. The hon. member for Vancouver South suggests that $178,000 worth come from United States and only $36,000 worth from Great Britain, bearing out the argument I am making. There is in Canada no factory making these goods; the volume of trade in this country will not warrant the establishment of a factory, and it appears impossible to switch any considerable amount of this trade to Great Britain because of the facts that I have stated, namely, our proximity to the United States, the similarity of styles and the many styles of bands that they have over there and that we insist on having here. Therefore it seems to me that we are simply increasing the cost of the hat without any advantage whatever to any Canadian industry. I suggest that this item be taken under further consideration and be made free under all tariffs as it was before.

[Mr Robb.]

Mr. ROBB: My hon. friend and the hon. member for South Wellington have placed me in a position where I am compelled to accede to their wishes. Representatives of two of these different industries called upon me and made representations. They said that they could telegraph and get these goods sometimes over night and that Canadians preferred styles similar to those they observed on the hats of tourists coming into Canada from the United States. I was very frank with them; I said to them: If you can get your member to stand up and make a speech favouring free trade with the United States, I will listen to it. I move therefore that this item be amended so that it will read: "Free, free, free", in all columns.

Mr. GUTHRIE: I must thank the minister for his consideration in regard to this item. If he will do the same thing in regard to worsted yarns, I will not have very much to complain of.

Mr. ROBB: We have passed that.

Mr. STEWART (Leeds): I wish also to thank the minister, but to explain to him that our reason for doing this is that no industry in Canada is being injured. That is the great distinction in these matters. I would not stand here and ask for this reduction if the effect were to be the deprivation of any Canadian workman of a job, forcing him to go to the United States to seek employment. We are doing this simply because no Canadian industry is being injured, but because on the contrary Canadian industry is being promoted.

Mr. HEAPS: I am very much interested in this matter. Has the minister taken this action without consulting the tariff board?

Amendment agreed to.

Item as amended agreed to.

Mr. ROBB: With the unanimous consent of the committee, I move that we reconsider item 569a. If we are going to do this, we might as well make a job of it and put them all on the same basis.

Motion agreed to.

Customs tariff—569a. Unfinished hoods, composed of leghorn, manila, palm leaf, grass, willow or chip, not bleached nor blocked: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. ROBB: I move that this item be amended so that it will read: "Free, free, free," in all columns.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—569c. Braids or plaits, of chip, palm leaf, manila, willow, osier, rattan, straw, tuscan or grass; braids or plaits of artificial silk or similar synthetic fibre produced by chemical processes; braids or plaits of glazed cotton thread; all to be imported for use exclusively in the manufacture of hat bodies or shapes, but not for ornamentation or trimming of such bodies or shapes: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. ROBB: I move that this item be amended so that it will read: "Free, free, free" in all columns.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—569d. Woven fabrics, not exceeding three inches in width, in lengths of not less than eighteen yards, of a class or kind not made in Canada, generally known as "single, double or four shot corded ribbon", imported by manufacturers for use exclusively in their own factories in making the bands on hats or in binding the edge of the hat brim: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. ROBB: I move that this item be amended so that it will read: "Free, free, free" in all columns.

Amendment agreed to.

Item as amended agreed to.

Items 570, 571 and 572 agreed to.

Customs tariff—573. Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. SPENCER: This seems a very high tariff on a product that is used by the very poorest of people. I would like the Finance minister to give us a reason why the tariff should be so high.

Mr. ROBB: This is one of the items upon which there has been no inquiry as yet by the board.

Mr. SPENCER: All the more reason why we should reduce it.

Item agreed to.

Items 574 and 574a agreed to.

Customs tariff—574b. Webbing, with strands of rubber interwoven or braided therein, exceeding one inch but not exceeding twelve inches in width, imported by manufacturers for use exclusively in their own factories: British preferential tariff, 12½ per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. KENNEDY: Why this increase? I notice there was an increase in the previous item too.

Mr. ROBB: There is no increase in the British preferential.

Mr. KENNEDY: But there is in the other two tariffs. What is the reason?

Mr. ROBB: It has been represented to me that this industry which is a small one could not get along under any lower rates, and would be closed down.

Mr. ADSHEAD: Did the tariff board make a recommendation on this item?

Mr. ROBB: I had consultations with the board but the industry did not appear before the board.

Mr. FANSHER (Last Mountain): This item applies to more than manufacturing industries. There has been a great deal of immigration into Saskatchewan during the last five years, but we find that we have 1,600 fewer farmers to-day than we had five years ago, and it is because of such schedules as this. Are we to receive no consideration at all? I was pleased when two gentlemen to my right, evidently converts of the hon. member for Rosetown, stood up and asked for free materials from the United States for the manufacturer, but they protest vigorously against us when we ask for similar consideration in regard to what is the raw material in our production. I would urge the minister to give us the same considera-

Mr. KENNEDY: I can hardly look at these items without thinking of some of the speeches I used to hear Liberal orators making in the province of Saskatchewan when I lived there some years ago. I never heard a Liberal speech in Saskatchewan in those days without hearing that if the Tories came back into power, the tariff would be raised as high as Haman's gallows. I cannot look at these increases without thinking of those claims, and wondering why it is that hon. gentlemen across the way think it should be so easy for us to co-operate with them, and so difficult for us to co-operate with the Tories. If anybody can tell me what is the difference between the Liberal

policy and the Tory policy, not on the basis of the speeches made, but on the basis of the actual tariff reductions effected or increases made, I shall be glad to be enlightened. The speeches of the high tariff Tories I do not think should be taken any more seriously than the speeches of the low tariff Liberals, and I would like to know where the actual difference is as expressed in the tariff schedules.

Mr. YOUNG (Saskatoon): If the hon. gentleman will read the table printed at the end of the Prime Minister's speech the other day he will find some differences there.

Mr. KENNEDY: Yes, on the basis of speeches, but I am speaking of the schedules.

Mr. YOUNG (Saskatoon): I was speaking of the actual record.

Mr. KENNEDY: But what about these items? Here are increases of 10 per cent in the British preference, and 5 and 7 per cent in the intermediate and general rates. What difference is there in this instance?

Mr. BOIVIN: I would point out to the hon. gentleman that in item 574a there is a reduction from 25 to 20 per cent in the British preference. In item 574b there is an increase of 5 per cent.

Mr. STEVENS: Nothing comes from Great Britain under that item. The imports all come in from the United States.

Mr. BOIVIN: I will give you the imports from Great Britain and the United States under item 574b, in 1926: United States, $144,801; United Kingdom, $47,649. There is actually a decrease in this item from 25 to 20 per cent.

Mr. STEVENS: I do not know what my hon. friend is quoting from, but I have the record here. I will admit that it is compiled by this government, and it may be faulty, but I cannot be charged with that. For the year 1926 I find that "webbing, elastic, over one inch in width," was imported from the United Kingdom to the amount of $15,900, and from the United States, $389,000; other countries, $267.

Mr. BOIVIN: The hon. gentleman is referring to 574b?

Mr. STEVENS: It is not described as 574a or 574b in the trade returns. It is described as "webbing, elastic, over one inch in width," and in the item before us it is described as "webbing with strands of rubber," which is elastic, "interwoven or braided therein, exceeding one inch but not exceeding twelve inches in width."

[Mr. Kennedy.]

Mr. BOIVIN: The items are changed. I admit that the imports were $389,199 from the United States, and $15,992 from England. This item is changed to 574b, but the other item, 574a, refers to narrow goods, and under that item there was imported from the United States goods to the amount of $144,800, and from the United Kingdom, $47,649.

Item agreed to.

Customs tariff—575. Cordage exceeding one inch in circumference, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. QUINN: Has any consideration been given by the Finance minister or by the tariff board to the representations made by the delegations from the city of Halifax and the town of Dartmouth regarding the cordage duties?

Mr. ROBB: There is no change in this item my hon. friend will observe.

Mr. QUINN: So I notice. But were not very strong representations made to the minister and to the tariff board, on behalf of an industry in the town of Dartmouth, for increased duties on cordage?

Mr. ROBB: Yes. A delegation waited on me and represented that unless an increased tariff on rope were granted the industry would not continue in Dartmouth. They wanted manila rope to be given a higher classification, and supported their request with petitions. I had officers of the department check up the petitions, and they found that two, one asking for cheap rope for fishermen, and the other asking for this higher classification, were signed by several of the same petitioners. Under the circumstances I thought it better to leave the item as it is.

Item agreed to.

Customs tariff—576. Window shades mounted on rollers, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. STEVENS: We had window shade items before.

Mr. ROBB: Those were window shade cloth; these are mounted.

Item agreed to.

Items 577 and 578 agreed to.

Customs tariff—590c. Engines and complete parts thereof, when imported for use only in the equipment of aircraft: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent. On and after 1st July, 1930: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent general tariff, 27½ per cent.

Mr. STEVENS: "On and after 1st July, 1930." That is quite contrary to the usual practice, is it not? Will the minister explain why it is inserted?

Mr. ROBB: I am told it was in before, but expired this year. We are extending the period for two years.

Item agreed to.

Customs tariff—610. Belting for machinery, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. FRASER: What does the addition "for machinery" mean in this item?

Mr. ROBB: It is asked for by the National Revenue department to make it plain that belting for machinery is covered, not other kinds—for instance, body belts.

Mr. FRASER: There are conveyer belts.

Mr. ROBB: They would be classified as machinery.

Mr. KENNEDY: I suppose this includes threshing machine belts?

Mr. ROBB: No, they would come in under a lower rate. That is why, "n.o.p." appears there.

Mr. EVANS: Is this the rate that will be paid by manufacturers for belting in their own factories?

Mr. ROBB: Yes.

Mr. EVANS: Is this also the rate that will be paid for repairs for agricultural machinery?

Mr. ROBB: No, I should think it would be whatever the agricultural machinery rate is.

Mr. EVANS: I know that when a threshing machine is sold the drive belt is priced separately; it does not go with the machine. Is this the rate that will be paid for repairs for agricultural machinery?

Mr. ROBB: Yes, it will come in under whatever the classification for the machinery may be. Threshing machines come under 447b: Wind-stackers, and threshing machine separators, including baggers, weighers, and self-feeders therefor, and complete parts thereof, 5 per cent, 10 per cent, 10 per cent. That would be the classification.

Mr. EVANS: Does the connecting or drive belt go at the same rate as the rest of the machine?

Mr. ROBB: That is my understanding.

Mr. FRASER: Then how do you distinguish between a belt imported for a threshing machine and another for a sawmill?

Mr. ROBB: That is a matter for the customs administration; I could not explain it.

Mr. STEVENS: I think the minister is not quite clear, because we have leather belting in item 605, 10 per cent, 12½ per cent and 15 per cent. Then there are several other items of belting. There is belting of leather: 15, 20 and 22½; belting n.o.p.: 20, 25 and 27. Then there is this item now proposed, belting for machinery, n.o.p.: 20, 25 and 27½. It is quite clear that belting that would be purchased for agricultural or saw mill machinery or any other class of machinery would come under one of these heads according to the make.

Mr. ROBB: I am advised that it would come as a complete part of the machine, but I am inclined to agree that if a hardware merchant in a country village handled material of this kind bought in rolls it would come under one of these classifications; it would not be a complete part.

Mr. FANSHER (Lambton): How is it that this belting comes under the same classification as silk and artificial silk?

Mr. ROBB: These are some nondescript items at the end but they are not under that classification.

Mr. EVANS: Does this item include what is under the old schedule, 411, malleable sprocket chain and link belting chain of steel—

Mr. ROBB: That is a steel product.

Mr. EVANS: Does any other item cover that?

Mr. ROBB: This item is a rewording of 610.

Mr. EVANS: What about 411 in the old tariff?

Mr. ROBB: My hon. friend will have to enquire at the department; I have not the information here.

Item agreed to.

Items 620, 621, 622 (now 626) and 627 agreed to.

Customs tariff—627a. Mitts or mittens of all kinds: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. SPENCER: How many mitts came in under the British preference last year?

Mr. ROBB: There is no separate classification of mitts; they are shown with gloves. It is estimated that the reduction will be $5,000. The imports last year of mitts and gloves amounted to $1,401,375. I cannot state what proportion comprised mitts and mittens.

Item agreed to.

Items 630, 681 and 682a agreed to.

Mr. STEVENS: The minister is not going on with the drawbacks to-night?

Mr. ROBB: It is only ten o'clock.

Mr. STEVENS: The leader of the opposition is not here.

Mr. ROBB: Perhaps we could take up something else.

Mr. STEVENS: Read the item and we can enter it. This is a new resolution.

DRAWBACKS

Resolved, that schedule B to the customs tariff, being chapter 44 of the revised statutes of Canada, 1927, be amended by striking thereout tariff items 1011, 1012, 1024, 1029, the enumeration of goods, and the rates of drawback of customs duties set opposite to each of the said items, and the following items, enumerations and rates of drawback of customs duties be inserted in the said schedule B.

Customs tariff—1011. Botany yarn, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgian systems, in white only, not doubled or twisted, subject to drawback when used prior to the first day of October, 1928, in the manufacture of socks and stockings and jersey cloth—payable as drawback 99 per cent.

Mr. BENNETT: Is there any change?

Mr. ROBB: The only change is that this drawback expires on September 30, 1928.

Mr. BENNETT: There was no date before. Why is the drawback entirely removed?

Mr. ROBB: The drawback was given to establish this industry, under the French and Belgian systems. It is well established now and it is considered reasonable that they should pay their share. It comes under a 10 per cent item.

Mr. BENNETT: In other words, they are going to be protected under the tariff and the drawback is taken away?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—1012. Woven fabrics in the web, subject to drawback when used in the manufacture of linings for hats and caps, or in the manufacture of hat shapes, and bonnet shapes, made from buckram—payable as drawback 99 per cent.

[Mr. Spencer.]

Mr. BENNETT: Buckram was covered by a special item in the tariff and was free for purposes of bookbinding.

Mr. ROBB: This is for hats.

Mr. BENNETT: There is a drawback of 99 per cent?

Mr. ROBB: Yes.

Mr. STEWART (Leeds): According to my information, under the old tariff a drawback of 99 per cent was allowed on a completed lining. That item has been withdrawn, and it now reads; "Woven fabrics in the web when used in the manufacture of lining for hats and caps" as amended. There is no objection to the item as it stands, as is pointed out in a letter which I have received. The writer says:

Paragraph 1012 under the old tariff allowed a drawback of 99 per cent on completed linings. This item has been withdrawn and it now reads, "Woven fabrics in the web when used in the manufacture of linings for hats and caps." While this will be satisfactory providing we will be permitted to engage the help from the United States necessary to print and make up the linings, we call your attention to the fact that we have now at least 1,800 dozens of linings in stock on which we paid a duty of 37½ per cent expecting a drawback of 99 per cent on same after we put these into hats and shipped them to consumers. We sold these linings practically at cost and depended on the drawback to avoid a loss. For instance, a lining for which we charged $3 per dozen cost us $2.93 per dozen after being put in the hat. You can see by this that we had to figure on the drawback to avoid a loss.

If this item cannot or will not be changed then we would like to be permitted either to receive the drawback until June 1, when our spring season ends and our fall season commences, or not have these tariff items enforced until then.

Mr. ROBB: I am disposed to meet my hon. friend on that, but I do not see just how that can be done.

Mr. BENNETT: As it stands now there is a drawback of 99 per cent in perpetuity, or until amended. Is that not so?

Mr. ROBB: Yes.

Mr. BENNETT: Then there is no question of the drawback whether the material is used to-day, to-morrow or any time.

Mr. STEWART (Leeds): There is a different wording in the present drawback.

Mr. ROBB: Let me see if I understand my hon. friend correctly. The industry in his constituency has imported the linings and manufactured them. That is now changed.

Mr. BENNETT: It must be imported in the web, and that was not the case formerly.

Mr. ROBB: I am afraid I will be unable to help my hon. friend. I think he had better take his chances, together with everyone else.

Mr. STEWART (Leeds): If these imports were made before this change took place, would it not be a matter of justice that these drawbacks should be allowed?

Mr. ROBB: All these changes became effective on February 17. My hon. friend's industry is in no worse position than any other industry in Canada. I have given him a considerable concession to-night, and I hope he will not press this point because it would be establishing a precedent which might become very expensive.

Mr. STEVENS: Would not the minister consider that any importation made prior to the passing of the budget would be entitled to the drawback when claimed, although it might not be claimed before the passing of the budget? I think that might be done in the administration of these items.

Mr. ROBB: That is a matter for consideration by the Department of National Revenue, and it might be passed upon by the treasury board, although I am not sure of that.

Mr. BENNETT: If the minister will observe, item 1011 fixes the date of October 1, 1929, within which certain named articles are to be used; item 1024 is in almost similar terms, but item 1012 places no limitation upon the time within which the rebate or drawback is to operate. As I understand the contention submitted to the committee it is that you should apply the same principle with respect to the intermediate item as to the other two. I think this is only precautionary, because I fancy the officers of the department will say, "Where the goods have been actually imported and the duty paid, the rate of rebate would apply as it then was", but apparently the government thought it advisable in the other two items to which I have referred to fix a date, namely October 1, 1929. Is it quite right that you should do that in those cases while leaving the intermediate item in such a condition that it will create a hardship amounting to financial loss with regard to the parties interested?

Mr. ROBB: These parties waited on me, and I do not think this will amount to very much. Of course this gentleman wants every dollar he can get, for which I do not blame him, but we made concessions to him to-night on four different items. I think he had better take his chances in connection with this item along with the other people.

Mr. STEVENS: I would like to call the attention of the minister to section 10 of the Customs Tariff Act regarding drawbacks, which is as follows:

On the materials set forth in schedule B to this act, when used for consumption in Canada, for the purpose specified in that schedule, there may be paid, out of the consolidated revenue fund, the several rates of drawback of customs duties set opposite to each item respectively in that schedule, under regulations by the governor in council.

So the governor in council has it within his power to pay that drawback under that section.

Mr. ROBB: I will make no commitment to-night, but if my colleague should recommend that and next year it is found that we have consented to it, I hope my hon. friend will not deal too harshly with us.

Mr. STEVENS: We will hold him immune for anything of this kind.

Item agreed to.

Section 1024 agreed to.

Customs tariff—1029. Materials. When imported by manufacturers of hat sweats, cap peaks and hatters' tips and sides when used in the manufacture of such articles in their own factories—payable as drawback, 99 per cent.

Mr. ROBB: We have added the words "cap peaks" this year.

Item agreed to.

Customs tariff—1060. Newsprint paper covered by tariff item 197 and other paper covered by tariff items 197a and 198a. When used exclusively in the production of publications devoted primarily to agriculture, magazines or periodicals, published and issued at regular intervals and ejoying second class postal privileges, containing critical, informative and descriptive articles on various subjects, current topics, political and other news or reviews, criticisms or other informative matter, or fiction, being bound, wire stitched or otherwise fastened together: Provided that no drawback shall be paid under this item on trade journals, supplements of newspapers, publications devoted to the private interest of the publisher, or association publications, or publications devoted to the enterprise of the publisher, but not to exclude publications devoted primarily to agriculture—payable as drawback, 80 per cent.

Mr. ROBB: This is the amended item, which I move.

Mr. BENNETT: There was some talk of having this amendment printed.

Mr. ROBB: This amendment is to take the place of the present item 1060.

Mr. BENNETT: In reading the amendment the chairman said "197a and 198a." In the original motion the word "or" was used instead of "and."

Mr. ROBB: I am prepared to accept the legal opinion of my hon. friend in a matter of this kind.

Mr. BENNETT: I think probably "or" would be correct. Perhaps the minister will give us an explanation of what the report of the tariff board was on this item.

Mr. ROBB: The tariff board thought that a 60 per cent drawback might meet the wishes of those who were asking for this change.

Mr. FRASER: What did they ask for?

Mr. BENNETT: They asked to have it made free.

Mr. ROBB: They wanted it free. Then I had some representations that 80 per cent would be fair, and I took the responsibility of making the drawback 80 per cent.

Mr. BENNETT: But there was a distinction between the original application made by Mr. Chipman, and the subsequent development of the application, according to the records we have here. I fancy the minister recalls what I refer to. He will recollect the application was made by Mr. Chipman.

Mr. ROBB: The inquiry into the application of Mr. Chipman and some others is not completed. It was thought fair to give them this concession and in the meantime the inquiry will go on.

Mr. BENNETT: The amended protection is vastly different from what was originally proposed.

Mr. CAHILL: Carried.

Mr. BENNETT: The hon. gentleman does not want to be unduly hasty.

Mr. CAHILL: I thought the hon. gentleman had concluded his remarks.

Mr. BENNETT: I am on my feet at the present time and it would be well for the hon. gentleman to observe that fact. Only one of us can speak at a time, and if the hon. gentleman desires to speak I will sit down. This item is not as simple as it seems. The application in this matter was made by agricultural journals, and it was supported by certain trade journals. It is now limited entirely to the agricultural journals, and the item is altogether different from the terms in which it was introduced into this house. We should like to know just what the reasons are for that.

Mr. ROBB: I had representations made to me by the paper manufacturers. They stated that the resolution as introduced would be pretty wide. For instance it was represented to me that it would enable large mail order houses sending out their advertising matter to get paper under the regulations as they were originally presented and receive the drawback. Accordingly the item has been tightened up in order to limit the purpose to that originally intended. That was done after consultation with the officers of the department.

Mr. FRASER: To what journals does the item apply now?

Mr. ROBB: I could not tell my hon. friend that; I have not a list of journals throughout the country.

Mr. BENNETT: About how much money will be involved?

Mr. ROBB: I cannot tell my hon. friend that.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—1061. Woven fabric manufactured for covering the outside of books, of a class or kind not made in Canada. When imported by bookbinders for use exclusively in binding books in their own factories—payable as drawback, 99 per cent.

Mr. ROBB: I beg to move that the following be substituted for drawback item 1061:

1061. Woven fabric manuactured for covering the outside of books, of a class or kind not made in Canada. When used by bookbinders in binding books in their own factories—99 per cent.

Mr. BENNETT: This item certainly is somewhat in conflict with the buckram item to which reference was made the other evening. Buckram is the word which was used in the linen schedule. This is a woven fabric, and certainly buckram is a woven fabric manufactured for covering the outside of books. Buckram not made in Canada came in under certain conditions. The article dealt with under this item is woven fabric manufactured for covering the outside of books, and provision is made for a drawback of 99 per cent. In the case of the other item, there is a duty but I forget the exact amount. There must be some explanation as to why these two items should appear in that way.

Mr. ROBB: There is an item with respect to bookbinders' cloth.

Mr. BENNETT: That is what I am turning back to.

Mr. ROBB: Item 638 in the tariff relates to buckram adapted for the manufacture of hat and bonnet shapes. I may tell my hon. friend that buckram is never used for bookbinding.

Mr. BENNETT: I may be mistaken but I was under the impression there was an item dealing with buckram for bookbinding.

Mr. ROBB: Item 531 in the tariff reads as follows:

Cloth such as is used for covering the outside of books when imported for use exclusively in binding books, under regulations by the Minister of Customs: British preferential tariff, free; intermediate tariff, free; general tariff, free.

In this case we changed the tariff item into a drawback item because we learned the tariff item was being abused.

Mr. STEVENS: I am, perhaps, a little dense, but item 531, which is still in the tariff, deals with cloth used for covering the outside of books. That is free. The item we are dealing with here is woven fabric manufactured for covering the outside of books and is subject to a drawback of 99 per cent. How can you get a drawback of 99 per cent on an article that is free of duty?

Mr. ROBB: The free item has been repealed.

Mr. STEVENS: The minister said a moment ago it is still in the tariff.

Mr. ROBB: It may come in under the item of coloured linens or cottons, but the drawback of 99 per cent is paid when the fabric is used for covering books.

Mr. STEVENS: Can the minister give us the new item which takes the place of 531?

Mr. ROBB: Whatever classification it comes into now the bookbinders will get back 99 per cent of the duty if the material is used for bookbinding purposes.

Mr. BENNETT: That is a new item in the tariff.

Mr. STEVENS: Formerly it was free. Now there is a drawback of 99 per cent.

Mr. BENNETT: And there is a duty on it.

Mr. STEVENS: Somewhere, but we do not know where it is.

Mr. ROBB: My hon. friends will surely admit that there may be a difference in classification.

Mr. STEVENS: What I am trying to find out is where it is. We have repealed the old item, we cannot find the new item, and we are providing for a drawback of 99 per cent. That is the position we are in.

Mr. ROBB: My hon. friend will understand that any fabric, no matter what it is, imported for covering the outside of books will get a 99 per cent drawback.

Mr. FRASER: It will be found under item 540 in the new tariff.

Mr. BENNETT: I am interested now only in the preparation of the tariff itself and not in the question of duty or no duty. Tariff item 569b reads:

Hat sweats, cap peaks, hatters' tips—

And so on. This is now free under all tariffs. I turn to the drawback item and I find these words:

When imported by manufacturers of hat sweats, hat peaks and hatters' tips—

And so on. These are the same words exactly and there is a drawback of 99 per cent. How can there be a drawback of 99 per cent on a free item?

Mr. ROBB: It might not be the same item.

Mr. BENNETT: The words in the tariff item are exactly the same as in the drawback item. Under the tariff item the rates are free, free, free, and now there is going to be 99 per cent drawback.

Mr. ROBB: They are going into another classification.

Mr. BENNETT: There cannot be another classification when the words are the same. Is there a nigger in the woodpile? If there is, let us smoke him out.

Mr. ROBB: No, there is not.

Mr. BENNETT: When the tariff was originally prepared item 569b was dutiable at 5 per cent on the intermediate and 7½ per cent on the general tariff.

Mr. ROBB: That is the finished item. The drawback is on the materials.

Mr. BENNETT: This item, when it came before parliament, was free under the British preference and dutiable at 5 per cent, intermediate and 7½ per cent, general tariff. In committee the minister has taken out the 5 per cent and the 7½ per cent.

Mr. ROBB: Where we are at cross purposes is the fact that the drawback item is for materials for manufacturing these hat sweats.

Mr. BENNETT: When the tariff came into the house the other day item 569b was not free under all tariffs, but now it is free under all tariffs, the 5 per cent and the 7½ per cent having been struck out.

Mr. ROBB: But they still require the drawback on the materials.

Mr. STEVENS: Might I point out to the minister in regard to item 1061, that under the old tariff cloth imported for bookbinding was free under item 531. The minister indicates that that will come under item 541a.

Mr. ROBB: It may come under various items.

Mr. STEVENS: There is a tariff now on the item instead of its being free?

Mr. ROBB: Yes.

Mr. STEVENS: But the minister has given a drawback only on such classes of fabrics as are not made in Canada, so instead of being free as it was under item 531, it is now dutiable except where similar goods are not made in Canada. We might as well understand the matter clearly. There is therefore a marked difference between the old rate and the new.

Mr. ROBB: Does my hon. friend want me to strike out those words?

Mr. STEVENS: No, I am simply pointing out the facts.

Amendment agreed to.

Item as amended agreed to.

Item 1062 agreed to.

Customs tariff—1063. Materials, including all parts when used in the manufacture of engines for use only in the equipment of aircraft: Provided that on and after July 1, 1930, no drawback shall be paid under this item unless at least forty per cent of the cost of producing the finished engine has been incurred in Canada—payable as drawback, 50 per cent.

Mr. BENNETT: The minister will observe the words "including all parts" after the word "materials." That would mean, of course, that manufactured articles which might be imported under any part of the tariff would carry a 50 per cent drawback, and they would have half the duty in competition with those that were made at home. I am directing attention only to the words "including all parts." One can understand the use of the word "materials."

Mr. ROBB: Some of them might be finished.

Item agreed to.

Customs tariff—1064. Seamless iron or steel tubing over four inches in diameter, when used in the transmission of natural gas under high pressure from the gas wells to point of distribution—payable as drawback, 50 per cent.

Mr. STEVENS: Would the minister give us a brief explanation of this item?

[Mr. Robb.]

Mr. ROBB: The purpose of this item is to provide the same rate of drawback as is provided in item 1017 on lap-welded tubing of iron or steel not less than four inches in diameter. Lap-welded tubing is made in Canada while the seamless tubing is not manufactured in Canada.

Mr. STEVENS: They are put on the same basis?

Mr. ROBB: Yes.

Item agreed to.

Customs tariff—1065. Bituminous coal, when used in melting or evaporating salt produced in Canada: Provided that no drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items 40, 41, 42 and 42a—payable as drawback, 99 per cent.

Mr. ROBB: I beg to move that the following be substituted for drawback item 1065:

Customs tariff—1065. Bituminous coal, when used in melting, evaporating and preparing salt produced in Canada: Provided that no drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items 40, 41, 42, and 42a—payable as drawback, 99 per cent.

Mr. BENNETT: Would the minister tell us approximately what sums are paid by way of drawback at the present time?

Mr. ROBB: I could not but I will get an estimate of that for my hon. friend.

Mr. BENNETT: The whole sum of money paid?

Mr. ROBB: I will try to get that for my hon. friend on Monday.

Mr. BENNETT: Our drawbacks are increasing very steadily. According to the last annual report we paid some $15,000,000 odd in drawbacks.

Mr. ROBB: That possibly would include goods that had been exported to other countries. Does my hon. friend want that separated?

Mr. BENNETT: The minister is asking the very question to which I desired to direct the attention of the committee. Originally drawbacks were a form of legislation used for the purpose of encouraging export trade. Whenever we imported raw materials of any kind and manufactured in Canada a product from them, on the goods that went out of the country we gave a drawback to the manufacturer. This of course was a great encouragement to the manufacturing business of the country. It stimulated foreign trade

and provided a ready means by which we kept our factories engaged in export business. That principle has been departed from. This principle proposes to grant a drawback for domestic manufactures for use in our own country. This means that you subsidize each individual man who comes within it to the extent to which he may use the particular material that is subject to the drawback. In this instance it happens to be coal. There are, we will say for the sake of argument, 100,000 tons of coal used by a particular person. There is, we will say for the sake of argument, a duty of ten cents a ton involved in it; that is $10,000. He gets a present of $10,000 because he happens to be engaged in a particular industry or a particular business. His neighbour, engaged in another line of business, in which he is consuming the same material, gets no such assistance from the treasury. Now I put it to the minister that the principle involved is wrong. The Minister of Trade and Commerce has explained why he has done it. He has an industry in his community that was affected by it. It has cost $60,000 to dredge the river to enable the ships to get up and bring the coal in, because one ship got stuck there. That is what happened; you will find it in the estimates. It has cost this country $60,000 or more to get the wharf and facilities to unload the coal that is to go to this particular industry. After the coal has been used in that industry, although there may be an industry across the street using the same kind of material for steam, there will be no drawback. At the end of the season one gets $10,000 in cash from the government because he sells his product in Canada, and the other gets nothing. That is discrimination of the worst character. That is not a proper performance, I submit, of the duties of government. I should like to know, if possible, just what we are paying out in drawbacks now.

Mr. ROBB: I will try and get the figures for my hon. friend.

Mr. STEWART (Leeds): In considering drawbacks, has the minister considered the advisability of allowing a similar drawback in respect of coal used in the production of rolled iron and steel, pulverized?

Mr. ROBB: I have a resolution to present as soon as this item is carried. I am not sure that it covers the product to which my hon. friend refers.

Mr. FANSHER (Last Mountain): Was this item considered by the tariff board?

Mr. ROBB: No.

Mr. BENNETT: What was considered by the tariff board was an application by the salt manufacturers of Canada. They made an application, which was considered by the board, and with respect to which some evidence was given. The salt producers did not ask for this sort of protection at all. They pointed out certain conditions that existed, and they desired that legislation should be introduced that would place them on an equality with other producers of salt. The Minister of Trade and Commerce says that this is the way he has selected to do it. In other words, he has selected to give a present to particular people engaged in a particular business, as against their neighbours, rather than to make it of general application in which all might share. The principle is wrong. In this case it is barefaced favouritism, that is all, and the Minister of Trade and Commerce has himself admitted it.

Amendment agreed to.

Item as amended agreed to.

Mr. ROBB: I beg to move, Mr. Chairman, that the following drawback item, enumerations and rates of drawbacks of duty be inserted in schedule B to the customs tariff:

Customs tariff—1066. Bituminous coal when pulverized by proprietors of rolling mills for heating iron or steel for use only in the production of rolled iron or steel at their rolling mills—payable as drawback 99 per cent.

Item agreed to.

Mr. ROBB: I beg to move to substitute the following for tariff item 219a:

Customs tariff—219a. Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying, n.o.p.; materials, n.o.p., for use only in producing or manufacturing preparations specified in this item, under regulations prescribed by the Minister of National Revenue: British preferential tariff, free; intermediate tariff free; general tariff, free.

Amendment agreed to.

Item as amended agreed to.

Mr. ROBB: With respect to 219b, I beg to move that the following item, enumerations and rates of duty be inserted in schedule A:

Customs tariff—219b. Formaldehyde, containing not more than 15 per centum of alcohol: British preferential tariff, free; intermediate tariff, free; general tariff, free.

It has been represented to me that this is used largely for treating grain to prevent smut and I am now moving that formaldehyde be made free under all tariffs.

Mr. BENNETT: To be consistent, the government must place this item on the free list, but the effect of it upon one of the industries of this country the only one, as the

minister is aware, is going to be disastrous. Assuming two bushels of seed wheat to the acre, the protection afforded by this item is fifty-nine thousandths of a cent per bushel. It simply means the existence or the non-existence of the industry in Canada. Is it desirable that we should have to import this very necessary material for the prevention of smut on wheat, or that we should be willing to pay fifty-nine thousandths of a cent per bushel protection? That is the question.

Mr. YOUNG (Weyburn): Whom does the hon. gentleman mean by "we"?

Mr. BENNETT: I mean parliament.

Mr. YOUNG (Weyburn): It is the farmer who will pay it.

Mr. BENNETT: Yes. He will pay fifty-nine thousandths of a cent per bushel, and I ask, is it desirable that he should find himself in the position where none of this material will be manufactured in Canada, or that he should possibly have to pay fifty-nine thousandths of a cent per bushel and have his source of supply in Canada? Representations were made to me, and I assume to other hon. members, and the books were open to the minister, and the facts submitted to him. I have no interest in the matter beyond that of a citizen to whom these papers were sent, as they were no doubt to large numbers of the members of this house. I am certain that the minister is satisfied that it involves only fifty--nine thousandths of a cent per bushel.

Mr. ADSHEAD: Does not the hon. gentleman admit that putting on that amount of duty would increase the price of the article to the consumer?

Mr. BENNETT: Assuming that it does, it means only fifty-nine thousandths of a cent per bushel, and I ask, is it desirable that the Canadian farmer should be dependent upon an imported supply of this very necessary material, or that he should possibly pay fifty-nine thousandths of a cent per bushel to have this supply in Canada?

Mr. CAHILL: It is a small matter to argue about.

Mr. BENNETT: Yes, but it means the life or death of an industry in Canada.

Mr. ROBB: A representative of that industry complained to me that it would put him out of business, and eventually the farmers of Canada would pay more for the article. My answer to him was that the farmers wanted this, and I supposed they knew their business. That is why I brought in the resolution.

Mr. BENNETT: Is it quite fair?

An hon. MEMBER: A step in the right direction.

Mr. BENNETT: Is it a step in the right direction to render it impossible for this industry to function here?—an industry that has reduced its capital stock from $6,000,000 to $2,000,000, whose books have been open to the minister and the officers of the department, whose officials I never saw until the day they interviewed the minister, and who left with the member for Rosetown the same document they left with me. I ask hon. members representing rural sections whether or not it is desirable to place the production of this very necessary article wholly in the hands of people outside of Canada who may be able to make the price anything they desire, and who will do so. We have had experience of it. There is no reason why we should not mention the industry. It is the Standard Chemical Company, owned in Great Britain. As I say, they had to reduce their capital from six to two million, because of their unsuccessful endeavour to establish a great industry in Canada. And any hon. gentleman who represents a rural riding knows how very powerful this particular disinfectant is. The hon. member for Saskatoon perhaps will be able to correct my description. It is a most powerful germicide, and, I understand, is used very largely in the fumigation of ships and buildings wherein people have been subject to infectious diseases. A very weak solution is used to prevent, so far as possible, a smut in wheat. Formaldehyde is composed of oxygen, nitrogen and carbon, so combined chemically as to form a very powerful germicide.

Now, if the possible effect of the tariff upon the price to the farmer is the very insignificant sum I have mentioned, are we wise in departing from that very limited protection, and thus placing our market entirely in the hands of mass-producing competitors? The important thing to remember is that this substance is produced in very large quantities in other countries where there is a great demand for it, whereas in Canada, owing to a limited market, it is produced in very small quantities. I can only reiterate that when the other day my attention was directed to this matter for the first time, I checked up the figures with some degree of care, and I said then I believe—and I still believe—that if the representatives of the rural constituencies were satisfied that only the insignificant amount mentioned was involved, they would not desire to destroy the industry in this country and place our farm population at the

mercy of the chemical trust to the south of us. That is the problem for hon. members to consider, and I am quite content with their judgment upon it.

My business for the moment in the position I occupy is to direct the attention of the committee to the fact and ask the minister if my statement of those facts is not correct, because, I submit, it is not sound for any minister of finance merely to say that it has been represented to him by the farm population that they wanted a certain thing, when, as he must now admit, they were not given the facts on which to base a correct conclusion. In my experience extending over thirty-six years I have observed no unfairness in the attitude of my fellow-Canadians when they have been fully seized of the facts. The minister told the people interested that they had made out a case, that the protection was insignificant and in his judgment very reasonable. Now, because pressure has been brought to bear by others without the facts being placed before them, he says: I will remove the item from the tariff and put it on the same basis as the others, regardless of the effect of my action on the industry. I submit that that is not fair to the representatives of the rural constituencies who have not had an opportunity to be advised of the facts. I think it is the duty of the minister to place the facts before the house, not simply to say: Because somebody said they wanted me to do thus and so, I have done it. That is the position we must take in a matter of this kind.

Some hon. MEMBERS: Carried.

Mr. BENNETT: I do not propose that this item shall pass to-night. We may as well make up our minds to it now.

Mr. ROBB: It is eleven o'clock. All I have to observe is that when I first brought these resolutions to the attention of the house, my hon. friend rather censured me because I was putting a tariff on formaldehyde

Mr. BENNETT: I did not do that.

Progress reported.

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

Monday, March 26, 1928

The house met at three o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 46, respecting the Nipissing Central Railway Company.—Mr. Lang.

56103—107½

Bill No. 66, respecting a certain patent of Douglas J. Martin.—Mr. Clark.

ST. LAWRENCE RIVER BRIDGE COMPANY

Mr. A. N. SMITH (Stormont) moved the second reading of Bill No. 71, to incorporate the St. Lawrence River Bridge Company.

Mr. STEVENS: Explain.

Mr. SMITH (Stormont): The object of this bill is to incorporate a company to build a bridge a little above Brockville across to Morristown, New York. Last year there was before the house a bill similar to Bill No. 70, to incorporate a company to build a bridge at Gananoque. That bill has been brought up again this year. The Department of Railways and Canals objected last year to that bridge and I do not know what their present attitude is. As I say, the bill I am promoting is for a bridge between Brockville and Morristown. There is no vehicular bridge across the St. Lawrence river between Montreal and Niagara Falls, a distance of over four hundred miles.

Hon. H. H. STEVENS (Vancouver Centre): In the last two years we have had a veritable epidemic of proposed bridges across international waters. I am not opposing this bill. I should like to make it perfectly clear that the fact that, in regard to a bill of this character, one takes the stand that there are involved conditions affecting the public interest, is no reason for anyone to say that we are opposing the bill as a private bill. But I think, in view of the large number of structures of this kind that are being proposed, there should be some declaration of public policy on the part of the government regarding matters of this nature. These bridges are proposed to be built across international waterways, yet last year and this we are giving seven or eight private companies very wide powers in regard to these matters and we are creating more bridges and establishing conditions which it will be very difficult for parliament to deal with later on.

Another point is this. These bills in my judgment have been in error sent to the private bills committee. Again I am drawing attention to this as a matter of procedure and not as a matter of criticism of the private bills committee. This bill and similar ones ought to go to the railway committee. They have to do with transportation and traffic; they have to do with the Railway Act; the Railway Act is invoked in some of them. I do not know whether it is invoked in this particular bill. Expropriation procedure under the Railway Act has been invoked and

to my mind these bills should go to the railway committee. Furthermore the government should be prepared to declare before the committee and parliament what its policy is in regard to bridges across international waterways.

Hon. J. D. CHAPLIN (Lincoln): I should like to inquire from the promoter of this bill whether a similar bill for the United States portion of this bridge has been before the New York state legislature. That legislature, I understand, has now risen, and if that bill has not been passed there, what object is there in pressing this bill? What disposition has been made of the bill before the New York state legislature?

Mr. SMITH (Stormont): This is for a bridge across navigable waters and is dealt with by the United States congress, rather than the state authorities. A similar bill is before the United States congress at the present time.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

The house resumed, from March 20, consideration in committee of Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company—Mr. Pettit—Mr. Johnston in the chair.

Mr. CHAIRMAN: When the committee last considered this bill, all the clauses had been adopted, and the question is now on the preamble.

On the preamble.

Mr. ARTHURS: Before the committee adopts the preamble, as no doubt it will, I would suggest to the government that all of these bills that are international in character should be sent to the committee on international and industrial relations, instead of to the private bills committee.

Mr. CHAPLIN: I gave notice on the 21st of March, Mr. Chairman, to amend this bill by striking out in clause 7 all the words after the word "approaches" in the twentieth line up to and inclusive of the word "approaches" in the twenty-third line, and substituting therefor the following:

From a point between the Upper Steel Arch bridge and the Lower Steel Arch bridge to be determined and approved by the Board of Railway Commissioners for Canada.

The CHAIRMAN: I have a copy here of the three amendments that have been proposed, but as the committee have adopted all the clauses of the bill, these amendments cannot be considered at this time, but may be moved on the third reading. The question is now on the preamble.

Mr. STEVENS: Before the preamble carries, I wish again to emphasize what I said a moment ago in regard to another bill. There seems to be a good deal of misunderstanding on both sides of the house regarding the objections that have been raised to this and other similar bills. I want to make clear that it is not a question of objecting to this as a private bill, or objecting to those who are asking incorporation as a private company. That is not the point at all. The point at issue is that the work suggested in this bill is a very important work over international waters. Up until last year or very recently there have been comparatively few of these bridges built, and it is not sufficient to say, because years ago we allowed private companies to build bridges, that therefore we as representatives of the public should pay no more attention to it and let any company that desires to build a bridge do so. The very presence of this and a number of other similar bills indicates to us, if we are at all thoughtful, that the time has come when the whole question of spanning these international waters should occupy the attention of parliament, and some definite policy should be determined upon and adopted by parliament. The responsibility for doing that rests at the moment with the government. I am not saying this in criticism of the government; I am merely pointing out a condition which has arisen, and indicating what to my mind and to the minds of a great many others is the duty of parliament, and incidentally at the moment the duty of the government as the leaders of the house, namely, to make some investigation and some determination of what the public policy of Canada is to be on the question of bridges crossing international waters. For instance, some of these waters are navigable. In this particular case I do not think the waters at this point are navigable, and the bridge probably will be so high that it will be clear of all navigation. But there are other waters that are navigable, and underneath the bridges over these waters will have to pass all the lakes traffic. This is a stupendous responsibility that we are taking at the present time in allowing bridges to be built across international waters on which passes the whole traffic of the great lakes, and we are doing it, as we also did it last year—I say this with all respect—rather lightly and rather frivolously. I know that my utterances the other day were misunderstood. It was thought per-

haps that I had some prejudice against this bill or against the member introducing it. But there is no such thing. I have nothing but the kindliest feelings towards the sponsor of this bill, as I have towards the sponsors of other bills that are introduced into this house. My point is that we are dealing here, through the medium of private bills and private companies, with something that should be a subject of public policy.

Mr. ROSS (Kingston): May I ask why this bridge is to be called the memorial bridge?

Mr. PETTIT: I explained that the other evening and also before the committee. It is called "memorial" because of the hundred years of peace between the United States and Canada, and also in view of the jubilee year of confederation which has just passed.

Mr. CHAPLIN: I just want to put myself in the same category with reference to this bill as my hon. friend from Vancouver Centre, who has just spoken. It appears to me that the government of this country should take some stand regarding matters of this kind. Before I sit down I intend to show what the attitude of the state of New York is on similar proposals. When this bill was before the committee on the last occasion, the hon. member for Welland (Mr. Pettit) told us that so far as he was advised, the counterpart of this bill in the United States had not been defeated. I can tell him now that that bill has gone where lots of good coloured people go; it has gone to limbo. We are proposing to pass in this house a bill that is opposed by the state of New York, is opposed by the province of Ontario, is opposed by the parks commission on the Canadian side, and opposed by the state reservation commission on the other side. I do not think we will get anywhere with this bill. I just want to put before the house and before the committee a statement from the governor of the state of New York in reference to bridges, not only at Niagara, but also on the St. Lawrence. The committee will see that the state of New York has a policy on this question. I shall not read the whole of it, but just a couple of sentences.

Mr. CAHILL: Read it all.

Mr. CHAPLIN: Oh no, there will be enough time taken up without my reading it all, and if I read it all it would not be good reading for those people who are always calling out "Carried!" That is for my hon friend. On March 31, 1927, Governor Smith of New York state declared:

> I think the time is past when the state should incorporate companies of this kind Such bridges should be built either from public funds or through an agency such as the port authority of New York, authorized to issue bonds at a low rate of interest and limited in tolls to the amount necessary to retire and pay interest on the bonds. Experience with private bridges is that they result in large profits to stockholders and other private parties and the maintenance of high tolls.

He also said:

> Private bridges of this kind bring with them approach and traffic problems which in the end fall on the state and the municipalities, and what looks at first like a purely private business proposition becomes a public problem of traffic and planning affecting all the surrounding territory. Obviously, these related problems which go with such a structure can only be properly solved by a public authority.
>
> I have just signed a measure setting up a public non-profit-making bi-state authority, similar to the port authorities of New York and Albany, to build the Champlain bridge, and also a measure providing for a study of a Niagara port and frontier authority, which, if it is established, will have the power to plan just such bridges as this without private profit and solely in the public interest. I think this project and similar bridges, such as the Grand Island bridges, can wait until a public authority is established for the purpose. I see no more reason for a franchise to a private corporation to build a bridge over the St. Lawrence than I do for a franchise or a license to a private corporation to develop the state's water-power on that stream.

That, Mr. Chairman, is the policy of the state of New York. What I anticipated has happened: the counterpart of this bill has been thrown out by the legislature of that state. In view of this, why on earth should we pass a measure giving authority to build a bridge half way? This bridge has been up in the air for some time. It started by trying to get on top of one of the other bridges; and under this bill the promoters are asking for authority to place their structure within 250 feet of the other bridge. Is that something that this parliament should authorize? I submit, Mr. Chairman, that you had better think it over again.

An hon. MEMBER: Where do you want the bridge?

Mr. CHAPLIN: My hon. friend need not say very much. His bridge on the St. Lawrence will probably fail the same as this one.

Preamble agreed to.

On the title.

The CHAIRMAN: Shall the title carry?

Mr. CHAPLIN: On division.

Title agreed to on division.

Bill reported.

ST. CLAIR TRANSIT COMPANY

Mr. SPEAKER: I have been asked to revert to the first number of private bills. Bill No. 23. If there is unanimous consent this bill will be now taken up.

The house resumed from March 19, consideration in committee of Bill No. 23 to incorporate the St. Clair Transit Company—Mr. Goodison—Mr. Johnston in the chair.

The CHAIRMAN: When this bill was last before the committee we were considering clause 4.

Sir GEORGE PERLEY: Mr. Chairman, when this clause was before us a few days ago I made some comments on the fact that it provided for shares of no par value. I know that is becoming a rather common practice by many large corporations, but it seems to me it is not proper in the case of a public company of this description. I think that a corporation which proposes to build a bridge for public use at an expenditure of a large sum of money should have a substantial capital. If this section were agreed to the shares would be of nominal or no par value, and the promoters could sell them at any price they pleased. I think we ought to adopt the old practice of having a specific amount of capital provided for this enterprise, divided into shares of $100 each. Therefore in accordance with the notice I gave of an amendment for this purpose which appears in votes and proceedings of March 21, I beg to move:

That the whole of section 4 be struck out and replaced by the following:

4. The capital stock of the company shall be two million dollars, divided into shares of one hundred dollars each, and may be called up by the directors from time to time as they deem necessary.

I think this amendment will be to the advantage of the company, because I suppose they intend issuing a large amount of bonds as provided for in this bill. If so, they must have some substantial capital behind them.

Amendment agreed to.

Mr. HEAPS: Mr. Chairman, I notice that in bill No. 14, which is similar in character to this measure, there is a clause providing that Canadian labour and Canadian materials shall be used as far as practicable. I desire to add as section 22 the following:

The employment of labour in the construction, maintenance and supervision of the said bridge shall be subject to the terms and conditions of the fair wage clauses set forth in the order in council No. 1206 of June 7, 1922 and any amendments thereto, and so far as it may be practical to do so, Canadian materials and labour must be used in the construction of the said bridge, and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

The CHAIRMAN: The same point arises here as was under consideration previously. Notice of motion of this amendment should have been given, but if the hon. member obtains the unanimous consent of the committee the clause may be added. Otherwise notice must be given regularly. Is it the unanimous wish of the committee that the motion be presented?

Some hon. MEMBERS: No.

The CHAIRMAN: I am afraid the hon. member will have to give notice.

Mr. HEAPS: I give notice that at the next sitting I shall put the motion.

Motion stands.

Section agreed to.

Sections 5 to 7 inclusive agreed to.

On section 8—Powers.

Mr. COOTE: This section provides that the bridge shall not interfere with navigation. Is provision made for proper supervision of the construction by governmental authority to ensure that such interference will not take place? This is an important point.

Mr. CANNON: The plans will have to be approved by the governor in council.

Mr. COOTE: Is that provision in the bill?

Mr. CANNON: Yes, in section 10. Moreover there is the general law providing for all such questions.

Mr. WOODSWORTH: What provision is there in regard to the time of commencement and completion of the work?

Mr. CANNON: My hon. friend might read section 19.

Section agreed to.

Sections 9 to 11 inclusive agreed to.

On section 12—Power to issue shares as paid up stock in payment of acquired properties.

Mr. IRVINE: In the votes and proceedings of the 22nd instant I gave notice that I intended moving an amendment to this section, as follows:

That all the words after the word "directors" in the eighth line of section 12 be struck out and the following substituted therefor:—"but no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company

(a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up; nor

(b) Unless in each and every case in whch the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual value;

(c) And, in case the foregoing provisons of this section are not complied wth, the holders of the shares so issued shall be liable to the company and to its creditors to the amount of the par value of the shares held by them respectively."

In support of this amendment I would point out that this company is hereby undertaking a public service, and while I do not believe that parliament intends preventing a reasonable return on investment, it is our duty, I take it, to see that the legislation giving this bridge company its legal authority to operate should properly safeguard the public interest. Stock manipulation in particular should be carefully guarded against. The substance of the amendment I have just moved will be found in the English Companies Act, and it protects the public against manipulation of stock, at least to some extent. I have much pleasure in moving the amendment, seconded by the hon. member for Athabaska (Mr. Kellner).

The CHAIRMAN: The notice of motion which appears in the votes and proceedings in relation to this amendment indicates the hon. member's intention to move it on the third reading. I do not know whether that fact properly precludes its acceptance at the present time.

Mr. CAHAN: The notice does not say on the third reading. The notice in connection with the other bill refers to the third reading, but this notice does not.

Mr. IRVINE: In connection with Bill No. 14 I gave notice of a motion substantially the same as the motion my hon. friend (Mr. Heaps) has moved. It was not necessary, therefore, that I should move it in connection with clause 4.

Sir GEORGE PERLEY: As I read the notice in connection with bill No. 23, the reference is to section 4; there seems to be no notice regarding section 12.

Mr. CAHAN: It provides that all the words after the word "directors," in the eighth line of section 12, shall be struck out "and the following substituted therefor."

Sir GEORGE PERLEY: That is right.

The CHAIRMAN: The notice I have says, on the third reading. There is another notice here having regard to section 4.

Mr. IRVINE: You will observe that section 12 of Bill No. 14 and section 12 of Bill No. 23 are identical, and I propose to move the same amendment to each of these bills. An hon. gentleman has just moved an amendment to Bill No. 14 which does practically what my amendment is intended to do, and I cannot move that amendment until the bill comes up for third reading. In the other case, however, this notice of motion is not confined to the third reading of the bill.

The CHAIRMAN: Did my hon. friend give notice of the motion which he has just made with respect to Bill No. 23?

Mr. IRVINE: Yes. If the chairman will look in the votes and proceedings for Thursday March 22, he will observe the notice on the second page.

Upon the yeas and nays being called for:

The CHAIRMAN: In my opinion the nays have it. I have been asked to read the amendment again, although I thought everyone heard it read by the hon. member who moved it.

Mr. IRVINE: I object to that; I think we all know what the amendment is.

The CHAIRMAN: I think the hon. gentleman's objection should be sustained.

Mr. NEILL: I rise to a point of order. We do not know what we are voting on.

Yeas, 58; Nays, 58.

The CHAIRMAN: The result of the vote is a tie, and in order to leave the question open and give another opportunity to have the amendment moved on third reading, I will vote against the amendment.

Amendment negatived.

Mr. IRVINE: I rise to a point of order. Some hon. gentlemen opposite voted who were not in the house when the question was put.

Mr. LAPOINTE: If my hon. friend refers to me, I did not vote.

The CHAIRMAN: I think the point is not well taken. We are now in committee, while the point raised by my hon. friend would apply to the house with the speaker in the chair.

Mr. DUNNING: Mr. Chairman, I did not vote for the reason that I did not hear the amendment read. The hon. member for

Wetaskiwin refused to allow me to hear it read, so I did not vote. Possibly he might have received my vote if he had been a little more generous in allowing me to hear what he moved.

Mr. ARTHURS: As a matter of fact the question was read twice, apparently to allow certain hon. gentlemen to vote.

The CHAIRMAN: I think I should not allow that statement to go unchallenged. The clerk assistant came to the table and appealed to me to have hon. gentlemen resume their seats; he became mixed up because they did not resume their seats when he finished counting the row.

Mr. IRVINE: Do I understand that without giving notice I will have the liberty of moving this amendment again on the third reading of the bill?

The CHAIRMAN: Yes.

Mr. CANNON: If you give notice.

Mr. BOYS: Under the rule I do not believe that can be done. The rule distinctly states that unless notice has been given in respect of the third reading, an amendment cannot be made. The proper course would be to refer the bill back to the committee, with instructions to make such an amendment. I think in fairness to the hon. member he should be told now that he should let this stand as a notice of motion in amendment that he will move on the third reading of the bill.

The CHAIRMAN: If the committee are agreeable this will stand as a notice of motion.

Mr. CAHAN: On a point of order, Mr. Chairman, I submit that the committee cannot authorize that amendment to be moved on the third reading unless notice is given.

Sir GEORGE PERLEY: The hon. member for St. Lawrence-St. George is quite right. If the hon. gentleman wishes to move an amendment on the third reading he should give a new notice which should appear in the votes and proceedings.

Mr. IRVINE: Then I will give a fresh notice of motion.

Section 12 agreed to.

Section 13 agreed to.

On section 14—Tolls chargeable.

Mr. CHAPLIN: I have had occasion already to point out to the house and to the committee in connection with these bills that the approval of tolls is to be made by the governor general in council. I have also pointed out already that in some cases for thirty years—

An hon. MEMBER: Louder.

Mr. CHAPLIN: If you will make less noise with your conversation you will be able to hear me. For thirty years the governor in council has failed to do its duty.

Mr. STEWART (Edmonton): I rise to a point of order, Mr. Chairman. I resent that imputation. I asked my hon. friend the other night if there had ever been a reference to the governor in council and he replied none had been made.

Mr. CHAPLIN: That is no point of order. It is a statement of fact.

Mr. STEWART (Edmonton): That is the statement of fact.

Mr. CHAPLIN: The bill itself declares that the owners of the bridge must get their tolls approved by the governor in council. What I stated before and state again is this —the governor in council failed to approve of one set of tolls. That is plain now, and that is what I wish to convey to the house.

Mr. STEWART (Edmonton): That is quite a different statement.

Mr. CHAPLIN: No other authority than the federal government has to do with this bridge, and they have to approve of these tolls. In the other charter that was being sought, the Solicitor General, at my suggestion, inserted some words that made it necessary for the people who owned that charter to get the government's approval. In the other bill he also put in the word "previously". Why does he not do the same thing here if the desire is to pass a bill that is going to be of any value? We have had experience before of the failure of the governor in council to do its duty.

Some hon. MEMBERS: Order.

Mr. CANNON: If my hon. friend will allow me—it might shorten his speech—the word "previously" is in the clause.

Mr. CHAPLIN: Will the Solicitor General be kind enough to show me where the word "previously" is in that section?

Mr. CANNON: If my hon. friend will read the clause he will find it there.

Mr. COOTE: Turn on the light, then the hon. member may be able to see it.

Mr. DUNNING: That will not help him

Mr. CHAPLIN: Does my hon. friend say it is in clause 14?

Mr. GOODISON: It is the second word in line four, section 14.

Mr. CHAPLIN: It is not in the copy of the bill that I have.

Mr. CANNON: I suggest that my hon. friend get a copy of the reprinted bill.

Mr. MANION: Where are the reprinted bills? There are none in our file.

Mr. CANNON: In the reprinted bill the word "previously" appears. The two bills were amended in order to meet my hon. friend's own suggestion.

Mr. CHAPLIN: The Solicitor General is quite right.

Section agreed to.

Section 15 agreed to.

On section 16—Assets and liabilities of amalgamated companies.

An hon. MEMBER: Give us some light.

Mr. CHAPLIN: You will not get much light on this bill.

Section agreed to.

Sections 17 and 18 agreed to.

On section 19—Time for commencement and completion of bridge.

Mr. CAHAN: I want to call attention to a peculiar provision in connection with this section—that, if within the time limit the bridge is built only one-quarter of the way across the river, the powers granted the company cease except as regards that part of the undertaking which has already been completed. It strikes me as a very peculiar provision with regard to the building of the bridge across an international river, but I presume no amendment can be made at the present time without notice.

Section agreed to.

On section 20—When property, etc., to be conveyed to the Dominion.

Mr. CHAPLIN: I should like to have an explanation of these words:

When the corporate obligations and stock of the company and of any of the companies mentioned in sections fifteen, sixteen, seventeen and eighteen of this act, with which this company shall join or unite in the construction of said bridge, have been retired, in the manner prescribed in their by-laws, then such bridge and the approaches thereto and all appurtenant structures, property, property rights and franchises, so far as the same are located within the United States, shall be conveyed by the said company, its successors and assigns, without cost or expense to the state of Michigan as the legislature of said state may designate, and so far as the same is situated within the Dominion of Canada shall be conveyed, without cost or expense, to the Dominion of Canada—

Does that mean any addition to the capital stock in the way of money, or does it mean the actual cost of the stock transfer? What does it mean?

Mr. CAHAN: As I pointed out before when a similar bill was before the house this clause is a perfect farce. Not only is it farcical but it is deceptive. It says that at some time the mortgage bonds outstanding may be redeemed by means of receipts from tolls, and the stock may be retired by means of these receipts, and then, when this is accomplished the American part of the bridge shall be conveyed to the state of Michigan and the Canadian part to the Dominion of Canada. Now what are the conditions? First this company, under this clause, may pay up its entire capital of $2,500,000 under a provision whereby it can transfer any asset of any value to the company and issue therefore its stock as fully paid up. Therefore the $2,500,000 of capital stock in this company may, under the advice of any competent legal counsel, be issued for practically no actual value at all —a thousand dollars or one hundred dollars, or some nominal value, will pay up the stock. Then there is another provision in the bill that the stock must be paid off at the price fixed by the by-laws of the company. That is, assuming that each share of $100 par value was actually paid up in cash, the directors, by their resolution and of their own will, may provide that the stock which costs $100 in cash, even if paid up in cash, shall be redeemed at $100, $200, $300, $400 or any price they see fit. So that the proposal now held out that this public utility undertaking, after it has earned sufficient to redeem these mortgage bonds, and after it has earned sufficient to retire its capital stock, shall be handed over and become the property of the Dominion of Canada, is entirely farcical and deceptive, because it leads to the impression that, after the actual cash invested in the bridge is paid off out of the tolls of the company, it would then become the property of the Dominion government. Then to further mislead, it seems to me, those who drafted this bill have added at the end of section 20:

Provided always that the period for payment of the obligations of the companies and the retirement of their capital stock and any extension thereof and the provision of the companies' by-laws in respect thereof shall have been previously approved by the governor in council.

If it were made clear that the by-laws which indicated the price at which the stock was to be redeemed should be approved by the governor in council, there might be then some semblance of restraint upon the price which would be set upon the stock by the by-law; but this clause merely relates to the period for payment. That is, the company may make by-laws with respect to the period for payment, and that such by-laws must be approved by the governor in council. But by-laws dealing with the prices to be paid are not, under that act, subject to the approval of the governor in council. I called attention to that fact before. I cannot propose an amendment now; but it seems to me that this whole clause should be struck out; that we should not be parties to a farcical and deceptive section such as is inserted in this bill, which offers no opportunity to the government to exercise a proper discretion, and which really holds out the suggestion that this bridge will one day become the public property of the Dominion of Canada, while it rests entirely with the directors of the company to designate and fix the price at which it shall become the property of the Dominion.

Mr. CANNON: How could the directors fix the price of their stock?

Mr. CAHAN: By by-law.

Mr. CANNON: If my hon. friend will read the section he will see that all these by-laws are subject to the approval of the governor in council.

Mr. CAHAN: Which section?

Mr. CANNON: The section the hon. member is discussing.

Mr. CAHAN: No. I will read it again. Any person who can read English intelligently will doubt the construction placed upon it by the Solicitor General. The clause reads:

Provided always that the period for payment of the obligations of the companies and the retirement of their capital stock—

That is dealing with the period of time.

—and any extension thereof and the provision of the companies' by-laws in respect thereof—

Mr. CANNON: That is exactly what I said.

Mr. CAHAN (Reading):

—in respect thereof—

That is in respect of that period and nothing else.

Mr. CANNON: Not at all. It is in respect of the retirement.

[Mr. Cahan.]

Mr. CAHAN: If it is to be in respect of the retirement, it should be made clear.

Mr. CANNON: It is clear.

Mr. CAHAN: It is not clear. I would suggest that any court that has this section before it will declare that the words "in respect thereof" apply back to the word "period," and whoever drafted that, in my opinion, intentionally made it apply to the period and not to the by-laws fixing the price, in order that it might deceive the unwary reader of the section to which I have made reference. If it is to apply to the by-laws in reference to the terms on which retirement of the stock shall be made, that should be expressed in clear English.

Mr. CANNON: Notwithstanding the limited intelligence which my hon. friend has been kind enough to credit me with—

Mr. CAHAN: I was not reflecting on the hon. member's intelligence.

Mr. CANNON: —if any members of the committee will read the clause, they will see that the words—

By-laws in respect thereof—

—must be used in connection with the words previously used. The words before the word "by-laws" govern not only the period, the point which my hon. friend has stressed, but also the retirement and indeed the whole matter of the retirement. The clause states that any by-law passed by the company in connection with both the period and the retirement will be subject to approval by the governor in council. My hon. friend has mentioned that this clause is drafted in such a way as to deceive parliament. I have great respect for my hon. friend; but the committee which examined this clause was satisfied with it, and I am quite sure none of those who sat on the committee had any intention of being deceived or of enacting any legislation which was against the public interest. It is easy for my hon. friend to use strong language; but I would ask members of the committee to examine this clause with care and caution and they will come to the conclusion that the clause is not as bad as my hon. friend would have the committee believe it to be.

Mr. BOYS: Supposing the by-law is not approved by the governor in council, what is the effect?

Mr. CANNON: If it is not approved, it is not valid; it has no force.

Mr. BOYS: That being so, there would be no by-law under which the country could ever become the possessor of this bridge.

Mr. CANNON: Except that the governor in council has the power, not only to approve any tolls which are to be charged before they are chargeable and collectible, but to revise the tolls so that should the company keep on doing its business, without having any intention of turning over the bridge to the country, the governor in council has absolute power to see that no tolls are collected by the company.

Mr. BOYS: We are not at the moment discussing the tolls. There is in this bill a clause that seems to be important from the standpoint of the country. Under clause 20 the country may some fine day become possessor of this bridge. The first part of the clause states:

When the corporate obligations and stock of the company and of any of the companies mentioned in sections 15, 16, 17 and 18 of this act, with which this company shall join or unite in the construction of said bridge, have been retired, in the manner prescribed in their by-laws—

Supposing the manner prescribed in the by-laws is not satisfactory to the governor in council, the country would never get the bridge. I suppose the last five or six lines are inserted as a saving clause, but I submit that, instead of having a saving clause, it affords no relief, because if the provisions of the by-law are not satisfactory to the governor in council, the by-law under which acquisition might take place would never be approved. Therefore the whole matter, instead of to some extent being in the hands of parliament, is absolutely in the hands of the company. The only relief is under the last few lines of the clause. The position is that the company may pass a by-law providing for acquisition, but because of the action of the governor in council, the by-law is not valid and therefore we have no legislation which will result in acquisition. I submit that there should be inserted in this clause some provision which, apart from the arbitrary exercise of authority on the part of the directors will give the country some power and authority over this bridge, which cannot be nullified. If this clause continued—

If the by-law of the company is found unsatisfactory to the governor in council, the governor in council shall have power to make such amendments as it may think appropriate in the premises.

—that would afford some relief. As the matter stands now, the whole thing is in the hands of the company. They could pass an extreme by-law which would never be approved and the country would never get the bridge.

Mr. CANNON: My hon. friend forgets one essential feature. If the company passes a by-law such as he has described, unacceptable to the governor in council, the governor in council will not accept the by-law. The governor in council, however, has an absolute power controlling the tolls, and the governor in council can, through that power, put the company in such a position that it will have either to turn over its property to the government or operate the bridge without charging any tolls. What would be the interest of the shareholders of the company to continue doing business on that basis?

Mr. BOYS: Does my hon. friend suggest to the committee that the only way of getting relief is by coercive measures? Surely that is not the way to handle the matter. We have an opportunity to put this right now. Let us do it in our legislation. Do not let us do it by saying to the company: If you do not do what we want, we will take you by the throat; we will deprive you of tolls which at the time we thought were reasonable; we will give you only half the tolls. Surely it is our duty to deal with the matter now when we have it in our hands. One of the strong arguments before the committee was that this was not a profit-making proposition; that they wanted only reasonable tolls sufficient to pay off the indebtedness, and that ultimately the bridge would become the property of Canada and the United States. If the proposition made by the Solicitor General is the only answer, it is a very weak one, namely, that if you do not do what we want, we will take you by the throat and bring you to time.

Mr. CANNON: Sanctions to legislative enactments are always an infringement of private liberty. How can you give any sanction to legislation without in some way restricting individual liberty? Every sanction to a law is coercion.

Mr. MANION: The Solicitor General argues that this clause has the meaning which is desired by hon. members on this side who have spoken. If the clause has that meaning, as he claims, what objection can there be to making that clear? Surely parliament is not for the purpose of putting up all kinds of protection for private corporations, and no protection for the people of Canada and for the government. Let us make the clause clear, so that its effect, as claimed by the Solicitor General, will be absolutely understood, not only by the house, but by the courts of Canada, if the question should ever be taken to the courts. I appeal to the Solicitor General, in justice to the people of Canada, to make this clause absolutely clear. He says that it means what hon.

members on this side desire it to mean; they say that it does not. I was not in for the whole debate previous to this, but surely it is a fair demand to make that the clause shall be absolutely clear so that no mistake can be made in regard to it. That seems to be an absolutely fair and honest demand to make of the government on behalf of the people of Canada.

Mr. CANNON: I submit that the clause is clear. My hon. friend might try and agree with the other hon. gentlemen on his side who have spoken in order to bring forth an argument that we can well understand. My hon. friend says he speaks on behalf of the public generally. The hon. gentleman who spoke before says that we should not coerce a private company.

Mr. MANION: I did not say I was speaking on behalf of the people, although I do speak for them just as much as my hon. friend the Solicitor General. My point was that the Solicitor general says that this clause is clear. My friends on this side, who are both lawyers, say that it is not clear. Then what objection has the Solicitor General to making it clear? That is what I would like to know. If, as he claims, it has the desired meaning, why not make that so clear that an ordinary layman like myself could make no mistake about it?

Mr. BOYS: I am not arguing that it is not clear. Quite the reverse. I say that it is very clear that the country has no relief whatever under the provisions.

Mr. CAHAN: I wish to say in reply to the Solicitor General, for whose opinion I have great respect, that having read this clause in the clear light of day, which is coming in now, there is no doubt in my mind that a court will construe the words "and the provision of the companies' bylaws in respect thereof" as referring solely to the period for the payment of the obligations of the company and the retirement of their capital stock; and any extension thereof. That is not an extension of the capital stock; it is an extension of the period for the retiremet of the capital stock, and I venture to say that if it came before a court of law my hon. friend would argue that case from my point of view with very great success indeed.

Mr. PETTIT: I think it is perfectly plain that the different clauses of the bill make the location of the bridge and its plans and tolls all subject to the governor in council. Then under this clause the payment of its obligations and the retirement of its stock, and the provisions of the companies' bylaws with respect thereto, must first be approved by the governor in council.

Section agreed to.

Sections 22 to 25 inclusive agreed to.

Preamble agreed to.

Bill reported.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BOUNDARY WATERS TREATY

Mr. RYCKMAN:

1. Does the treaty of 1909 between His Majesty the King and the United States of America relating to boundary waters, under articles 3 and 8 or any other provision thereof, give to the government of the Dominion of Canada power to conclude an agreement with the United States relating to works, improvements or obstructions in the St. Lawrence river (known commonly as the St. Lawrence Great Waterways Development), without the approval of the parliament of Canada?
2. If such power exists, will it be exercised without such approval first obtained?
3. Has the International Joint Commission, established under the said treaty, any jurisdiction or authority to decide finally any question relating to such works, improvements, or obstructions in favour of the United States, and against the position taken by the Dominion of Canada in the event of possible disagreement between the two countries?
4. If so, what are the powers of the said commission in that behalf?

Mr. SPEAKER: In my opinion this question is irregular. Bourinot says:

While explanations of the intentions of the government or of a minister may be asked, their opinion on a matter of policy or of law is not a proper subject of inquiry.

In my humble judgment this question should be redrafted.

Question dropped.

JOLIETTE POST OFFICE BURGLARY

On the question being called:

Mr. MANION:

1. Regarding the burglary of the post office at Joliette on February 29th last through which $1,200 was lost, is it true that the door was opened with a key?
2. Is it so that the safe or vault was opened by means of the combination?
3. If so, who among the employees knew this combination?
4. What move is being made to punish those concerned?

Mr. MANION: It has been pointed out to me by the Post Office Department that if this question is answered at the present time it will, as the matter is now under investigation,

cast reflections on those who may be innocent. As I have no desire to do that, I will for the time being drop the question.

Question dropped.

GUION ISLAND LIGHTHOUSE INSPECTOR

Mr. MacDONALD (Cape Breton South):

1. Who was inspector of construction of the Guion island lighthouse?
2. By whose recommendation was such inspector appointed?
3. What remuneration was paid to him for his services?

Mr. CARDIN:

1. Alex. McKinnon, Gabarus, N.S.
2. D. D. Boyd, St. Peters, N.S.
3. $313,60.

MATANE-STE. ANNE DES MONTS MAIL SERVICE

Mr. CAHAN:

1. Who has the contract for the carrying of mails between Matane and Ste. Anne des Monts, Quebec?
2. When was the present contract made?
3. Were public tenders invited therefor?
4. If so, who put in tenders therefor and what was the amount of each tender?
5. Is the person who now holds the contract a British subject?
6. If so, how long has he been a British subject?

Mr. VENIOT:

1. Frank Pezzullo.
2. Contract awarded on 15 July, 1924.
3. Yes.
4. Francois Dechaines, Ste. Felicite, $6,500, tender (subsequently withdrawn); Eudore Roy, Cap Chat, $7,000, tender (subsequently increased to $8,000); George Dion, Ste. Anne des Monts, $8,000; Francois Imbault, Matane, $8,000; Romeo St. Laurent, Matane, $8,700; J. B. Tremblay, Grosses Roches, $9,000; Edmond Leclerc, Ste. Anne des Monts, $9,000, tender (subsequently reduced to $8,500); Pierre Gendron, St. Gerome de Matane, $9,400; F. Pezzullo, Matane, $9,800, tender (subsequently reduced to $7,500); Jos. D. Pelletier, Cap Chat, $9,974, tender (subsequently reduced to $8,800); Roch Roy, Petit Capucines, $9,993; Charles Gauthier, Cap a la Baleine, $10,000; Norbert Pelletier, Jr., Cap Chat, $10,440; Hormisdas Otis, Matane, $11,500; Sylvio Ross, Dalibaire, $11,500; Arthur Bonneau, Petit Capucins, $11,998; Victor Sylvestre, Ste. Felicite, $12,000; Henrie Tremblay, Jaco Hughes, $13,000; Mrs. Felix Savard, L'Anse a la Croix, $13,000;.
5. and 6. No information.

CAP CHAT—WHARF

Mr. CAHAN:

1. Has the Department of Marine and Fisheries or any other department of government made a contract for the construction of a wharf at Cap Chat, county of Gaspe, in the province of Quebec?
2. With whom was said contract made?
3. What was the amount of the contract?
4. Who has supervised the expenditures?
5. What amount has been paid to the contractor to date?
6. If no contract was made for the construction of this wharf, what amount has been expended thereon by the government to date?

Mr. ELLIOTT (for Mr. Cardin):

1. A contract has been awarded for an extension to the wharf.
2. Ludger Lemieux, Limitée, Ste. Marie, Beauce, P.Q.
3. Approximately $31,800 (unit prices).
4. Inspector of construction, Urbain Cretien, Cap Chat, under direction of district engineer P. E. Amiot, Rimouski, P.Q.
5. Nil.
6. Answered by No. 1.

SUGAR LOAF—POSTMASTER

Mr. JOHNSTONE:

1. Who is now the postmaster at Sugar Loaf, Cape North, Victoria county?
2. How long has the present postmaster held office?
3. By whom was he recommended?
4. What are his qualifications?

Mr. VENIOT:

1. Alex. D. Wilkie is acting postmaster.
2. Temporarily in charge since 20th December, 1927.
3. By retiring postmaster, Wilson J. Gwinn.
4. Satisfactory up to the present.

QUESTION PASSED AS ORDER FOR RETURN

EXPORT OF ELECTRIC POWER

Mr. WHITE (London):

1. What the the names and locations of exporters of electric power, to the United States, in each of the years 1922, 1923, 1924, 1925, 1926, 1927?
2. What horse-power is each company licensed to export?
3. What horse-power and kilowatt hours were exported by each company in each year?
4. What excise has been, or is to be collected, from each of the exporters in the various years?

UNOPPOSED MOTIONS FOR PAPERS

SHIPPIGAN WHARF

Mr. HANSON:

For a copy of all correspondence, memoranda, writings, accounts, and other documents, in any way relating to the work done on the Shippigan wharf, and warehouse at Shippigan, Gloucester county, New Brunswick, during the summer of 1927.

JAMES J. MACDONALD

Mr. MacDOUGALL:

For a copy of all correspondence, reports, telegrams, and other documents relating to the misconduct, suspension or dismissal of James J. MacDonald, postmaster at Birch Grove in the county of Cape Breton.

NATURAL RESOURCES OF PRAIRIE PROVINCES

Hon. J. W. EDWARDS (Frontenac-Addington) moved:

That, in the opinion of this house, in the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources free from restrictions within the legislative competence of the parliament of Canada with provisions for the maintenance and administration of school lands and school land endowment funds for educational purposes according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution, and that the claims of these provinces to compensation for loss for lands and resources alienated, and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactorly and equitable adjustment.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I rise to a point of order which, I think, is of interest to all the members of the house in connection with an important matter of procedure. The hon. gentleman who moves this resolution gave notice, according to the rules of the house, on Thursday, January 26, 1928, as Your Honour may see by reference to the votes and proceedings of that day, the very first day of the opening of the house. The resolution remained on the order paper until Wednesday of last week, when it appeared with a material alteration. The words,

but in compliance with the letter and spirit of the constitution.

which up to that date appeared in the resolution before the words,

with provisions for the maintenance and administration of the school lands endowment fund, according to the laws of the respective provinces,

were transferred and inserted after this passage, thus changing substantially the meaning of the resolution.

I do not complain of this change, I think the new resolution is better than the old, and it is more acceptable to me, but I submit that, according to the rules of the house, this alteration could not be effected without giving due notice in the votes and proceedings. On this point permit me to quote to Your Honour, Bourinot. At page 299 he says:

[Mr. Hanson.]

A motion on the order paper must be in accordance with the notice of the votes; and, should a member desire to substitute another, or alter its terms, he must first obtain the leave of the house.

The hon. mover of the resolution should have given notice of the alteration. And the new resolution, as altered, should appear on the order paper after the other resolutions which would have precedence over it.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I remember an occasion when a resolution of mine, which I had written out, was misprinted in an important particular. I called the attention of the Clerk of the house to the fact that it was a misprint, and on the following day due correction was made. In this case certain words, by mere accident apparently, have been printed in one part of the paragraph that should have been printed in the other, and I have no doubt that the hon. gentleman who is moving the resolution intended it to be in its present form. Therefore it seems to me the alteration might be regarded as a misprint which the hon. member should be allowed to correct and still retain his place on the order paper.

Mr. LAPOINTE: Will my hon. friend permit a question? Does he agree with me that this alteration does change the meaning of the resolution in a substantial way?

Mr. CAHAN: Until I hear the discussion of it my opinion is that I shall have to support the resolution in its present form. I would not have voted for it in its earlier form.

Mr. LAPOINTE: Hear, hear.

Mr. CAHAN: But I still think, from the explanation I have heard, that the alteration is a mere accident, and I think that when such a misprint is made the house should be very tolerant and not insist on a technical objection of this kind.

Mr. EDWARDS (Frontenac): Mr. Speaker, with respect to the resolution as it is now framed, I feel encouraged by the statement made by the hon. member for St. Lawrence-St. George (Mr. Cahan) that it is now in such form as to be acceptable to him. I am also glad to have a similar intimation from the Minister of Justice (Mr. Lapointe). That is certainly making progress. Perhaps the Minister of Justice thinks that others may be favourably disposed towards the motion to such an extent that it might carry; therefore he interferes on a point of order to prevent its discussion.

The members of this house, sir, were prevented from discussing this question in the

session of 1926 by a double-barrelled arrangement under which the government referred the question to the supreme court for a declaration as to the validity of certain legislation and also prevented discussion by a government resolution. In the session of 1927 the house was also prevented from discussing this important matter because it was still sub judice. Therefore I am not surprised at this further exhibition of want of courage on the part of the government in raising what seems to me to be a very minor objection.

Mr. LAPOINTE: I think my hon. friend should limit himself to the point of order.

Mr. EDWARDS (Frontenac): Well, I suppose I will have a further opportunity sometime of paying my compliments to the hon minister.

Mr. LAPOINTE: It will be reciprocal.

Mr. EDWARDS (Frontenac): I am very glad to see that he is a little touchy on the point. Now, Mr. Speaker, I submit that the intention of the motion and what it deals with is not materially affected by the addition of the words, "school lands". Those words are added, I admit, but I consider they must necessarily be incorporated in the words following, namely, "school lands endowment fund". Also, the addition of the words, "for educational purposes" is implied with respect to the administration of the school lands of the respective provinces, which everybody knows are for educational purposes and never for anything else. I see no material difference in the resolution as now framed and as it stood when first introduced. There are precedents for the acceptance of such a motion in its changed form; I am quite sure that statement is correct. I believe a change was made in a motion introduced two or three years ago by my hon. friend from Vancouver Centre (Mr. Stevens), and the motion thus amended came up within forty-eight hours after the change was made. Moreover, it was allowed to be debated. In this matter hon. members have had five or six days' notice of the motion in its present form. You, Mr. Speaker, called the motion last Wednesday and I allowed it to stand; perhaps the time was not opportune to debate this point of order until the motion was actually put. I submit that the house has had ample opportunity to consider it. This is not a case of springing something on anyone; it is not a matter of giving forty-eight hours' notice; hon. gentlemen have had six days' notice of the motion in the form in which it now appears. The motion has been on the order paper in this form since last Wednesday and I urge that I be given the right to proceed to discuss it. However, I am in the hands of the house.

Hon. H. H. STEVENS (Vancouver Centre): May I point out, Mr. Speaker, that it has not been an infrequent practice on the part of hon. members to correct or change motions, and the present motion has been but slightly altered. The change consists very largely in a correction which, I think I can say, was called to the attention of my hon. friend—a correction regarding the words referred to which should have been inserted in the first instance in the order in which they now appear. It has not been the practice of the house to refuse hon. members the privilege of changing their motions in such a manner. As my hon. friend has observed, I changed a motion two or three years ago. I did not do so with any intent to deceive the house but in perfect good faith, and after consultation with some of the officers having to do with these questions. There was no question then about my right to make the change. As I say, it is not as if something were being done to mislead the house, as for instance in the case of changing a record; it is simply a question of adjusting a motion which was put frankly on the order paper several days ago. The motion in its present form has been on the order paper several days, and while the rule cited by the Minister of Justice (Mr. Lapointe) might be stretched to bear the interpretation he gives it in his point of order, I submit that the house would find it hopeless to carry on its business if every rule were construed strictly technically. For example, a question arose the other day on a point of order regarding the right of a member to speak. Every member has a right to speak on every bill, and, in committee as often as he likes; he may speak also on the second and third readings of the bill. Suppose, however, every member exercised that right, is it not obvious that the business of the house would be seriously delayed? I submit, therefore, that in the absence of a definite and specific rule of a mandatory character the ordinary practice followed in the house should govern in this case.

Mr. A. W. NEILL (Comox-Alberni): I can cite a precedent of quite recent date which appears to be apt. A few weeks ago I put a notice of motion in the votes and proceedings and ultimately it reached the orders of the day. It appeared one day and was left off the next. On inquiry I was told that this was due to the fact that there was a new rule under which a member may have only one notice of motion on the order paper at any time, and inasmuch as I had a motion already in my name the second one was invalid. I said that I would get another member to father the second resolution; he

put his name to it instead of mine and this was thought acceptable. It could not be said that the substitution of one member's name for another at the beginning of a motion was a material alteration in the motion itself. I was satisfied with the statement that the next day the motion would appear in the other member's name, but afterwards I was informed by the Clerk, who in the meantime had consulted the authorities, that it would be necessary for the other member to give the ordinary notice in the votes and proceedings in the regular way. That was done and the motion was in consequence delayed to that extent. This, I think, is perfectly parallel to the question now under dicussion.

Sir GEORGE PERLEY (Argenteuil): With all respect to my hon. friend I must question the aptness of his illustration. Last year we provided that a member might have only one notice of motion on the order paper at one time. The reason was that sometimes at the beginning of the session a member would put half a dozen different motions on the order paper and thus block the way for other members. The new rule was intended to give everyone an equal chance. In this case, however, it seems to me that the Minister of Justice is stretching the rule too far. We all know that mere verbal changes in notices of motion have been made ever since we were members of this house and no question has been raised. The notice of motion which the hon. member for Frontenac-Addington (Mr. Edwards) wishes to move at the present moment is drawn in the exact terms of a resolution passed by the Conservative party at its convention in October last, and only inadvertently did the motion as originally worded fail to conform with that resolution. We all have known of notices of motion, changed verbally, having been allowed to remain on the order paper. If the point raised by the Minister of Justice is regarded as well taken it will mean that any motion which is altered immaterially will be placed at the bottom of the list, and I submit that this will constitute a rather stringent interpretation of the spirit of the rule. I have no doubt that the hon. member consulted the Clerk, as most of us have done in similar circumstances, and I submit to you, Mr. Speaker, that he be allowed to go on with the motion.

Hon. LUCIEN CANNON (Solicitor General): We should ask ourselves two questions: first, whether there is a rule covering this case—and there is a rule, standing order 45—and, secondly, whether the motion standing in the name of the hon. member for Frontenac-Addington (Mr. Edwards) is the same notice of motion which has appeared on the order paper for some considerable time. If it is the same notice of motion the arguments brought forward by hon. gentlemen opposite apply; if it is not the same notice of motion then standing order 45 must apply and a new notice be given. And this new notice of motion must be treated as if it were a new notice in relation to some other question, and must occupy on the order paper the rank which in that event it would have received. Is this notice of motion now on the order paper the same notice of motion which was first put on the paper by my hon. friend at the beginning of the session? I humbly submit, Your Honour, that it is not. What are the changes? They are two in number. By the first change the notice of motion now before the house applies not only to public school funds but also to school lands and that is not a matter of small moment; it is a change of some importance. The second change is that the words, "In compliance with the spirit and letter of the constitution" in the first notice of motion applied to federal legislation alone, while in the new notice of motion those words apply to both federal legislation and provincial legislation. Undoubtly those two changes have been made in the resolution standing in the name of my hon. friend.

The third question is whether these changes are material or whether they result simply from a misprint, and I would say that in my opinion if you add to a resolution words which extend its scope from public funds to public lands you introduce a material change. I also submit that if you wish to say that the spirit and letter of the constitution will apply not only to one set of legislation, that is federal legislation, but also to provincial legislation, which will include the legislation passed in three western provinces, you introduce a material change. The best argument in support of my contention lies in the words of the hon. member for St. Lawrence-St. George (Mr. Cahan), who preluded his remarks by saying that we were simply facing a misprint. He afterwards added that as a consequence of the changes introduced by the hon. member he, who would have voted against the resolution as it stood in the first instance, would now support it.

So, Your Honour, believing that these changes are material, I submit that standing order 45 applies.

Mr. L. J. LADNER (South Vancouver): Rule 363 provides:

A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice.

I submit that the scope of a resolution is not limited to the substance or to the words.

Mr. LAPOINTE: My hon. friend is not reading a rule; he is quoting the words of May.

Mr. STEVENS: He is quoting an authority.

Mr. LADNER: I am reading from an authority which is accepted by most of us as being equal to May.

Mr. CANNON: If the scope is not extended, my hon. friend is perfectly right.

Mr. LADNER: I can only handle one point at a time, and at present I am reading rule 363 from Beauchesne's Parliamentary Rules and Forms.

Mr. DUNNING: It is not a rule.

Mr. LADNER: It is a reference which I think should have some meaning in our procedure. After having compared the original notice of motion with that now before us, my contention is that the alterations in the form of the motion, in the wording as well as in the addition of the words "school lands," taking the scope of the notice of motion into consideration, still keep it within that scope. Then I refer the Solicitor General to reference 391:

No motion of which notice has been given shall be made in a form differing from that of the notice, except with the unanimous consent of the house or upon a regular renewal of notice.

I submit that those two references were never contemplated to include alterations of such little importance, as far as the subject matter is concerned, as those alterations in the notice of motion given by the hon. member for Frontenac-Addington (Mr. Edwards). Certainly if we are to be tied up in knots by technicalities of this kind many of the proceedings of the house, not only of private members but of the government as well, might be seriously hampered.

Mr. SPEAKER: Do any other gentlemen desire to speak on the question?

Mr. EDWARDS (Frontenac): I would like to add one word, with your kind permission. I am not at all deceived by the arguments of the Solicitor General, which have some point to them. The very fact that the Solicitor General, the Minister of Justice and the hon. member for St. Lawrence-St. George all say that the changes are material must be taken into consideration, of course. However, I still adhere to my former statement that I do not think they are material to the objects plainly indicated in the resolution. I understand the object of the government all right; they are running true to form in trying to prevent a discussion of this matter.

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): I mean exactly what I say. I have just this to say, Mr. Speaker: He who fights and runs away will live to fight another day.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Before you give your ruling, Mr. Speaker, I would like to remind the house that the hon. member for Frontenac-Addington is not debarred from doing what he wishes to do in a proper way under the rules, but by doing it in this manner he succeeds in gaining precedence over twenty other hon. members of the house who have resolutions on the order paper and who have a right to discuss those resolutions before my hon. friend can discuss his resolution, he having altered his notice of motion since it was placed on the order paper.

Mr. EDWARDS (Frontenac): That is true if the statement preceding it is held to be correct by Mr. Speaker.

Mr. DUNNING: The hon. member for St. Lawrence-St. George plainly stated that he could not support the resolution as it first appeared, but that in its present form he could support it. Surely that is evidence that a very material change has taken place in the resolution. I suggest that the question is one of the rights of the other members of the house who have on this order paper regular notices of motion which they have a right to discuss in advance of the resolution proposed by my hon. friend.

Mr. SPEAKER: What is the rule of the house? Standing order 45 reads as follows:

Forty-eight hours' notice. . . .

In Great Britain only twenty-four hours' notice is required, but in Canada it is forty-eight hours.

. . . . shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper, but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house. Such notice shall be laid on the table before six o'clock, p.m., and be printed in the votes and proceedings of that day.

I saw this motion when it was first printed in the votes and proceedings, and I saw it again on Saturday as it now appears on the order paper. I found a modification in the motion—in fact I think I discussed the other day with the hon. member himself (Mr. Edwards), not the question of the modification because I had not perused it at the time, but something in connection with the motion. My attention was not drawn to the alteration. It is true that according to paragraph 363 of Beauchesne's Parliamentary Rules and Forms, as stated by an hon. member, a modification of a notice of motion may be permitted. That paragraph reads as follows:

A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice.

The above reference is taken from May, 13th edition, page 234, where the following is found:

A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice.

The next sentence however reads as follows:

If a motion is proposed, which differs materially from the terms of the notice, it can only be made with the consent of the house, or upon a renewal of the notice.

If the consent of the house was unanimous there would be no objection, I suppose, to the hon. member for Frontenac-Addington proceeding, because when the house give unanimous consent in a matter involving the rules, that becomes the law of the house. In this case there is not unanimous consent; objection is taken. Is that objection well founded? In other words is the motion on the order paper at the present time the same as the one of which notice was given in the votes and proceedings? I may say that the wording is such that I had to read the two motions over several times in order to discover where the difference was.

There are two reasons, in my humble judgment, why this proposed resolution as now redrafted is beyond the scope of the notice given in the votes and proceedings.

First, by stating that provision should be made for the administration of "school lands" in addition to school lands endowment funds, the mover has materially changed the conditions on which the proposed grant of their natural resources should, in his opinion, be made to the interested provinces.

Secondly, the words "but in compliance with the letter and spirit of the constitution," were placed in the first draft so as to apply to the granting of the natural resources to the prairie provinces; whilst in the second draft these words have been moved further down and made to apply to the administration of school land endowment funds for educational purposes. There is a material difference between the two propositions.

The difference is such that the hon. member for St. Lawrence-St. George (Mr. Cahan)—who is a lawyer of outstanding ability known not only in Montreal but throughout Canada, and I may say North America—said that if the original motion which appeared in the votes and proceedings was moved to-day he would vote against it but that in its latter form he would support it. I am only making this reference to show that evidently there has been a material change in the resolution. However, if the house were willing to give unanimous consent to the hon. member for Frontenac-Addington, personally I would be pleased to listen to the debate. But strictly speaking, and according to the rules of the house, this motion is out of order.

I will quote in support of my ruling, May, 13th edition, page 234; Blackmore, page 212; Redlich, second volume, pages 216 and 217, and a footnote; and Bourinot, 4th edition, page 299. Bourinot is very clear on the matter. He says:

A motion on the order paper must be in accordance with the notice in the votes; and, should a member desire to substitute another, or alter its terms, he must first obtain the leave of the house.

Under the circumstances I cannot do otherwise than rule that the point of order is well taken.

May I say this to hon. members: All the authorities state that when an alteration is proposed to be made to a motion the mover should inform the Speaker himself. In the present case I was informed only by what I read on the order paper. It is true that as regards technical changes a member may address himself to the Clerk or one of the officials who draft motions for members, but when a material change is made I should be informed of it. By failure to do this the hon. member loses his turn whilst if he had notified me the other day I would have told him at once that such alterations involved the loss by him of his place on the order paper.

Mr. EDWARDS (Frontenac-Addington): If you will kindly permit me, Mr. Speaker, I should be very sorry if you thought for a moment that there was any intention on my part to manifest any disrespect towards you.

Mr. SPEAKER: I do not say that disrespect enters at all into the question.

Mr. EDWARDS (Frontenac-Addington): I really did not consider the change to be material. However, I conform to your ruling at once, and I will ask the Clerk to strike the motion off the order paper.

Mr. SPEAKER: Does the hon. gentleman want to drop the motion?

Sir GEORGE PERLEY: Is there anything else to do?

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman have leave to withdraw his motion?

Motion withdrawn.

INTERNATIONAL PEACE

MOTION FOR THE ESTABLISHMENT OF A GOVERNMENT DEPARTMENT

Miss AGNES C. MACPHAIL (Southeast Grey) moved:

That, in the opinion of this house, the time has come for the establishment of a government department for the promotion of peace and international understanding.

She said: Mr. Speaker, in rising to speak to this motion asking for the establishment of a department to work for peace and international understanding, I assume that all hon. members in this chamber are anxious to bring security to our country, and that any differences we have in the matter relate to the methods to be employed in bringing about peace rather than to any doubt as to the desirability of securing peace. I conclude that we all want to have security at home and friendship abroad. At one time almost everyone, possibly indeed everyone, had confidence in military preparedness and war as methods of bringing about security and of settling international differences. But I think that no one will now deny that that confidence in military preparedness and in war which used to be so complete has been very much shaken. Still while some to-day have simply scrapped the old way and have found a new method, and are relying upon the development of good will as the greatest security that we could find, there are others who, while they have not perfect confidence in war or in preparedness for war, still think of these methods as the best to adopt. Then there are others of our citizens and of citizens of the world who stand between the two ideas and are not quite sure in which faith to rely. The last war with its frightful loss of life and treasure caused all of us to think of this subject as one of very great importance. Not only did Canada lose sixty thousand of her very best men, but the world lost ten million of its best men, and if we are going to view this question from the point of view of humanity we must consider that loss of ten million young men a dead loss and one that will cause concern to every citizen in the world, including the citizens of Canada.

The cost of the last war was greater than that of any previous war, although all wars and all preparations for wars in the past have been exceedingly costly. So great has been the cost of preparing for and carrying out wars that in the first twenty years of the twentieth century, fourteen countries spent the fantastic sum of $61,000,000,000 in preparation for and carrying out war. England alone to-day spends on war or preparation for war fourteen shillings out of every twenty shillings of her national expenditure. The United States spend 82 cents out of every dollar on war or preparation for war. The total debt of the United States prior to the war was $1,125,000,000 and to-day it stands at between $18,000,000,000 and $19,000,000,000. How much greater even that that—and that is a terrific increase—must be the increase in the debt of such countries as France and Germany because of the war? In Canada the exact figures are not available, but certainly more than fifty cents out of every dollar of our national expenditure go to pay for wars past and preparation for wars to come. Some claim—and they may have figures to substantiate their claim, but I do not have them under my hand—that two-thirds of every dollar of Canada's expenditure goes for this purpose. When one thinks of these figures, the amount of money involved alone, one thinks of what the spending of this money for the good of the people could have done. I have not any doubt at all that had the one fantastic sum I mentioned of $61,000,000,000 been spent to bring knowledge, a high standard of living and happiness to the common peoples of the world, wars would by now not be necessary. The house, however, may not agree with me in that. More and more people are coming to believe, and even people in high places are stating quite fearlessly, that they believe security must come by means other than military preparedness. There are many statesmen one could quote, but I am going to confine myself to very brief quotations. The first one is Field Marshal Sir William Robertson, who was Chief of the Imperial General Staff from 1915 to 1918. That is, he was a military man trained in military tactics, and indeed he must have been a very successful one to have filled that position in those stressful years

In speaking of war—I am quoting from The U.F.A. of December 15, 1927, and this report appeared also in the daily press of a few days previous—he said:

> War has become a wholly detestable thing, and is almost, if not quite, as disastrous to victors as to vanquished.
> Never in history were preparations so complete or so widespread as during the fifty or sixty years previous to 1914, and yet never were wars so frequent as in that period.

A little later on in the same speech he is reported to have said:

> Every man and woman should energetically support all efforts made for devising some more sensible and humane way of composing international differences than the destructive and futile methods upon which reliance has hitherto been unsuccessfully placed.
> That is the only conclusion I can reach after a military career covering on Sunday next, a period of exactly fifty years.

So that this great British gentleman, who had been trained in a military school for fifty years, comes to the conclusion, speaking first, I suppose, for British men and women, and afterwards for all men and women, that they should set themselves to the task of finding some other and better way of settling international disputes.

Every one was sorry and grieved at the death quite recently of Field Marshal Haig. I wonder if we are willing to honour his memory by heeding his words. On one occasion he said:

> I urge you to a crusade having for its object the freeing of the whole world from the devastating scourge of war.

I might mention too such outstanding work for a new international spirit as was done in Great Britain by E. D. Morrell, now gone, and as has been done by Lord Robert Cecil, Ramsay MacDonald and the Right Hon. Arthur Ponsonby. These are all men of high standing in British public life and they all take the stand that we shall not get security through military preparedness; that we are simply wasting money, and that military preparedness cannot bring about the thing we are seeking for, namely, security at home and goodwill and friendship abroad.

Whatever may be the opinion of members of this house as to the degree of military preparedness necessary, or as to the advisability of disarmament, I think every hon. member will agree that such things as ignorance, suspicion and fear must be got rid of before we can have permanent peace. While it is true that other things cause war, these three, ignorance, suspicion and fear, leave the common people of all countries the prey to the propagandist in the hours of crisis. It makes them willing to bear these crushing burdens of debt caused by armaments, because, through lack of knowledge, they are led to believe that they must endure this staggering taxation in order to bring security to themselves in their own country. We have not in Canada, and indeed not to any extent anywhere in the world, studied constructively the art of making peace or the technique of peace. I think the technique of war has been studied by some of the most astute minds in all countries; but had the same amount of energy, had the same wealth, had the same knowledge of the psychology of the people been used to promote peace as has been and is yet being used in Canada to promote preparedness for war—because I am afraid it is still being done—we would to-day be far on our way towards the settlement of international disputes by some method other than war, and it would be true to-day that the institution of war in Canada would not be the respected institution it is. No one can doubt that in Canada the institution of war is a most respected one which the "best people" like very much. I have noticed that these people, when questioned, do not admit it; but in following the votes of money and the comments in the house on the subject of war, one cannot help concluding that the institution of war is still a respected one. I view this condition with alarm.

I do not however question the patriotism of those people in the house and in the country who believe that that is the way to be a patriotic citizen. I grant quite freely that they are patriotic people and they are working for what they believe is the best thing for their country. I simply question their wisdom, not their patriotism. On the other hand, often in the past in this house, the patriotism of people like myself and those who think with me has been questioned. They think we are not patriotic, that we do not love our country. One might ask, what is patriotism? Surely it is loyalty to a group; but sometimes we forget that we owe loyalty to many groups. We cannot have too much loyalty, either absolutely or in comparison with the loyalty of other peoples. But we can have too much loyalty to one group, forgetting the other groups to which we also belong. We are more and more coming to know that everyone of us belongs to that group which is known as humanity, and that we do owe a very great loyalty to that largest group of all—humanity. For Canadians, for a Britisher, for a citizen who is a member of the British commonwealth of nations, it should not be difficult to build a larger loyalty out of our present loyalties, because

our loyalties have grown to include not only our own country and the mother country, but a group of countries which cover a large part of the surface of the earth. Surely then we ought to be willing, and mentally and spiritually able, to take the lead in the world in developing a still larger loyalty that will not stop until it has included the whole shrinking world. It is worthy of note, too, that patriotism is not an innate thing; it is cultivated, and it will be just what we train it to be. If we train the children and the young people of this country to view patriotism as a very much bigger thing than we have thought of it in the past, then within one generation, if we set about it with decision and a desire to win, we shall have a new patriotism, which, while not making light of the love of our own country, will expand to cover the needs of all countries.

Canada's position geographically makes her a country that is important in the history of the world at this moment. Geographically we belong to one continent. Politically we belong to another continent. There is no good reason why we cannot be the interpreter of the one continent to the other. Then, too, the Canadian mind is used to a large framework. Canada is a large, if not too thickly populated, country, and the Canadian mind can move with ease from Halifax to Vancouver, surely with much more ease than the European mind can move over the same distance. That should make it easy for us to give the world a lead in learning to cover mentally a larger space. The international mind is really nothing more than a mind that does not stop at the borders of one's own country, but bridges that gap that lies between one's own country and other countries, and bridges it sympathetically.

Canada is young. As countries go, we are merely a youth, and youth always looks to the future. In looking to the future, and not to the present, we must all realize that we need to build the security of the world on something more stable than military preparedness. We have had since the end of the great war a very great many memorials to the brave who gave their lives in the service of their country during that awful conflict. My own personal opinion is that many of the memorials which are supposed to lead us to think of the service and love and devotion of those who died simply glorify the institution of war. I think that the formation of a peace department would be a fitting commemoration of the devotion and sacrifice of the 60,000 Canadians who died, if we remember what was said during the war and directly after, fighting a war that was to end war. We have at the front of this building a tower which is called a peace tower. I was greatly interested in going through it and looking over it carefully, and my conclusion was that it is a very equisite piece of work, but that it is misnamed. No one who looks over it carefully can call it a peace chamber. It so clearly, one might almost say so brazenly, though beautifully, glorifies the institution of war. That sort of thing will never lead the young men and young women of Canada to think of new methods. It will simply lead them to think of the glory of the old; and it is not a fair way of putting the thing up to the young people of Canada, because the truth of war is not told, only the glory of war, not the misery, not the death, not the disease, not the broken hearts, not the shattered lives. Nothing of that is told at all; it is just the glory of war. I wonder who named the tower the peace tower. It is a queer idea of peace. A name will not bring us peace, I am sure of that.

Canada since the world war has been drawn more and more into world currents. There is an evidence of that in our appointing ambassadors to the different countries of the world. We have also been given a place on the council of the league of nations. All these things show that we are, whether we like it or not, becoming citizens of the world. But up until now very little of anything has been done by the Canadian people or the Canadian government to prepare Canadians for the new responsibilities which are ours. A department of peace would act as a focus or centre for peace thinking and peace activities. While there are some engaged in peace thinking and peace activities at the present time in Canada, they are scattered, and they have no help from—well, I will leave it at that: they have no help. They are the rank and file of the people, many of them, and it is hard for them to get the knowledge they desire. There has been no lead given in peace activities in Canada, with one or two notable exceptions which I shall mention later.

I believe that under the British North America Act the Dominion government has jurisdiction over war and peace in so far as control rests in Canada. It is therefore the business of the Dominion government, rather than of the provincial governments to help the people to find some new way of settling international disputes. Canada has a long and indeed a very honourable history in the settling of disputes through conciliation, and the most noted of all is the Rush-Bagot treaty which was made at the end of the war of 1812-

14. In the histories which I studied and from which I taught this treaty was given some prominence. To be exact, I think some sixteen pages were devoted to the history of the war and two paragraphs to the peace, but still two paragraphs was something. They told, and told sympathetically, of the importance of the Rush-Bagot treaty, which disarmed the border line between Canada and the United States, which from that time on has been an example in peaceful settlement to the whole world. But in the new histories now used in Ontario, a copy of which I now hold in my hand, as many pages are devoted to the war, but there is not one single line devoted to the Rush-Bagot treaty; it is not even mentioned. I am not familiar with the history texts used in the other provinces, but the children in the schools of Ontario reading these histories do not know anything about the Rush-Bagot treaty, do not know anything about the greatest incident of that period of the history of United States and Canada, because no one will doubt that the peace treaty was much more important than the war. This treaty shows that Canada in the past has been interested in finding new methods rather than relying on the old. In the case of the Rush-Bagot treaty we prepared for peace, and we had peace. I think that is logical. The old idea that if you prepare for war you will have peace is a fallacy. If you prepare for war you will have war, and if you prepare for peace you will have peace.

The International Joint Commission, which has been in existence for some seventeen years and has settled over twenty differences between Canada and the United States, has been mentioned twice, just lately, in far-flung parts of the world. I am quoting from an editorial that appeared in the Citizen of March 1, 1928:

> Recently Charles Evans Hughes spoke of conciliation between Canada and the United States at the Pan-American Conference in Havana, where he submitted the plan of the International Joint Commission as a model method of maintaining peaceful relations between neighbouring countries. A few days later, the League of Nations security committee at Geneva listened with keen interest to a description of the working of the commission. The Canadian member of the committee Dr. W. A. Riddell, told how this model scheme of conciliation has worked successfully in dealing with over twenty cases in the last seventeen years. He recommended the adoption of simlar permanent boards of conciliation between other nations whose frontiers adjoin.

The editorial continues:

> Dr. Riddell urged that security could be increased more by disarmament than by miltary measures.

[Miss Macphail.]

I want the government to tell us if Dr. Riddell was speaking on their behalf. If so, are not the words which he used in Geneva and the action of the government in straight contradiction? If it is true that security comes through disarmament, then why is it that our military estimates have been increased from eleven million dollars in 1925 to eighteen million dollars this year? An explanation is due the country. The hon. Minister of Justice (Mr. Lapointe) recently addressed the Ottawa branch of the League of Nations Association and gave expression of his views. He said:

> The only way of securing peace is by what is usually called moral disarmament, and that moral disarmament can be obtained only when a strong public opinon, the opinion in the shops, in the factories, on the farms, in the universities, in the schools, when opinion everywhere is deeply and intimately convinced that war is a calamity and the worst of all calamities.

These are noble words, and I feel that the hon. minister believes in their truth. So I am going to suggest to the Prime Minister (Mr. Mackenzie King) that for the good of Canada and the good of the world he request the Minister of Justice and the Minister of National Defence to exchange portfolios. I anticipate the Prime Minister will say that he does not want to form a new department. Personally I am quite willing to accept a department of defence through security and goodwill, with the hon. Minister of Justice at its head, if he is allowed to do what he wants to do. In looking over the personnel of the cabinet I have often been puzzled to discover who are the military members. Who are they? They all look so peaceable that I am amazed at what is happening. It is quite clear that some of the ministers are pushing things from the military side. There is no excuse—if there is, I shall be glad to hear it—for the increase in our military estimates, and for the aggressive development of war psychology in the Dominion.

I do not wish dogmatically to lay down what a department of peace might do, but I hope I shall not tire the house too much by offering a few suggestions as to the work of such a department. I would have suggested by resolution a peace bureau either in the Department of External Affairs or the Department of Secretary of State, but I did not wish it to be shoved off into a corner while a department to bring security through military measures was given a better place. Already we have a full-fledged department of war, although I notice that in the debate on the motion of the hon. member for Wetaski-

win (Mr. Irvine) the Minister of National Defence said that his department is not preparing for war, but for peace; that really he is a minister of peace. I am glad to hear it, but in the face of the activities of his department I regret to say there is nothing on which I can rest my belief, much as I should like to accept his declaration.

A department of peace should be twofold in character. First, it should have general supervision of an extensive program for peace throughout Canada. Secondly, it should cultivate friendly relations with other countries by promoting our knowledge of other people with regard to their cultural, moral and social achievements. This would be very interesting to Canadians, and we have very much to learn along this line. Then, too, it should encourage the work of international institutions, including the League of Nations, and make known their work to our people, so that we would be made acquainted with all the machinery that has been set up in any part of the world for finding new methods of settling international difficulties. I think that such a department should also study the causes of war, and by frank discussion present evidence revealing the wastefulness and ineffectiveness of war. It might also make clear to our people some of our own mannerisms that offend the sensibilities of other nations. I do think we have a British superiority complex which must be very offensive to other nations, and cannot be making any contribution to the harmony of the world. This department would quite naturally work in cooperation with all agencies that wanted the data and other material which it would collect. It would develop the will to peace through education by working with peace societies, schools, churches, labour associations, women's, farmers' and social clubs, and any other Canadian agencies whose efforts in the direction of peace could be made more effective by such co-operation. The department could also prepare a list of speakers, who, while not employed by the government, could, through the department, be made available for addressing public meetings—speakers who were authorities on some one phase of this great question. Our government departments issue booklets, pamphlets, posters and films, and there seems to be no good reason why a department of peace could not use the same means to make known to the Canadian people the truths regarding peace and war.

And how little money it would cost the government to make a gift of books for the promotion of peace. These books could be issued to our public and school libraries. We have Rhodes scholarships in this country. We might establish peace scholarships on a somewhat similar plan, allotting a scholarship to each province. The Rhodes scholarships I think are confined to young men, but I would want these peace scholarships available to young women as well. The winners of these scholarships would go abroad each year to study along lines which would make them better world citizens and at the same time better citizens of Canada.

It has occurred to me—I do not claim any originality for the idea—that we might very well establish a yearly peace award for the best work done in the cause of peace. This award I suggest should be given by the government and might be confined to Canadians or be made open to the citizens of any country. The award would not be confined necessarily to the greatest contribution scholastically to the peace of the world, but to the best work to this end along any line.

We have a military college where young men are prepared to be warriors. Why not establish a college to train young men in promoting peaceful understandings throughout the world? This would be far better work and those engaged in it would become much better citizens, with all respect to the graduates from the military college. Then instead of making grants for the training of cadets in summer camps—and but for these grants the cadet movement would not continue for another five years—the government might use the money to much better purpose for the establishment of summer schools to promote the study of international friendship. I imagine a great many Canadians would be glad to get together for a few weeks to secure a better understanding than they possess today of the problems of the world. In fact I should think that the work of this department would be very interesting; it would be unlimited, adventurous and wholly positive rather than destructive as is military training at the present time. Such a department would call to the highest in us; it would call out our mental and spiritual attributes, challenging them, rather than the physical, which is on the lowest possible plane.

My words this afternoon may seem quite futile; all words on this subject may seem futile. But what are disarmament conferences, even conferences of the League of Nations, conferences to promote good will, unless they are backed by a conviction on the part of the peoples of the world, the common people, the rank and file of the nations? It is my opinion—it may or may not be right—that the common people of Canada, certainly the farmers, and I believe the common people generally, are exceedingly concerned that the government,

and we working together with the government, shall strive to find some new way of settling international disputes. The common people are sick of war; they are tired of the glorification of it. The swank that goes with it to-day does not carry much force in the country. In international politics, as in everything else, the misfortune is that our aim is too low. The real crime after all is low aim, and by aiming high the government or any international body will call out the latent idealism of the common people. And after all the latent idealism of the common people is the greatest force for peace in the world to-day.

In closing I would ask the government not to consider the matter lightly, because it is not a trivial subject; it includes within itself all others and is the most important subject facing mankind to-day. If we do not find some new way there is nothing surer than that, if we keep on for another twenty-five years as we have been going since 1918, we shall have another war whether we like it or not. Nothing can prevent it if we keep preparing for war.

Mr. T. W. BIRD (Nelson): I have very much pleasure in supporting the motion. Sometimes when we try to appraise the fruits of the great war our hearts ache at the seeming dearth of results, but I think we shall all agree that one fruit of the war of a moral nature was of extreme value to us, and that was the reaction in the minds of people everywhere against the very idea of war. That, to me, is the most solid result of the war, but apart from that I cannot see anything except results which are almost too pathetic to mention. That, however, was a solid gain—the reaction of civilization against the very conception of war. But that reaction was of a diffuse character, existing in the minds of people as a fleeting sentiment, tending as the years have gone by to evaporate. With succeeding years, as I apprehend, it will tend to disperse more speedily until the only substantial fruit of war will have vanished. I think it is the duty of every civilized people somehow before it is too late to crystallize that widespread sentiment against war into something that will make it effective. This is the duty we owe to our brave men who to-day sleep beneath a foreign sod. There is nothing on earth we can do for them but that—to bring this idea to a focus.

We all agree that the spectral evil of war is largely psychological in character. As Emerson once said, it is a thought that has created these armaments and it is a thought that will disperse them. But how is this thought to emerge which is going to displace the devilish thought that created war? There is no other way of creating that thought except by the organized effort of a nation's intelligence, and it is our duty, especially as legislators, to see that that superseding thought shall make itself felt. It cannot be done by spasmodic effort; it cannot be done by the efforts of individuals; it cannot be done by the churches alone. They are all doing their best. The only effective effort can be made by a nation in its organized capacity, by parliament.

There are very many practical ways in which a government bureau of some kind could bring the nation's sentiment with respect to war to bear effectively upon world peace. In the first place such a bureau might very well undertake to purge the sources of our information in regard to international matters. The press of the world has many very outstanding qualities which we all admire, but as a medium of international information it has ceased to claim the trust of intelligent people. The necessities of war are responsible very largely for this psychology on the part of the people and the feeling that they can no longer trust the ordinary channels of international information. One thing we all regret is the fact that the various agencies by which international information was conveyed to us during the war received an almost fatal moral twist. The supposed necessities of war impelled the authorities to use the press not to enlighten but to drug the people. I remember two or three years ago going through the archives of Canada and seeing under a glass cover a medal representing the sinking of the Lusitania. I was given to understand that this medal had been actually struck by the German people during the war to commemorate that atrocity. Some time afterwards, however, travelling on the train, I fell into conversation with a gentleman who at one time had occupied a prominent position in the government of Canada and he informed me that the medal had been struck for propaganda purposes. Whether or not that is true we know that during the war the intelligence of the people was drugged by very similar methods, so the privately owned press no longer has the confidence of intelligent people with respect to international matters. It seems to me that a government organization could fulfil a very useful purpose in cleansing the channels of information with respect to international affairs. As we all know, an increasing interest is being taken in the possibilities of the radio, and I am sure the Prime Minister (Mr. Mackenzie King) himself is not slow in sensing the great

possibilities of that method of dispensing information. Here, right to our hands, is a means almost providential whereby the government, through a proper organization, could keep the people from one end of Canada to the other accurately informed upon current international affairs. Thus there would be gradually created a thought which would ultimately displace the diabolic thought which will otherwise very soon lead to another world catastrophe.

Another means of activity which might very well be made use of is education. While that is not especially a function of this government, through various means of co-operation I think such a bureau could be made useful in working with the provincial educational authorities to expurgate our school books of those elements which build up in our children a phychology with regard to war which in all ages has proved to be as tinder waiting for the opportune spark. One of the things which has been and is being wrongly taught in our schools is the subject of history, and I think we can all remember to our regret the twist which our minds received during the elementary period of our education with regard to important facts in history. Personally, I was always taught that France was the traditional enemy of England, and that every school child in England had that fact drilled into his consciousness. I was also taught that Germany was the traditional friend of England, and that teaching remained in the British school books until 1914. With respect to almost everything of an international character, our children have received the wrong slant; history has been taught inaccurately, perhaps not with respect to the facts but certainly with respect to the emphasis. Wrong emphases have been placed, and the expected result has been achieved. I was reading the other day about that famous incident in history when King Charles I lost his head in 1649. That fact has entered into our school books and our system of education to an extent of which it was not worthy. On the other hand, just four years earlier an Englishman introduced into English agriculture that very humble vegetable the swede turnip, but do you think English school children ever heard anything about the introduction of the swede turnip? They heard about the head of Charles I but the turnip was worth a great deal more than the head of that king, because the head of King Charles I brought nothing but trouble to English politics, while we are told that the swede turnip in succeeding years was the means of helping England win the battles of Waterloo and Trafalgar. I just mention that to illustrate the manner in which history has been twisted for purely chauvinistic purposes, and I think a bureau of this kind could very well start to work in co-operation with our provinces to correct some of these false ideas. I wish I had time to enter into that phase of the question a little more fully because I believe it lies at the very roots of the menace of war.

Let me refer very briefly to another job which faces parliament, and to deal with which parliament should have a proper agent. I have already referred to this false patriotism which has grown up in Canadian hearts and which, to our sorrow, very frequently finds its characteristic expression. Viscount Cecil recently said that the prime causes of war were, first, a traditional officialism, and secondly, chauvinism, or a false and narrow patriotism. Chauvinism is not confined to any one class; it is something of which we are all guilty in a greater or less degree and it is something of which our hearts and minds must be purged before the world can be made safe against the menace of war. I sometimes think of the way in which we make use of our national anthem, that hymn which means so much to the British people; I think sometimes we carry things a little too far through our habit of using that hymn upon many occasions and for many purposes in connection with which its use was never intended. I am also afraid that our national flag is many times used in a manner unworthy of its glorious symbolism. That flag should not be the symbol of anything narrow, anything national in the chauvinistic sense. What is the flag of which we are so proud? That flag represents a Roman gibbet thrice superimposed upon a square of coloured bunting. We all know what took place on that Roman gibbet; we all know of the scene that was enacted there, and we have no right to make that the symbol of a narrow nationalism, because it was the symbol of a universalism, the spirit which is against war and for human co-operation. I see no hope for the future of civilization if we allow our patriotism to become narrow. We have a great many Canadian poets still living, and there is a great opportunity for some of them to write something for Canada, perhaps not to supersede the hymns we already have, but to represent the spirit of Canada as that spirit has been maintained since the great war; something to represent the broad outlook of the average Canadian with regard to world affairs. As it is, I should rather have a single line of one of the lyrics of Lampman, Campbell, Scott, or any of our

Canadian poets, than a lot of the doggerel that passes as patriotic song. After all, I want my children to get something of the spirit that some of our own poets have put into their simple lines that speak of the Canadian spirit as it has grown up amongst the beautiful objects of Canadian scenery. There is a great scope in Canada for building up the type of patriotism that will be an example to the wide world. We have all the conditions, both material and moral, which will make for a new type of feeling with respect to our country.

Such a bureau, if I may so term it, would have the effect of declaring what Canada's moral attitude is on the question of peace. Simply because here and there you have sentiments eloquently expressed does not mean to say that we as a people have taken a moral stand on the question. We heard a lot before the war about the will to power, an attitude that had got beyond mere sentiment and ideas and had embodied itself into a national attitude. It is fully time that we Canadians should cease to talk sentimentally about peace, or even go further to expound our ideals about peace, and that we should assume once and for all a moral attitude on the question—that we should have the will to peace. And how can we do it unless we organize the wealth of intelligence we have at our command?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I wish to support this resolution because I believe the time has come for Canada and the empire to find means of preserving peace by outlawing war in place of the old method of being prepared for war as a means of national safety. The time is now ripe for the outlawry of war and violence, and this nation cannot spend a few thousand dollars any better than in fostering the idea of peace by educational methods and propaganda that will in the end reach the hearts and minds of the common people to the extent that governments will have to change their minds in regard to preparation as a means of national security. War again, if carried on by any nation which has no scruples about winning by any means whatsoever, will be more likely to win in the future by the slaughter of the innocents than by contests between trained armies. This fact alone should, I think, make it imperative to educate the electors of all countries rather than attempt to bring about the outlawry of war by governments who are more than likely to represent the big interests, the money lenders and others interested in big business.

The fact is that war has been robbed of its glory by mechanization. The glamour of battle no longer exists. War is nothing more now than butchery on a wholesale scale, and the common people, women and children as well as men, are the sufferers. For this reason it ought to be considered the logical thing to do to outlaw the whole business of war. The flame of war is fed by national budgets and it is time that Canada worked to douche that flame and lead in the cause of peace through education. Our estimates to-day are illogical in face of the position that we have taken on the League of Nations, and I hope that we shall consider this. The position is so illogical as to be untenable. What we want to do now is to remove as far as possible all machinery that makes for war and create instead an institution to foster peace. I believe Canada is in just such a position that any move on her part in this direction will have an effect on other nations, and, being a part of the British Empire, we may well by this means set an example that will be a precedent to other nations and will help to move forward the cause of international co-operation.

According to the Free Press of Winnipeg of September 7 last, an associated press cable from Geneva states that a concerted attempt to revise the Geneva protocol stands forth as a possibility in the League of Nations. Van Brooklands of the Netherlands actually introduced a resolution calling for a revival of the principles of that protocol, with the serious discussion thereof, to the end that an attempt be made to outlaw war. Canada has nothing to fear in moving in this way. Our civilization has reached a point of advance by which we may measure the degree of its peril when its survival depends on the willingness of the great masses of the citizens of all nations to stand loyally together as comrades in this great venture. I look upon the League of Nations to-day as the symbol of that great outstanding fact. Co-operation has become a world-wide necessity of the present age. The downfall of civilization is the alternative to co-operation, according to the opinion to-day of many great men writing in the greatest journals and magazines. H. G. Wells says that it is a race between co-operation and ruin. The progress of civilization does not consist, as some would have us believe, in a gradual advance to a point

of safety. It consists rather in a growing perception of the common risk, and a growing willingness on the part of the common people in all countries to face this together. Co-operative effort of the nations is needed and it calls for leadership and valour to initiate and take part in a movement such as this resolution calls for. I am glad to see that the common sense of the people of Great Britain and the United States has prevailed on both governments to cut down on their war expenditures for this year.

Civilization has advanced scientifically, we must admit, and it has advanced behind the shelter of big guns, but we are face to face now with the time when big guns will not avail to protect civilization. We have to face the fact that the advance of our civilization will be along lines of co-operation, or, to give it a clearer definition, a sympathetic feeling for the rights of all others through co-operation. The advance of civilization and the safety of mankind lie in the unity of that great resolve to co-operate, and it is time now that we in Canada went forward in the cause of peace and education. No other nation on earth to-day is so advantageously situated to establish a system of education that will wean the viewpoint of the common people away from preparedness through great armaments and great guns to a system of education and co-operation.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I want to occupy the attention of the house for only a very few minutes, and it is because the mover of the resolution (Miss Macphail) in her address has felt it necessary to discuss along with this resolution the matter of national defence. I thank the hon. member very sincerely for the suggestion she has made as to the exchange of portfolios, but apparently I am not, according to the evening newspapers, likely to achieve such an exchange; so in view of the fact that I am still in the position to which I have been called by His Excellency, I want to say just a word or two with regard to the general subject matter, and more particularly as it concerns my department.

The hon. member opened by stating that there were three different classes in the world, and three different opinions held, with regard to the matter of national security. One was the class which regarded armament as being the only method of achieving national security; another was the class which looked altogether towards peace and disarmament as the only method of attaining that end, and the third class was made up of those who were irresolute between those two opinions. She did, I think, leave out what I consider to be a very important class, the one to which I myself belong, and that is the class which believes in both those methods as a means of achieving national security, namely, that we must seek to maintain our national position by taking all reasonable means to preserve our security against attack by force, and at the same time work along the lines which she and others have suggested to bring about the situation where defence forces will not be needed. I believe that two-fold view is the position taken my many countries of the world to-day. I believe that it is the position of Canada. I believe that is the position of many men and women who, from the bottom of their hearts—just as deeply as my hon. friend does—feel that war is anything but a glorious thing, that war is the last resort, that war is one thing we want to get rid of just as quickly as possible. But while they are striving in every way possible to get rid of war, they realize that we live in a practical world, a world where we must take reasonable steps to maintain national security even while we seek to attain our ideals of international peace. The effect of our ministers preaching the gospel in the city of Ottawa Sunday after Sunday is not I think effaced by the fact that we have to maintain a police force which protects those ministers, and once in a while might have to protect the church as well. That is the attitude I take with regard to these matters, and it has been and will be my endeavour, so long as I occupy the portfolio of defence, to stress the second phase of the work of preserving national security just as much as the first, and to contribute in any way I possibly can to a removal of the causes of war. But when we remember that as far back as the sixteenth century there was a scheme for the confederation of Europe which was to do away with war; when we remember the holy alliance entered into in the early part of the nineteenth century, the conferences of Berlin and Vienna, and the Hague conferences—a great forward step in the peace of nations—and that war nevertheless came, it seems to me we still have to maintain national security by way of defence forces to a moderate degree. Perhaps the most concentrated and sustained effort ever made in the history of the world has been made in the last ten years in an endeavour to do away with this monster, war, and I do believe that the nations to-day have their attention focused on that objective more than ever before; but at the same time defence forces have to be maintained until that object is achieved.

I want to allude just for a moment to the reference of my hon. friend who moved this resolution to the matter of an increase in the defence estimates. I know I shall have an opportunity later, when the house goes into committee to discuss this matter more fully, but I want to remind the house now that the defence estimates as laid on the table to-day, covering the militia and naval services, amount to less than one million dollars more than estimates for these same services in 1913-14 and in 1914-15. I want to remind the house also of this, that the dollar in 1913-14 purchased and provided a good deal more in the way of clothing and equipment and supplies than the dollar does to-day. In 1913-14 there were trained at camp and at headquarters over 60,000 men, while the estimates this year provide for the training of something like 33,000 men. In 1913-14 we provided, I think, for sixteen days training in a number of the services; to-day we are providing for twelve days training. So I can assure my hon. friends that more is not being done than seems to be absolutely necessary if we are to maintain even a modest and efficient defence force.

My hon. frined the mover of the resolution deplored the fact that sufficient attention was not being paid in this country to the promotion of peace. I thoroughly agree that the education of the people of this country, of the everyday people like those of us who are here, is most desirable. Everything possible should be done to bring to the knowledge of the citizens of this country what is sought to be accomplished in connection with the league of nations; in connection with the Washington conference, which was continued in Europe last summer; in connection with the preparatory commission which is now considering the matter of disarmament; in connection with the Locarno pact; in connection with the Geneva protocol, which was mentioned by my hon. friend a few moments ago—it is eminently desirable that all these things be brought to the attention of our people.

One reference made by the mover of the resolution is of interest particularly to members of this house and to citizens of this country generally. She deplored the fact that in the peace tower which surmounts this building we have nothing but things which glorify war. I feel sure that my hon. friend has visited that tower, and I hope that all hon. members have seen it. If they have not, I feel they owe it to themselves, as well as to the memory of those who are commemorated there, to see it. I want to say to you, Mr. Speaker, that I do not think there can be found in this country or elsewhere anything which has less of the glorification of war than the interior of that chamber. As one enters it, one is struck by the beauty but also by the solemnity and the sadness of the place. Facing you as you go in is the altar stone presented by the people of England, on which will rest nothing to glorify war, but a book in which will be inscribed the names of some sixty-four thousand citizens of Canada who gave their lives, and over that altar will be burning perpetually a light in their remembrance. On the wall you will see panels depicting different scenes. in the war. Very little to glorify war will be found there. One picture I remember represents Ypres, the ruins of the Cloth Hall in the foreground, with the personnel trekking their way to the front line—no glory, nothing but weariness, nothing but stress and strain. The next scene is one of trench life, and hon. members of this house know enough of that or have heard sufficiently vivid descriptions of it to make it unnecessary for me to dwell on it. Next is a village from which are coming refugees, and through which is passing a Highland battalion on its way up to duty in the front line. Next a working party engaged in the dismal task of digging trenches; next Sanctuary Wood, of sacred memory to Canada, with St. Eloi craters and ruined houses; next, the basilica of Albert with the leaning statue of the virgin; next the tower of Mount St. Eloi partly destroyed; next Passchendaele, with its mud and misery; next a picture of the medical corps at work with ambulances and stretcher cases, and at last a representation of ships returning to Canada leaving behind them a field of crosses watched over by a soldier resting on his arms reversed. Nothing very much suggestive of the glories of war, but something which my hon. friend might well use in any address she makes to point to the horrors of war, and to strengthen the desire and prove the necessity of getting rid of it as quickly as possible. True, one of the windows represents the call to arms; but another represents the assembly of remembrance; the third represents the thing for which my hon. friend is looking,—the dawn of peace. I say that that memorial tower has more in it perhaps than many sermons and many addresses that might be delivered at peace conferences to influence people to find as quickly as possible a method to achieve the result which not only my hon. friends who spoke a few minutes ago seek, but which we all seek. And then, as if to express the very antithesis of glorifica-

tion of war, I find under a window this moving inscription from Kipling:

Nor was their agony brief, or once only imposed on them. The wounded, the war-spent, the sick received no exemption; Being cured, they returned and endured and achieved our redemption.

The sentiment of the resolution and the spirit back of it appeals, I think, to us all. The only question is how best the object can be attained. Towards that object not only our friends who have just spoken, not only this country, but practically all the countries of the world are working, and it is the duty of those of us in Canada to give the heartiest support we can in furthering that work, in doing our best to spread abroad among the nations our desire for peace, our desire that international questions may be settled by reason and not by force, and to educate our boys and girls and our citizens generally to look towards the day when arbitration, conciliation and co-operation will be accepted as the recognized means of maintaining national security.

Hon. R. J. MANION (Fort William): Mr. Speaker, my main reason for taking part in this debate is that unfortunately, and I know unfairly, some of our friends in the house have a tendency to suggest, if not to state expressly, that those of us who realize conditions as they exist in the world to-day, who realize that something in the shape of a national defence force is necessary, and who advocate a certain degree of national defence, are therefore advocates of war and believers in militarism. I think, sir, that suggestion is unfair, because it seems to me that it may be said, in one broad sentence, that every sane man and woman abhors war. Anyone who has seen war at close range must realize something of the horrors of that catastrophe. Long before I ever had that personal experience I did have an abhorrence of war, and even as a child I remember wondering why civilized nations that had long ago outlawed duelling —the idea that men might settle their personal disputes by guns or rapiers—could not in some way outlaw war. To-day there is a strong feeling among the civilized nations of the world that that outlawing of war should take place; but the fact remains that we cannot by ideals rule the world as a whole, that, for example, there are some tens of millions of Russians and hundreds of millions of Chinese who are not as civilized as we are, and of whom we do not know in what direction they may happen to march if they choose to march.

In view of that fact, and of the further fact that throughout the world to-day there are leagues and counter-leagues; that there are countries, such as Poland for instance, who fear they may be attacked by their eastern or western neighbours; that to-day Baltic and Balkan nations are quarrelling more or less among themselves, and that another such incident as the Sarajevo murder might plunge the world into a war in which we might be forced to take part—in view of all these things, I say our sanest course is to preserve something in the shape of a nucleus for national defence. To charge that those who believe in such a course advocate war is just as ridiculous as to assert that because you believe in a police force you therefore advocate murder, arson, robbery, rape and all other crimes that a police force is maintained to prevent.

When we look at the clouds upon the European horizon, when we remember that we did not want war in 1914 but were forced into it by circumstances over which we had no control, I say it is only right that we should have something in the shape of a national defence force. I do not believe in great armaments. I am entirely of the opinion so well expressed by Sir Edward Grey in the story of his life, a life dedicated to the prevention of war in every possible way. He was the most able and most outstanding peace lover in the parliament of Great Britain, a man who for twenty-five years did everything in his power to prevent war, and yet who at last in 1914 realized that England could not keep out of the struggle that was then impending, and so joined those members of the cabinet who believed that Great Britain should uphold the sanctity of treaties and help the world against aggression by Germany. After all that experience Sir Edward Grey does take the attitude that great armaments inevitably lead to war. I entirely agree with him. But no one can charge that Canada is leading the way towards great armaments, for this country, whether under our party or the Liberal party, has simply preserved the nucleus of a defence force. That is a necessity for any self-respecting nation. I think Canada spends on her defence force the lowest amount of probably any country in the world.

Mr. RALSTON: Per capita.

Mr. MANION: That is what I mean. As to the principle behind the resolution, of doing everything we can to bring about "moral disarmament," as expressed by the Minister of Justice, that condition whereby there will not be wars between nations and our sons will not be forced to become cannon fodder, I am behind it wholeheartedly, because if there is anything that is abhorrent to parents it is the thought that their

children, instead of growing up into good, quiet, peace-loving men and women, may be killed in a war precipitated by some incident in Europe over which we have no control. Parents hate the mere idea of war more intensely than do their fellow-citzens who are not so fortunate as to have children to educate and cherish. God forbid that there should ever be another war in which Canada will have to take part; I hope such a misfortune will never befall us. At the same time a nation like this must, in my opinion, preserve something of a nucleus of defence around which may be built up, should such an unhappy event ever overtake us, a force adequate for the defence of the country. It is easy to express the hope that we shall never again be obliged to participate in a war; no one cherishes this hope more sincerely than I. But we have not yet reached that utopia in which the nations of the world have absolutely outlawed war. I am entirely in favour of the principle underlying the resolution, but I believe that we can accomplish just as much towards peace by means of the voluntary associations that exist today and by the advocacy of peace on the part of all those engaged in public life, to whatever side of politics they belong.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I am very glad that so far the discussion has maintained a tone of toleration. We are perhaps coming to the point where we may discuss matters of this character without accusing one another of hypocrisy, of lack of patriotism or of having some ulterior motive in view. But I think we should be very clear in our thinking on questions such as this. Undoubtedly we all desire peace; we may begin on that assumption. And I am sure there is no one in favour of this resolution who thinks of accusing the Minister of National Defence (Mr. Ralston), or the hon. member for Fort William (Mr. Manion), or anybody else of desiring war. That is not the point at issue. Rather, we are challenging the assumption that the way to secure peace is by force of arms or military defence. That is an arguable point. The hon. member for Fort William points out that the time has come when we no longer permit duelling as a means of settling personal affairs; it has been ruled out. And there is a bill before the house at the present time, presented by the senate, which will make it next to impossible for any of us to keep arms in our homes even though we may have the most pacific intentions. Further, we are certainly not permitted to wear side arms or to carry concealed weapons, nor have we done so for a number of years.

All the arguments that may be brought forward for the retention of armed forces on a national scale used to be brought forward for the retention of personal arms for the sake of personal defence. But we have passed beyond that stage and have recognized that it is not conducive to peace that individuals should be allowed to bear arms. I take it that we are advancing very rapidly to that same position in relation to international affairs. The hon. member for Fort William suggests that all the nations are not as civilized as we are. I am not quite so sure of that. He also urges that we ought to be armed in order to be protected against the Chinese. I ask him, do the Chinese ever invade any other country?

Mr. BROWN: They did in former times.

Mr. WOODSWORTH: I am not aware of it.

Mr. BROWN: What about the Mongolian invasion of Europe?

Mr. WOODSWORTH: I am fairly familiar with the history of the east and I cannot recall the Chinese ever having invaded other countries; I am not going back to the Mongols, who overran China. I do not think we need prepare to fight the Chinese. The hon. member suggested also that we should be prepared against an attack from the Russians. Now it is only within the last few weeks that the Russians have made proposals for a general disarmament; and what have we said? We have said, to use the English phrase, "You are talking with your tongue in your cheek, because you have not given up your arms." Surely what we say to the Russians may be applied equally to ourselves: we cannot very well talk general disarmament until we are prepared also to disarm.

I confess that the motion of the hon. member for Southeast Grey (Miss Macphail) may seem rather idealistic, and perhaps that is the worst charge that can be brought against it. But on the other hand it may equally be said, it seems to me, that the attempt to secure peace by force of arms is a policy of stupidity. It has been tried century after century, it has cost countless millions of lives and countless treasure, and it has been proved absolutely futile. It has absolutely failed as a method of achieving peace. Surely we all recognize that fact. Then why not try something else? It has sometimes been said that it is necessary to keep an army to put down the rising flames of discontent and to bring

order out of international chaos. Well, if one fire extinguisher has failed repeatedly to work, why should we forever rely upon it? If it has failed again and again in times of crisis, why not try some other kind of fire extinguisher? It could not be worse than the last.

I am happy to associate myself with the member for Southeast Grey in the advocacy of her resolution even though it may appear somewhat idealistic. Suppose we heard that Germany or France or Japan were proposing to take action along this line: I am sure we should all consider it laudable. But if we heard that some Russian or German militarists in Europe frowned upon such a resolution, our comment would be—that shows the power of militarism in those countries. Why can we not have imagination enough to understand that our action will be construed in much the same way and that the moral effect of action along the lines suggested by the resolution will far outreach any small material expenditure that may be involved? I suppose the government, like all governments, want to be assured that they are acting in harmony with public opinion. I think I can say that large sections of public opinion, in this matter at any rate, are far in advance of governmental action. I do not for a moment suggest that the mere organization of a department of peace will prevent war; I should not like to be so understood. Fundamentally, wars in these modern days arise from economic conflicts, and the best intentions of the best departments we may set up will not in themselves prevent future wars. We shall have to make fundamental economic changes before we can obviate war. But there is not the slightest doubt that the ignorance, suspicion and fear to which the hon. member for Southeast Grey has referred are played upon in the time of crisis. The powerful interests which are able to use the machinery of the great powers are able to play upon national sentiment, on the ignorance of one nation or the other, on the fact that we have opprobrious names for people of nationalities other than our own. Thus war can be readily engineered. It seems to me that if we had some agency of this kind it would go a long way at least to retard the onrush of war.

The Minister of National Defence suggested that there was nothing in the peace tower to glorify war. I do not intend to enter upon a discussion of that point, because I fancy a matter of that kind depends very largely upon one's personal reactions. The minister did quote from some passage, however, in which it was suggested that these fallen soldiers had "achieved our redemption." That is the very point at issue. However heroically our men died at the front I cannot concede that this is true. I am willing to give the soldiers all credit for their heroism, and I will go as far as anyone in trying to see that those who came back get fair play because they were called to take that heroic position. But I absolutely refuse to say that they achieved our redemption or the redemption of the world. On the whole the war was a ghastly failure; it absolutely failed to achieve any of the high objects which were held before us at that time, and I think we should frankly admit that situation. I know very well there are some who are very sensitive with regard to that matter, men and women who have lost their loved ones at the front; they feel like asking, "Well, was their sacrifice in vain?" Personally I do not think any act of heroism is altogether in vain.

Mr. RALSTON: Will my hon. friend permit a question? Does he think the achievement of the covenant of the League of Nations was a failure?

Mr. WOODSWORTH: No, the achievement of the covenant of the League of Nations was not altogether a failure; I would say that to a very large extent it was a reaction brought about by the horrors of war.

Mr. RALSTON: It grew out of the war, did it not?

Mr. WOODSWORTH: I would not say so.

Mr. RALSTON: Does my hon. friend know that it is part of the Peace treaty?

Mr. WOODSWORTH: Yes. There were a great many forces in the world developing along that line. Again, of course, this is a matter of judgment, but I cannot help believing that the cause of peace would have made just as rapid progress had it not been set back by the terrible experience of those four years and the years immediately preceding the war.

The Minister of National Defence has introduced the matter of the estimates. It is undoubtedly true that compared with many European countries our expenditure per capita is low, but at the same time I would point out that in relation to the other expenses of Canada the cost is high. I hold in my hand a little pamphlet on Canadian taxation which I received the other day, published by the Citizens' Research Institute. I think the items contained herein are correct. The total expenditure for the Dominion of Canada outside "trading operations" is given as $329,382,561, or a per capita total of $35.08. Now let us see how that amount is distributed.

The debt charges, which are very largely due to the last war, take $14 out of that $35.08; military and naval expenditures, including soldiers' civil re-establishment, pensions and so on, amount to $6.46. For provincial subsidies the amount is $1.33; subsidies and subventions, mail and steamship services, 11 cents; public works, including maintenance, rent of public buildings, lighthouses, ocean and river service and so on, $1.90; railways, canals and highways, with the exception of the deficits on the Canadian National Railways, 44 cents; administration of justice, 71 cents; immigration and colonization, 28 cents; agriculture, fisheries and mines, $1.04; lands and parks 45 cents, or a total for all these latter items of only $6.26.

Mr. RALSTON: Would my hon. friend read the item to which he has referred as the military item.

Mr. WOODSWORTH: The military and naval item, as I said, includes soldiers' civil re-establishment, pensions and so on.

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: I am not trying to mislead the house in any way.

Mr. RALSTON: I thought my hon. friend referred to the army alone.

Mr. WOODSWORTH: I am trying in this instance to show the enormous amount spent either directly or indirectly in connection with military expenditures in contrast with the amount spent on other items. That is my purpose.

Now, I think we have gone a little far afield in this discussion. The resolution asks that a department be established for the promotion of peace. Nothing was said, except by way of comparison, by the hon. member for Southeast Grey with regard to our national defence estimates; that has been introduced since. The Minister of National Defence takes the ground that he is quite willing that peace should be promoted. Since he is willing that we should work for the promotion of peace, I ask him if he is willing that we should give for this purpose even one-tenth of what is spent for the army and navy and air force? Is he willing to give for the promotion of peace one-tenth of the $19,000,000 which is being expended specifically for those three forces? I am not entering into the rather academic question whether or not we should maintain a certain armament while we attempt to promote peace, or whether or not it is possible for us to promote peace while retaining an army. Leaving that aside for the moment, since the minister is, I have no doubt sincerely, in favour of peace education, is he willing that we spend one-tenth—yes, this year even the one-hundredth part—of what we are spending now upon the army and naval and air forces on a department to promote peace? Is that an unfair or an extravagant thing to ask? The member for Fort William says: Leave it to voluntary agencies. Would he suggest that the defence of the country be left to voluntary agencies? I do not think so. The Minister of National Defence will agree that if we are to have efficiency we must have things organized; if we are to really do good work we must have resources at our command. If the question of peace is to have its due place in the minds of the people of Canada, and in the world at large, we must be prepared to dignify it by giving it a place side by side with our other governmental activities.

I was glad that the member for Southeast Grey suggested one line of activity that may readily be carried out. I remember three or four years ago having the pleasure of introducing to the Prime Minister and the Minister of Justice a deputation of university students, who came asking that the government enter into a plan of establishing a certain number of international scholarships. Their idea was along the lines suggested by the member for Southeast Grey, that we might send some of our best men abroad to study affairs in Europe and Asia, students who would learn something of the various peoples and their conditions, and come back and give us the result of their knowledge and experience; and on the other hand that we in Canada should invite people from other nations to send us, some of their brightest young men, to study at our universities, investigate our national affairs, and go back to carry their new viewpoint to other parts of the world. A great many members of this house are very much afraid of Russian communism. I do not intend to enter into that question—I do not happen to be a member of the communist party, nor am I particularly sympathetic with a great many things in their program—but there is at least one thing they are doing that I think is worthy of emulation by other nations. They have established in Russia, I am told, a great university, a sort of international university; to that institution they invite a considerable number of the brightest students from all the countries of Europe, who for two or three years are given free tuition in order that they may understand the Russian system and go back to spread that knowledge throughout the world. Some of the members of this house think that is a

dangerous proceeding; I am speaking merely of methods. Can we conceive of any better method than that? Why should we not adopt some such plain of having students come to us from other countries to learn what the spirit of the Anglo-Saxon people is, and to tell our own people something of what they find in other countries, and thus help to allay the prejudices which now exist? I do not think those proposals are extravagant, and I do not concede that they are altogether too idealistic.

I am glad that there has been established an institute of Pacific Relations. I am glad that a few men went over the seas to Honolulu last year, including I believe Sir Arthur Currie, to study the Pacific problem. I think it was a splendid thing to do. I should like to put that movement on a more permanent basis, to enable such conferences to be held much more frequently and the results of them to be much more widely diffused. All this kind of thing could be done if we had some sort of department, or a bureau in one of the existing departments, specifically charged with doing this kind of work; and further, this work placed in charge of a man who is enthusiastic for peace and who has a broad vision of what is possible in the world to-day.

We must try to realize the changes that have taken place in recent years. In the old days each state was largely independent. The attitude was that of keen rivalry, and the only court of appeal was that of war. At that time undoubtedly the policy was preparedness—preparedness along military lines, preparedness along psychological lines—because we regarded all strangers as enemies. Did you ever think, Mr. Speaker, that every stranger is a potential friend or a potential enemy? Which he will be in practice depends very largely on the way we regard him. It is easy enough to look out on the world and see all these nations encircling us as glaring enemies. But it is also possible to look out on the world and realize that other nations are potential friends of ours, and willing to enter into friendly co-operation with us. In the old days peace was simply an armed truce, and the only way we could think of maintaining peace was by defensive alliances. But to-day all that is changed. We have already developed economic interdependence. There is a growing sense of the world's solidarity. In the scientific world we have stepped over international boundaries. Any great medical achievement in one country is rapidly carried to other countries, and we rejoice in it. Culture is becoming international; literary, artistic and religious movements sweep rapidly over international boundaries. But there is a development that has not been so clearly understood, and that is that class and group conflicts are also world-wide in character. To-day the great industrialists and financiers have their interests in different parts of the world, and hardly recognize international boundaries. The great financiers are international in their outlook. In fact, labour man as I am, I would say it is not impossible that the development of international finance may one of these days prove to be the very surest way of effecting some sort of world solidarity. The process is going on; but I ask, are we in our political institutions keeping pace with the economic and scientific developments going on round about us? We still maintain our narrow nationalistic institutions. I do not want to do away with our national culture or anything of the kind, but I ask that our national institutions adapt themselves to the new condition; that instead of being isolated from other nations we remember that the old economic barriers have broken down; that we must co-operate with other nations and in so doing change our methods as well. Instead of relying on being fully armed against other people we should cultivate an understanding and interpretation of different points of view through which alone we shall be able to solve the complicated economic problems that come to us in our larger world relations.

I hope that we shall not be diverted in this discussion by the question whether or not we should sweep away to-day all our national defence. I do not want to discuss that at this time; there will be other oportunities. I should like to concentrate on the motion of the hon. member for Southeast Grey and ask that we proceed now to institute something in the nature of a department of peace.

An hon. MEMBER: Time.

Mr. WOODSWORTH: Yes, I believe my time has nearly expired.

Some hon. MEMBERS: Go ahead.

Mr. WOODSWORTH: I am about to close. I ask that we proceed to institute something in the nature of a department of peace; and I think that the Minister of National Defence, if I may appeal to him, would not be very inconsistent if he would accept my suggested proposal that one one-hundredth part of the expenditure now being made for the army and the naval and the air forces be devoted this year to such a new department. If I might appeal to the Prime Minister, I should like to urge that it would be no mean ambition for Canada that we, situated as we are beside a peaceful neighbour, should set the

pace in this matter. We are already occupying an exalted position in the assembly and council of the League of Nations. We are already making our voice heard over there for peace. But let us not use empty phrases. Let us implement what we say at Geneva by endeavouring actually to carry out an educational propaganda at home. We are in a position to take a lead along that line. The very fact that we have so relatively small a military establishment to maintain makes it possible for us to extend along other lines, and there could be no fitter time than the present for doing so. I should like to think that the jubilee of confederation, of which we made so much less than a year ago, might be celebrated in some way that would leave tangible results—results that would mean much to the world at large. Whether or not all are prepared to go the whole way in the matter of national disarmament, at least let us set up such a department as is proposed and thus pay real tribute to the principle that lies behind the resolution.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, inasmuch as the hon. member for Winnipeg North Centre (Mr. Woodsworth) has made an appeal to me to say a word on behalf of the government and more particularly has emphasized the importance of Canada taking a lead in these matters which tend towards peace and the promotion of international understanding, this might be an opportune time for me to make what few remarks I had thought of making in the course of this debate. May I first of all say that any resolution brought into this house and having as its objective the great purpose of promoting peace and international understanding, is certain of a sympathetic reception at the hands not of one political party but, I believe, of all parties in this chamber? The debate which has thus far taken place would indicate that such is the case, and I think the hon. member for Southeast Grey (Miss Macphail) who has introduced the resolution, may feel assured that whatever differences of view there may be as to the particular method which she suggests as the one to be aimed at immediately for the promotion of peace and international understanding, there is no difference of view as to the desirability of the large objective being attained in the most effective manner possible.

We are indebted to her for having emphasized anew the importance of ridding the world, if that is possible, of a war mentality and substituting therefor a peace mentality. But that is not a work that is a matter of days or years; it is perhaps the largest educational effort in which mankind as a whole can be engaged. We cannot emphasize too often the horrors of war, the losses of war, not only the material losses but the losses to nations and to the world in human life, in morals and in all that we hold dearest in civilization. But it is important, when speaking on the subject of war, its futility, awfulness, and hideousness, that we distinguish between those who are responsible for provoking wars and the services of those who seek to defeat their efforts. That distinction is not kept sufficiently in mind. In the course of the debate one might gather from some of the remarks that have been made, that there were in this chamber those who believed that war was something that some were prepared to endorse, something that, in a direct or indirect way, had been endorsed by the nations that took part in the recent war, and that because nothing good, as has been said, comes out of war, that therefore the efforts of those who sought to oppose the forces which were responsible for the war in the first instance were of themselves of no account. If we pause for a moment to consider the situation and to realize the distinction that should be drawn, when we come to speak of war, between those who are responsible for provoking war and those who seek to overthrow and overturn the forces that bring about war, we shall realize that in the recent great international world strife, had the situation not proven to be what it was on the part of those who opposed the forces responsible for war, we would not this evening be spending our time in this house of parliament debating the question at all. I believe as firmly as I am standing here that if the peoples of the British Empire, Belgium, France, Italy, the United States and the other allied and associated countries that participated in the war had not taken the part which they did, had not opposed the enemy as they did oppose him, there would not be in these countries to-day men and women in a position to stand up and become the advocates of the merits of peace. We should all be in the position of nations that had been overcome by a people who held with respect to peace and progress a point of view diametrically opposite to the one which we hold. We must distinguish, in discussing war, between the forces that are responsible for war and those whose aim and purpose it is to prevent those forces from getting control. I remember very well a passage that appears in one of the writings of that celebrated scientist, Pasteur, and which to my mind vividly portrays the situation:

Two contrary laws seem to be wrestling with each other nowadays: the one, a law of blood and of death, ever imagining new means of destruction, and forcing nations to be constantly ready for the battlefield—the other, a law of peace, work and health, ever evolving new means of delivering man from the scourges which beset him. The one seeks violent conquests, the other the relief of humanity. The latter places one human life above any victory; while the former would sacrifice hundreds of thousands of lives to the ambition of one. Which of these two laws shall ultimately prevail God alone knows.

The great scientist who uttered those words expressed a profound truth, namely, that through the whole of human society there run these two contrary forces: those who are striving for the preservation of peace, health and work, and those who are following some law of blood and of death, and who are ever ready to make conquest serve ends which are their own. These laws are in conflict with each other and unless those who are prepared to support the law of peace, health and work, are ready to support it by means that are effective enough to overthrow the force of blood and death, then the latter and not the former will triumph. This truth I think it is essential for us to keep in mind when we discuss the question of war and preparation for war.

May I say to the hon. member for Southeast Grey that the one exception I have to take to her resolution is that I think it takes too limited a view of how the great objective which she has in mind is to be attained, too limited a view of how peace and international understanding may best be promoted. I say that instead of one department of the government being established for that specific purpose, every department of the government should have the promotion of peace and international understanding as its aim. Every department, bar none, should have as its aim the promotion of peace and international understanding, and not only every department of the government, but I would add the government as a whole and parliament as a whole. It is not a business merely for one department of the administration; it is a part of the supreme duty of all. May I say that even in regard to the Department of National Defence, I make no exception; its duty, I maintain, is to help make war impossible. It is not a department of national offence; it is a department of national defence. Defence, not offence, is its object. It is a department that aims not to promote or develop in any way any conception of war, but rather to take such measures that, if the time should ever come when we shall again be compelled to make further sacrifice because of those who hold an opposite view to those of us, who cherish peace ideals, we shall be in a position effectively to maintain and hold our own. May I say with respect to the minister in charge of the administration of the Department of National Defence, that when it became my privilege as well as my duty to advise His Excellency the Governor General as to whom he should call to take control of that department, I advised His Excellency to call the hon. member who now sits for the constituency of Shelburne-Yarmouth (Mr. Ralston). Why? Because I believed that he had a record second to none of gallantry in the defence of his country, and also because I believed that having gone through that great war from its beginning to its close, and having served as he did on the field of battle, there was no man in this country who was likely to be more understanding and more sympathetic with the men who had fought on the battlefield or who would be more anxious to avert another war, and further because I believed that in the administration of the affairs of the Department of National Defence he would see to it that any measures that were taken would be of a character that would be effective for the purpose in view, and would be carried out above all else in a manner that would serve the highest interest of his fellowmen and of this country.

My hon. friend from Southeast Grey pays the Minister of Justice (Mr. Lapointe) a compliment and says that she would be content to have him at the head of the Department of National Defence. May I remind her that under the British system of government the cabinet is a unit in all matters of policy, and whether the Minister of Justice sits where he sits to-day as Minister of Justice, or were to sit as the head of the Department of National Defence, the policy of the government would still remain as one, and he along with others would be jointly responsible exactly as he is to-day. As a government we have a collective responsibility for the policy of national defence.

I do not wish to-night to go into the question of the estimates. My colleague the Minister of National Defence has already indicated to the house certain features, but I might repeat in one word what he has said, namely, that if we confine the comparison to the militia and the naval forces, the amount which we are asking parliament to provide this year is the equivalent of what was being asked prior to the period of 1914. Will anyone in this house suggest, having the knowledge we all have of the development of aerial navigation and the possibilities of aerial attack and aerial defence, that it is not wholly essential

that this country, in common with all other countries of the world, should develop an air force? Is there anyone who has followed modern scientific development or has attempted to forecast the possible developments that will take place in the agencies of communication and transportation who does not feel that the air force is likely to play a part second to none in the future? I believe that this parliament will say that a country like Canada, with the vast distances which we have here to traverse, and incidentally to defend in case of attack at any time, is justified both for military and civil reasons in paying very special attention to the development of air forces and aerial navigation and that the addition which parliament is being asked to vote in that connection will be voted with good grace.

There is, I believe, an additional amount to pay for the cost of two new torpedo boat destroyers. If these destroyers were to be an addition to the present equipment of the naval forces, I would say that there might be some ground for taking exception to that expenditure, but actually they are in the nature of replacements of two vessels that are practically out of commission, and the alternative of the government, if we were not to drop this service altogether, was either to borrow vessels from the old country, or purchase our own vessels and ourselves own and control what we feel to be essential. I believe the members of this house will feel that Canada will wish to pay for her own vessels, and to control and manage them herself, and be under no obligation to any other government than her own for what she does in that regard. That covers the essential features with regard to any additional outlays from the point of view of national defence.

Now take the other departments of the government, and here again I wish to emphasize to my hon. friend that every department of the government is vitally interested in the promotion of peace and international understanding. Take, for instance, the departments that have to do with the development of our natural resources. How far are these resources likely to be developed in time of war? We have had an opportunity to judge, and we know that every department of government that has been concerned with the economic development of the country suffered during the period of the war, and it is to their interest to try in any way they possibly can to prevent war developing. The Department of Agriculture, the Department of Marine and Fisheries, the Department of the Interior and Mines, the Department of Immigration and Colonization, the Department of Trade and Commerce—all these departments are interested in seeking in an active way wherever they can to promote international understanding, because their relations are more or less of an international character, particularly those which are concerned with the development of our commerce and our trade.

Then there are other departments of the government which in a primary and immediate way have to do with the development of peace. I am still trying to point out to my hon. friend that I am entirely sympathetic with the object she has in view, that I even sympathize with her view that there should be a department of the government to devote attention to these matters, but I contend that one department of the government specially given over to the promotion of peace and international goodwill cannot compare with the broader conception, which is to my mind the essential one, namely that all departments of the government should keep that great objective very much in view.

Miss MACPHAIL: If that is a better way of bringing about permanent peace, if what is everybody's business is the business that is best done, which is not a fact, the logical thing to do would be to disband the Department of National Defence and let all the other departments work together in the interest of national defence.

Mr. MACKENZIE KING: I think my hon. friend has not distinguished sufficiently between all the activities of the nation. The nation is a many-sided concern, and the departments of government simply correspond to the various needs of the nation. The Department of National Defence specializes more particularly, especially in these days, in those activities which have to do with defence on the mechanical side, if you will. The other departments have to do in a constructive way with the promotion of the larger objectives of international understanding in connection with their particular work. I was going to refer especially to two or three of the departments. The Department of Justice, for instance, has to do with the promotion of peace and international understanding. It is a department which lays emphasis on the appeal to reason rather than the appeal to force, and that, after all, is fundamental in matters which have to do with the promotion of peace and good will. The Department of Soldiers' Civil Re-establishment and Health is a department which has to do with the promotion of peace. My hon. friend

shakes her head. She will I think agree with me that, in connection with the League of Nations, one of the main objectives is to obtain as far as possible international co-operation on matters of health, and in so doing to promote an international understanding which is conducive to bringing together those elements in the different countries which are aiming at the great objective of maintaining the law of peace, work and health among the nations of the world.

But let me mention another department—the Department of Labour. I submit that that department is essentially interested in promoting peace and international goodwill. I was much impressed by what my hon. friend said this afternoon with respect to the educational aspect of her resolution. She stressed, I think rightly and very eloquently and forcibly, the importance of the right idea being spread abroad. She made mention, very much to the point, of the change that in some particulars had come over history as taught in the schools. She made particular reference to the Rush-Bagot treaty and what it signified. I agree entirely with her that education along the right lines is all-important and very necessary, and it is in this connection that I wish to speak particularly of the work of the Department of Labour.

The one great objective that I believe my hon. friend, in common with others who are seeking an international understanding, wishes to attain is the settlement of international differences by conciliation, by arbitration and by investigation rather than by force. Now, what is the fundamental idea in the legislation which this parliament has enacted and which the Department of Labour seeks to carry out with respect to industrial disputes? The fundamental idea underlying that legislation is that the resort to the strike or the lock-out, which is a form of coercion, is not as effective and is not as much to the interest of the parties immediately concerned or of society as a whole as is the method of conciliation, of arbitration and investigation. As my hon. friend knows, having regard to the total numbers of our population, the record of Canada in the matter of industrial peace is higher than that of any other country in the world.

Mr. HEAPS: If the Prime Minister will permit me, will he agree to that very form of arbitration in regard to international disputes?

Mr. MACKENZIE KING: I am coming to that; my hon. friend is running ahead of me a little. I am trying to point out that the Department of Labour has inculcated in the minds of our people the wisdom of using the method of conciliation, arbitration and investigation, as contrasted with the method of coercion, as the most effective means of bringing about justice in industrial disputes. That is in large part the work of the Department of Labour, and that work has influenced not only the people of this country but the peoples of many countries with respect to matters with which their lives are intimately associated.

Now, may I answer my hon. friend? If the method of industrial conciliation, arbitration and investigation has proved a better method to bring about industrial peace than the method of coercion—the principles being identical, the reasons being the same in all particulars—I say that this same method applied to international relations ought to succeed infinitely better than the method of force and coercion. The fact that in Canada we have demonstrated so effectively the importance of industrial conciliation, arbitration and investigation in bringing about and maintaining industrial peace and industrial justice, gives a reason why, as a country, we should seek to do exactly what my hon. friend said in the course of her remarks we should do namely, lead the other nations forward in the same path. For my part, and speaking as a member of the government, I wish to say in regard to international questions that Canada stands, and has stood, for the promotion of conciliation and arbitration as a means of settling international differences. In my reference to the Department of Labour I hope I have made clear to my hon. friend what I have in mind about the limitation that I see with respect to her resolution, which suggests one department of the government for the purpose of having primarily as its objective the promotion of peace and international good will. I say that every department of the government should have that objective in view, and that we have already gone much further along that line than is generally conceded.

But may I go a step further? There is another department of the government which, I believe, even more than any I have mentioned, has had specifically in view the promotion of peace and international good will, and that is the Department of External Affairs. That is one of the most recently created departments of the government service. The objective of that department in practically all its work is that very thing—the endeavour to maintain and to further as far as possible friendly international relations and in different ways to promote international understanding. My hon. friend in

her remarks this afternoon said she thought it all-important that we should seek to develop an international mind. Here again I am in entire accord with her point of view. I think an international mind is obviously the objective we should have in view in dealing with questions that affect not only our own country but other countries as well. If my hon. friend will look at the report of the Secretary of State for External Affairs she will see there a list of the number of conferences at which Canada has been represented. All these conferences tend to further the objective she has in view. At each one of them Canada's representation has helped to bring to the fore the Canadian point of view, and to contribute towards that ideal of international understanding which her motion seeks to promote. Before going over the list of the conferences, let me mention one that will come first to the minds of every one present.

This government and this parliament have identified themselves in a very real and immediate way with the League of Nations. Now, the League of Nations stands for the promotion of peace and international understanding. If it does not stand for that it does not stand for anything. Everything we do in connection with the League of Nations we are doing along lines that are promoting the very objective the resolution before the house is intended to promote. For years past Canada has been represented each year at the assembly of the League of Nations; in addition to that a member of the administration of this country has been the president of the league. Canada to-day is represented on the council of the league by a minister of the crown of its government. So I say to my hon. friend, Canada is doing the very thing that she suggests and that my hon. friend from Winnipeg North Centre suggests should be done by this country, namely, taking the lead in these great matters that make for international understanding. From the part which we have taken in the League of Nations we have certainly set an example to this continent of the desirability of nations sharing in international relations calculated to lead to a better international understanding. Were there a department dealing especially with the promotion of peace and international understanding, the work of the League of Nations would be referred at once to that department. To-day that work is carried on through the Department of External Affairs.

Associated with the League of Nations is the International Labour Conference, another organization which co-operates with the league for the purpose of promoting international understanding on such great questions as standards of working and living conditions and of organization in various branches of national life which tend to place the nations more upon an equal footing and to remove those differences which, in such large measure, are responsible for international friction and international unrest. We have gone wholeheartedly into the work of the International Labour Office as well as into all branches of the work of the league, and this, I submit, is a sign of the development which has taken place in recent years and which should be emphasized when we are discussing the position Canada is taking on these questions.

Let me now refer to some of the conferences that have been held: the International Economic Conference, the Naval Disarmament Conference, the Imperial Educational Conference, the Conference on Communications and Transit, the International Horticultural Congress, the International Conference on Weights and Measures, the Imperial Agricultural Research Conference, the International Radio-Telegraph Conference and the Congress of the International Statistical Institute. I confess that each time the government is asked to send some member or members of the public service or some other representatives to one or other of these conferences the question arises, are we justified in asking parliament to vote the amount required to meet the expense? And how do we justify our action in coming to parliament for the purpose? We justify it on the very ground on which my hon. friend this afternoon supported her resolution, namely, that it is important that this country, in common with other countries, should make its contribution, with respect to matters wherein it may be able to lend aid or provide information which is likely to be helpful. We have therefore, as opportunity has arisen, consciously and deliberately sought to further this means of creating an international spirit within our own country and of making our contribution to international problems as they have presented themselves.

I might mention another direction in which we have endeavoured to promote peace and international understanding. We have undertaken to establish legations in different countries. Last year, as hon. members know, we opened a legation at Washington. We were opposed to a considerable degree in our endeavour to do this; we were told that we were making a mistake; it seemed to be the impression in some quarters that we were pursuing an unwise course. That fortunately was not the view of the House of

Commons as a whole. The legation has been opened and has now been in existence for over a year. The house will agree, I think, that the decision to have a personal representative of this government and country at Washington, with a personal representative of the United States in Ottawa, has gone a long way towards furthering international good will between the two countries. In being about to take a similar step with regard to one of the countries of Europe and another country in the orient, we are but proceeding in an identical direction. We are endeavouring by personal contact to make more intelligible to the citizens of other countries on other continents the point of view of the Dominion of Canada respecting matters of concern to ourselves and to them. In this particular, I submit, the government is furthering the main objective of the resolution now under consideration.

I might go further. I might point to another instance—indeed, it was mentioned by my hon. friend this afternoon—in which this Dominion, in conjunction with the neighbouring republic, has set an example of the means by which peace and international understanding can best be promoted. We have between Canada and the United States an International Joint Commission to which, over a period of twenty years or more, have been referred many questions any one of which was liable to create discord between the two countries. If we omit the first two questions which were referred to that commission and on which there was not a unanimous finding, it may be said, I think truly, that on every question referred for its consideration—and these questions have all presented considerable difficulties—there has been a unanimous agreement on the part of the commissioners, an agreement which has served to prevent anything in the nature of friction developing between this portion of the British Empire and the United States. The work of the International Joint Commission represents, on the part of this continent, a contribution to the civilization of the world of greater significance than the peoples of the world have yet begun to imagine. We, on this continent, have shown conclusively that the processes of investigation, of conciliation and of arbitration can be effective not only as a means of promoting peace, but also as a means of curtailing materially the expenses incidental to any preparation for possible war.

Mr. WOODSWORTH: Does the Prime Minister really think that the commission would have been as effective if there had been forts along the border or warships on the lakes?

Mr. MACKENZIE KING: I am inclined to think that what has made the whole organization effective is the fundamental idea underlying it, just as is the case with respect to the Industrial Disputes Investigation Act. There remains, through strikes and lockouts, in industrial disputes the possible use of force and coercion but the superiority of the principle of conciliation and investigation has clearly demonstrated itself. As a saying of Cicero has it: Oh, great is the power of truth which of itself so easily defends itself. I believe it is the recognition of this principle which has led to the success of the International Joint Commission: the process of investigation has been instrumental in bringing to light the essential facts and information in every case, and the justice of every finding has thereby demonstrated itself.

A great deal more should be made of the work of the International Joint Commission. As the hon. member for Southeast Grey observed this afternoon, greater note should be taken of the significance of the Rush-Bagot agreement. I agree entirely that the men who were wise enough to limit armaments on the great lakes and to prevent competitive arming on the part of this country and the United States have saved this continent vast sums of money and possibly averted a war as a consequence of such competition. I believe that as time goes on, as the example of this continent becomes better known in other parts of the world, forts will be dismantled elsewhere and their places taken by tribunals of arbitration such as we have found so effective here.

Mr. WOODSWORTH: The Prime Minister realizes, of course, that in our case it was not a matter of dismantling forts and abandoning ships. In order to be perfectly fair, should he not take that fact into account? My question if I may repeat it, was this: Would these two countries have been so successful in arbitration if we had had armaments to fall back upon in the event of arbitration failing?

Mr. MACKENZIE KING: I do not wish to evade the question, the importance of which I fully realize. But it is an extremely difficult question to answer. As to what might have occurred had armaments been maintained, no one can say. What I said a moment ago was that, had there been on this continent international competition in arms and armaments, we might have had a war. On the other hand, I am not prepared to say that notwithstanding the armaments, if the idea of international arbitration had presented itself, its superiority to armaments as a means of settling international difficulties would not

have been apparent. At all events, we on this continent have an object lesson as to the importance of that method of dealing with international difference.

Here again I might say how heartily I agree with the hon. member for Southeast Grey in stressing the importance of directing attention to all these matters through every possible agency. Her remarks might well be addressed to every educational department of every province in the Dominion. The hon. member for Nelson (Mr. Bird) asked if a department of the kind she had suggested could not co-operate with the provincial governments to have presented in the text books a different view from that which exists to-day. I doubt very much whether the provincial governments would be prepared, in matters pertaining particularly to their educational departments, to listen to suggestions from the federal government. They desire to keep these matters within their own purview, but I would say that every influence that can be exerted and every force that can be brought to bear upon these departments of education should be exerted to see that ideals of peace and international goodwill such as we cherish are set forth as much as possible in the text books used in our schools.

I have pointed out that the resolution of my hon. friend suggests something altogether too limited to gain the great objective she has in view. As I have already said, I think every department of the government should have as a supreme aim in all its activities the furtherance of peace and international goodwill. May I now say to her that assuming the administration were to establish a new department to-morrow with the object she has in mind, there would remain back of that department what is back of the work of every other department of government, namely the purpose of the administration itself. It is not by the name or the organization of a department that anything can be effected with respect to international goodwill or the furtherance of peace; the vital point is the spirit and attitude on the part of the government in administering the affairs of the country generally. As I proceed I intend to say a few words which I hope will be sufficient to illustrate what I mean, but just now I want to make, if I can, that one idea clear, namely that back of all the affairs of administration lies the general point of view of those who are guiding the affairs of the country. If that point of view is a militarist or jingoist point of view, you may have all the departments in creation and call them by whatever names you wish without, so far as the promotion of peace is concerned, effectively working towards the end you have in view. If on the other hand you have an administration actuated by motives of peace and international goodwill, an administration seeking at every turn to further ideals of peace and international understanding with respect to all matters which may develop, whether in the departments or on the floor of parliament, then the name of the particular department which you may have comes to be something wholly secondary in importance.

I should like now to give an illustration. I think my hon. friend was in the house in 1922 and will recall the communication which came to this country with reference to a certain disturbance which had arisen in the near east. This country was advised that the British government had decided to resist the inroads of the Turks upon Europe, and we were asked whether or not Canada was ready to join with the British government in that policy, and also if we intended or were willing to be represented by a contingent. As I have said, that communication came to the country first; it came to the government after the country had been advised of it. That is a phase of the incident to which I need not refer at the moment beyond recalling it to the minds of hon. gentlemen. However, the point of the communication was that the cabinet of Great Britain had decided to take that action and we were asked as a Dominion, along with the other dominions, whether we were ready to send military and naval forces to join in resisting this inroad of the Turks upon Europe, upon Greece I think in particular. What was the position taken by this government at that time? We replied that before committing Canada to any participation in another European war we would wish to summon parliament, have all the facts of the case presented and allow parliament to decide whether or not contingents or naval forces should leave our shores to participate in another war. What was the attitude of hon. gentlemen opposite at that time with respect to the position we took? We were met with the charge that we had not responded as we should have responded to the call; we were told that the moment we received that call the answer of the administration should have been "Ready, aye, ready" and that we should have made it plain that we were prepared to send contingents to Europe. It so happens that the facts have since come to light more clearly than they were perceived at the moment the government received the communication. What are the facts as they have come to be known to the world? In brief, they

are that the British cabinet as a whole had never considered the communication which was sent to the government of Canada and which was published broadcast in the press at that time. Not only the British cabinet as a whole had not considered that appeal, but leading members of the government and leading public men in England took the position that it was one of the most dangerous appeals that had ever been made by any government in any part of the world. More than that, we were told that but for the action of Canada in taking the position which she did at that time in asking that the facts be first brought out and that the parliament of Canada should have its say before contingents were sent abroad, a second great European conflict might have taken place.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Some hon. gentlemen opposite question that statement; let me give them my authority for what I say. I thought that point had come to be generally conceded, but if hon. gentlemen opposite are in any doubt I will give them the words of one or two British statesmen of whose verdict I think they will approve. I intend to quote two gentlemen, each of whom has been prime minister of Great Britain, each of whom has since passed away, but each of whom though being dead, yet speaks to us through his utterances as recorded. What were the words of the late Andrew Bonar Law, who if I recall correctly was a member of that very administration? I quote from an English newspaper, the Newcastle Journal of November 8, 1922, in which reference is made to a speech by the late Mr. Bonar Law. These are his words in regard to the so-called Chanak incident, and with respect to the communication sent at the time to the dominions:

> Towards the end of September a manifesto suddenly appeared in the newspapers. I read it with amazement. There was no consultation with the dominions, and this extraordinary manifesto was issued with the knowledge of three or four members only of the cabinet.
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> To suddenly throw, as a bolt from the blue, this appeal for help when not one of the dominions had the remotest idea that there was any idea of it, and when it was well known that their help could not come in time to be of any assistance in the crisis, was to risk, in my opinion one of the greatest assets of this empire. It was to take a risk with our dominions which no wise man would have taken, and which, I think, was not more foolish than it was wrong.

Then I have here the words of the late Lord Oxford and Asquith. What did he say, as reported in a Canadian Press cable to Canada of October 8, 1922, which appeared in most of our daily papers? This report of his speech at Dumfries on the evening of October 7th, 1922, reads as follows:

> "There is every reason to believe," said Mr. Asquith, "that a week ago to-day this country, single-handed, was on the brink of an unnecessary war."

Then referring to the manifesto he said:

> "All this strident rhetoric, this flag-waving and bugle-blowing, were wholly inexplicable unless the prospect of war, at any rate, was well in sight."
>
> Mr. Asquith said he could not remember a more illtimed and discreditable incident in the whole of his public life. The effect was what might have been expected: The French and Italians, who were holding the neutral lines with the British, were withdrawn.
>
> "In our great dominions," said Mr. Asquith, "were statesmen sagacious enough—let us be thankful for it—who before they committed their countries to war, required more information as to what they would be fighting for and as to how and why it had become necessary to fight at all."

May I remind the house that at the time the manifesto was issued, Australia and New Zealand each signified their intention of sending forces to join with the British forces in the event of war, and that Canada alone stood out in seeking information and asking that her parliament be advised before the people of this country were committed to participation in another war. I quote further from the report as follows:

> Referring to the question of the freedom of the straits, Mr. Asquith said the Black sea powers, particularly Russia, had just as much concern therein as Great Britain had. Moreover, the Kemalists themselves declared they were quite willing to accept the principle of the freedom of the straits. He said he saw no reason why they should not mean what they say. "What an issue that would have been to let loose the hazard of the horrors of war," Mr. Asquith exclaimed.
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> "Let no one be simple minded enough," said Mr. Asquith, "to suppose that the hostilities would have been confined to Chanak. Such a war would probably have involved the greater part of the Asiatic continent nearest Mesopotamia and Palestine, and possibly Egypt and other countries, with the possibility of an infinite repercussion throughout the Moslem world."

Then may I give to my hon. friends opposite the opinion of one who I think was well informed at the time, but who no one for a moment will say is an advocate of the present administration, much less of myself. I refer to Lieut.-Colonel John Bayne Maclean, of MacLean's Magazine. What did that paper have to say with reference to this matter? Colonel Maclean, the editor, under his own name, in the issue of MacLean's

Magazine of November 15, 1922, published an article headed:

"Did Canada Stop Near East War? Refusal to Take Precipitous Action Saving Factor; Sane Thinking Essential to Peace."

The second paragraph of this article reads:

We were recently asked by cable to answer at once by cable that we were ready to embark on another and greater war.

Some men, not Canadians, who have unusually good sources of world-wide information, whose judgment is generally sound and whose views are held in hgh esteem, are positive that had our Premier succumbed to the Lloyd George-Churchill demands, preceded as they were by propaganda and scheming for Canadian participation, the British Empire would undoubtedly have been at war now with Turkey, Russia and perhaps India, Afghanistan, Persia, and God knows who else or what the end would have been.

That was the opinion at that time of Colonel Maclean, and he had sources of information which I do not hesitate to say from what I have since learned were pretty reliable. The view which he there expressed I have been told in Great Britain on very high authority was not very far from the mark as to what might have followed had Canada not taken the position which she then did.

I wish to say to my hon. friend that if this incident proves anything, it proves above all else that the spirit and the purpose and the attitude of an administration on this great question of peace and international understanding is more important than any of the lesser matters of departmental administration or departmental propaganda. The Chanak incident is only one of a number of incidents which have come up in the course of recent years, and all of which have served to disclose the essential importance of the attitude of an administration.

Take the treaty of Lausanne a year or two later. This government was confronted with a request to ratify the treaty of Lausanne. If we had accepted the view that our opponents took at the time we would have signed a treaty in the negotiation of which we were not represented, which had not been signed by any representatives of Canada authorized by this government or parliament, and we would have now been committed to the obligations growing out of that treaty. We took the position that not having been asked to participate in the negotiation of that treaty and not having been represented, neither should we be asked to sign the treaty nor this parliament be asked to approve of it, which would be essential for its ratification.

Let me go a step further. This administration in 1926 having these matters in mind, brought into this house a resolution to the effect that with respect to all treaties in the future, especially those that involved military or economic sanctions, no government of Canada should have the power to commit this country without first bringing the treaties to parliament and having them approved there. I say to my hon. friend that these larger policies are the all-important essential factors in seeking the promotion of peace and international good will.

Let me read the last paragraph of a resolution which I introduced into this house on June 21, 1926 and which was subsequently passed. It refers to a resolution of the imperial conference of 1923:

This house approves of the procedure proposed for the negotiation, signature and ratification of treaties and conventions, and considers further that before His Majesty's Canadian ministers advise ratification of a treaty or convention affecting Canada, or signify acceptance of any treaty, convention or agreement involving military or economic sanctions, the approval of the parliament of Canada should be secured.

In other words, our method of promoting peace and international understanding with respect to these very large affairs which come before the nation in its international dealings, is to lay down the doctrine that before this country shall be committed to obligations under a treaty involving military or economic sanctions, that treaty shall first of all be submitted to and approved by this parliament. These are policies that transcend the work of government departments; they reach down to the work of parliament itself.

I may say to my hon. friend that within the last few months the government was asked, with respect to a treaty that was being negotiated between Great Britain and Egypt, whether we would become a party to that treaty. The terms of that treaty are known, they have been published. They involved military sanctions, and they contemplated military alliances. What was the reply of the government to that question? It was that we did not believe that so far as Canada was concerned the parliament of Canada would approve such a course; that if Britain and Egypt could work out a treaty as between themselves along the lines proposed, well and good; but that so far as Canada was concerned, we did not feel that it was in the interests of the British Empire itself or in the interests of the larger peace which it was hoped the treaty would serve, that this country should be asked to become a party to it; and the British government immediately accepted our view in reference thereto.

I say to my hon. friend that questions of international relations have to be considered

more and more as they arise, and depend for their solution, whether from the point of view of peace or from the point of view of war, largely on the view of the administration in office.

May I say this as a last word to my hon. friend: it is because great policies of the kind can be worked out only by administrations that in matters of this nature are strong enough to hold their own, that I appeal so strongly to her and to those about her to see the wisdom of and at all times to realize the importance of having men and women who feel and think alike on these great questions, economic questions and questions of peace and war, so unite their forces that in matters of this kind they may find themselves in the position where they will have the final word.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, to my great regret, I have missed most of this debate. All that I have heard is a part of the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the observations of the Prime Minister (Mr. Mackenzie King). With a good deal of the remarks made by the right hon. gentleman I fully agree; but it does not seem to me that he has conclusively answered the object of this motion. As to the inspiration of the policy pursued heretofore by the right hon. gentleman and his colleagues, they are without doubt sincerely peaceful. The right hon. gentleman has a fine record of a peaceful policy ever since he took office, and no doubt what he has gained in the confidence of the people of Canada is largely due to that fact. It is certainly so in the province of Quebec. But the fact that a government has peaceful designs, the fact that an administration has in certain matters of international policy given evidence that it is not prepared to be dragged or to drag the country into war ventures or into dangers of war, does not do away with the position taken by the hon. member for Southeast Grey (Miss Macphail).

The Prime Minister is right when he says —and this is nothing new; it has always been that way—that throughout the world there is a current of thought working for peace and a current of thought working for war. The question is: Are governments, and parliaments, and peoples, to take practical, effective means at this time to help the current of peace, in order to counteract the influence for war when the next danger of war comes? This after all is the position. The Prime Minister says that the hon. member for Southeast Grey has minimized the importance of the question, because she suggests the creation of a certain department to promote peace. He says that all departments of government are interested in preserving peace. But likewise, all departments of government are interested in seeing that the trade of the country is carried on properly. Nevertheless, a department of trade has been created in order to give better assistance to matters of trade and the public interest in trade. The same thing is true in regard to public works, agriculture, labour, and so on. A war department has also been created in the past, and it is still maintained in spite of the peaceful disposition of mind of the government. The Prime Minister thinks there is a strong argument in the fact that the department is called the Department of National Defence. But all the war policies of all countries were prepared under pretence of defence.

The Prime Minister has spoken of the spirit which prevailed prior to the last war. He has vaguely divided the world as between countries bent on war and countries resisting the spirit of war. I think the right hon. gentleman must have known the state of affairs in Europe better than is indicated by his remarks on this point. He should have known —and that was the tragedy of the situation— that in every country in Europe, in Germany as well as France, in Russia as well as Italy, the immense majority of the population, the immense majority of the trading people, the farming people, all people of good will to whatever class they belonged, were opposed to war. But they were led gradually, by the false policies which had been prevalent during the twenty-five years prior to the war, to the conviction, justified or unjustified—I am not passing judgment on that point now—that their country, each of them, was threatened with an attack one of these days, and therefore, that their government was justified in arming the nation to the teeth so as to be prepared to stand the test when war came. It was as true in Germany as in England, in France as in Italy, in Russia as in Austria. But in every one of those countries there were a few people who were bent on war and who worked steadily on two or three factors of war. One of those factors was that sense of fear which Mr. Bertrand Russell so well described during the war as being the main moral cause which brought most of the countries into the whirlpool. The second was economic rivalry between the various nations. It brought some people in England to this view, for example, as I was told by a high-minded Englishman at the beginning of the war: "We are bent on destroying Germany because she is getting better than us at our own game." Then there was the spirit of national hatred and rivalry which was care-

fully worked on by warmongers, whether they belonged to diplomatic circles, to war organizations or to trade associations. Prejudice was raised in Germany against Russia, in France against Germany, in England against Germany, in Russia against Germany, so that many people of Germany came to have a feeling that they were "encircled" by all the peoples who surrounded them and that their government was justified, nay, was compelled, in taking the first opportunity to strike a blow. I do not say that those suspicions were equally justified. But this was the growing state of mind in Europe, as I could follow it, from time to time, during the fifteen years that preceded the war. I could see the war wave rising steadily in every one of those countries, in England and France as well as in Germany and Italy. It is a falsification of history and popular psychology to pretend that the world was and is divided between nations who want war and nations who want peace. No. There are in every country causes which make for war and causes which make for peace; and it is the highest duty of every government to its own nation and to humanity to take whatever means may be in the hands of political power to strengthen the elements of peace in every country and to minimize the dangers of war. Each country can do that by itself, within itself, and not for its neighbours. We in Canada cannot render either the German, English, Italian or Polish peoples more peaceful than they are; but perhaps we can do something to end here what was done during the war for the purposes of war. Perhaps we can do something to demilitarize or demobilize the minds and souls of the youth of Canada. Perhaps we can accomplish something to develop ideas of peace, to appeal to the highest ideals of humanity as well as to the most selfish interests of any class in this country by demonstrating to them that war is hell, as General Sherman described it, that it is destructive of every moral, social and political principle of order that makes up a nation.

I take the motion presented by the hon. member for Southeast Grey as offering to the government of Canada, responsible as it is for the welfare of the people at large, an opportunity to help those forces of peace to work for the benefit of the future generations of this country. This generation will probably escape the next war, but if we do not take advantage of the present currents of thought in this country, as elsewhere, to strengthen the forces of peace, the next generation will be caught in the turmoil of war, just as the past generation was caught. Was there any sensible man living in the fall, let us say, of 1913 in Canada, who imagined that this country would be drawn into the horrors of war within little more than six months? When both parties and all members of parliament appealed to their electors in the previous election, would any single one of them, no matter to what party he belonged, have dared appeal to the people and tell them that in the next parliament, without coming back to the people for a war mandate, they would squander the money of the people of Canada and shed the blood of the youth of Canada in torrents to wage war in Europe? Where is the man, be he Tory or Grit, French or English, who would have dared appeal to the people of Canada during the elections of 1911 upon a war policy? But thanks to the same kind of propaganda to which the right hon. the Prime Minister has referred in connection with the small incident at Chanak, war causes were so manipulated in this country, as well as in every country in Europe for the few months, not to say years, that preceded the war—for many years in Europe, and for several months in Canada—that when the time came, people did not know the real causes of the war, did not know the real causes of rivalry between the two great coalitions in Europe. They simply believed what they were told, and they gave their blood and their treasure—to what purpose? To help one set of nations in Europe get the better of another set, until the next time when the first set, or some new coalition, might have its chance again. That has been the story of Europe for the last four centuries, and so long as the governments in every country in the world do not devote themselves to the work of salvation which the hon. member for Southeast Grey advocates for Canada, it will be the same story over again. Are we going to preserve the youth of this country from being drawn into the next war as happened to our youth in the last war? Shall we not now take the measures to arouse all the forces of education and enlightenment, and enlist the goodwill of all classes of people, so that when the next time comes, if the government of that day is peacefully disposed, as the Prime Minister is, it will be approved in its refusal to share in the war, or if it is disposed towards war, will be prevented from dragging Canada into the struggle?

The right hon. gentleman has spoken of the work accomplished by his own department. Well and good; but he will permit me, I trust, to tell him that no matter what department of external affairs he may have, no matter what may be the number of the representatives of Canada accredited to gov-

ernments abroad, history should teach him that wars have been made by diplomats even more than by military men. Heaven knows I am anti-militaristic enough; but you must give the devil his due. I really believe that, some acting from a high sense of honour and others from a lower sense of selfishness, military men in the last century have been less responsible for wars and the horrors of war, in which they were mainly the executioners of politicians and diplomats, than those diplomats and politicians themselves. You may have ministers plenipotentiary accredited to all the countries of the world; but if you have not prepared your foreign policy in advance by the proper education of public opinion in your own country, then, when the next crisis comes, when the next time comes to stampede public opinion and the government of this country into a war, your ministers plenipotentiary will be war agents, just as some of the ambassadors of Russia and France, of Germany and England were in the ten years which preceded the last war.

With regard to the distinction between war preparation and peace preparation, I must confess that I cannot stop at the point where the hon. member for Winnipeg North Centre stopped this evening. Of course I understand his position. He wanted to remain within the precincts of the resolution; but if we are really sincere when we say that we are bent on peace, when we proclaim that we do not want to be dragged into wars in the future, we must here and now, as the right-thinking and the practical-acting pacifists are doing in every other country in the world, reverse the old Roman maxim, Si vis pacem, para bellum; and as Christians who believe in the God of peace, we must at last, after two thousand years of affronted Christianity, proclaim: Si vis pacem, para pacem. Governments should devote at least as much energy and as much propaganda to creating a public opinion in favour of peace as they do to winning an election upon this or that point of fiscal policy or upon the building of a particular branch line of railway. If we are really sincere in our proclamations of the love of peace, we must work for peace, we must organize for peace, and we must create the machinery to help the people who are working for peace.

In the matter of education, the right hon. gentleman has said, and quite properly, that the provincial governments would not like the federal government to impose—I do not think he used that word, but that was the effect —upon them a policy of peaceful education. But did this or any other government stop at the idea of helping provincial governments in the matter, for instance, of road building? Did it ever stop at helping the provincial governments in promoting health? Health is essentially a matter relating to the person, a matter of concern to the municipal and provincial organizations; and yet we have carried on and are still carrying on propaganda for the maintenance of health, and we are helping the provincial governments in that regard. Why? Because this government is loaded with a national responsibility for the welfare of all the people of Canada. Well, if it is proper for this government to help provincial governments in keeping the people of the various provinces, who are the people of Canada at large, in good health, why should it be improper for this government to help provincial governments in a propaganda for peace? It is not necessary that schools of peace be established; but if such a department as the hon. member for Southeast Grey suggests were established—not necessarily involving a new portfolio, because I think we are already afflicted with too many of them; I think the Prime Minister and all previous prime ministers have sometimes found the number of portfolios too great, though at certain times they have not enough; and if it were not for the fact that we have so many provinces we could divide the number of our ministers into two and perhaps govern this "huge" country better with six or eight ministers, which would be about the same as they have in the United States with their population of 120,000,000, —why could not the Prime Minister himself, with his peaceful disposition, and with his fine record in the diplomatic world and in inter-imperial relations since 1921, take advantage of the proposal of the hon. member for Southeast Grey and create within his own department a subdepartment for the promotion of peace? That in itself, if advertised to the world, and advertised to the British world first, would have that very effect upon the general tendency of the policies of the various British countries which the Prime Minister's attitude on the Chanak affair had in one single instance. Moreover, magnified as it would necessarily be by the megaphone of the English press, it would reach the League of Nations with a far more potential voice than the simple announcement of the adoption of any policy by our representative there.

Talking of matters of fiscal readjustment, for my part I have lauded, and I repeat my laudation, the attitude taken by Senator Dandurand when, on the proposals prepared by Sir George Paish for the establishment of fiscal peace, he stated that the government of which he is a member was the first and the

only one since the war that had worked towards the reduction of fiscal tariffs. Likewise, if the government of Canada could announce at the next meeting of the council of the league that it has established, under the direction of the Prime Minister of Canada, in the very department which has to deal with inter-imperial and external affairs, a special department having for its avowed object, proclaimed by the parliament of Canada, the education of our people in thoughts of peace, of purposes of peace, of policies of peace, it would go a much longer way than the remarks made by the right hon. gentleman that the Minister of Labour and the Minister of Trade and Commerce and the Minister of Agriculture are all peaceable men devoted to works of peace. Of course, everybody knows that. But this would be a new departure and a striking one. You may say that it would be only advertisement and bluff. But we have to take democracies as they are. In the old days, policies, especially international policies, were made by those few men selected from the classes that produced the diplomats of the old school. In those days any definite policy was transmitted from generation to generation, and it developed more or less scientifically in chancelleries and embassies behind closed doors. Now you have to take democracy as it is. It was pretended during the last war that Canada was called upon to shed the blood of five hundred thousand of her sons in order to save democracy. Now that you have made democracy safer than it was before, or otherwise, are you going to take it into your confidence? Are you going to lend the instrument of government to help the democracies of the world save themselves from the ventures imposed upon them by unscrupulous diplomats, by warmongers and by individuals who for the sake of increasing their dividends are prepared to cover the earth with blood, as was done in the last war? Therefore, either from the point of view of national interests or of our inter-British relations—I will not use the word interimperial, because when we talk about peace, the very words, imperial and imperialism, are hateful, and as a matter of fact are contrary to peace—I say, if in the development of our national spirit, in the development of our inter-British relations and in the development of our new-rising relations with the world, we want to make our mark, how can we do it? Shall it be by our great civilization? No; let us be modest. Shall it be by the development of our artistic work, by the superiority of our literary genius? No; again I say, let us be modest. In this respect we are still at least fifty years behind the country to the south of us and many centuries behind those great seats of civilization in Europe. But in our primary state of development—a young nation scarcely out of the cradle, but full of resolve to itself and to its future generations in its desire to help the cause of humanity at large—we can modestly but firmly demonstrate that in what we are doing we are working for peace.

[Mr. Bourassa.]

The right hon. gentleman has referred to our peaceful relations with the great country to the south of us; and well he did. But I must confess that I am somewhat tired of that theme, for I have heard it so many times in the last fifty years. Why not now make something practical out of it? It has been demonstrated for over a century that a small nation, containing at present no greater population that the cities of New York and Chicago together, could live at peace with its neighbour to the south, the most powerful now of all nations on earth. The hon. member for Winnipeg North Centre has put a very proper question to the Prime Minister. Does the Prime Minister believe that our relations with the United States would be what they are if they had not been absolutely disconnected with any war design or preparation? The question was absolutely accurate, and the answer is obvious. Your International Joint Commission, or any joint body of lawyers or diplomats or engineers, would never have accomplished anything between the two countries if the American government and the American people, with their pride and their democratic spirit of dominance, had thought: Here is a peaceful body, but behind it there is a single fort. The United States have ceased looking upon Canada with a feeling of enmity from the time they first found out that the British government and the British nation, as has been told repeatedly by some of their leading statesmen, would never spend a pound sterling to defend Canada from the United States, and that the people of Canada were courageous enough, as well as modest enough, to take the situation as it was and to deal with their American neighbours in the best manner possible. We have been able to deal fruitfully with the United States since we have demonstrated to the world that we will not and cannot fight against that nation.

Well now, is it not the natural outcome of that long standing lesson, a century old, that we should now tell the world that what we have done in the cause of peace on the North American continent we are prepared to do in maintaining the peace of the world, the pax mundi—first, through our association with

other nations that commune with us in the same principles of government, in establishing peace between ourselves, in imposing, if necessary, a peaceful policy upon the warmongers of London, but also in imposing upon ourselves a peaceful policy in our relations with the rest of the world? It is there that I think my hon. friend from Winnipeg North Centre remained within the mark.

I have thought over these matters for many years; I have discussed them with some of the most enlightened and thoughtful men of Europe and America, and I have come now to this deep-seated conviction,—that the only manner in which Canada can assure its peace, as far as anything human can be assured, is by disarming totally and absolutely as against the world. There is no powerful country on earth that we could resist with such armed forces as we could muster unless we had help from the United States. I have been taken to task very often for having stated this view, but I may well shelter myself under the authority of every foreign secretary of the king of England for a century past. Every time I have been in London during the last twenty-six years I have interrogated some of the men who had upon their shoulders, or who had had in the past, or would have in the future, the responsibility of peace or war for that great nation; and every one of them without exception, Conservative, Liberal or Labour, has always told me: "In regard to the United States there is no change of policy in England; there cannot be; we must rely upon the Monroe doctrine for the preservation of what remains to us of British possessions in America. And far better for you Canadians to realize it."

Secondly, we should take advantage of that situation and proclaim to the world, at Geneva and elsewhere, that when we talk peace we mean peace, when we talk disarmament we are ready to disarm, and when we discuss arbitration we are prepared to arbitrate every time. Let us proclaim to the world that we are determined on every occasion to resort to peaceful arbitration on the principles of justice and equity. It may be contended that this has failed sometimes. Well, it may fail once in a while. But do you suppose that you will secure greater benefits from arbitration and run the risk of war to any less extent by talking peace and at the same time preparing for war, upon however small a scale? Why continue the childish policy of a defence too weak to protect Canada against any conceivable enemy and at the same time just strong enough to inculcate in the national mind, through cadet organizations and through military training, a military spirit which will be ready to assert itself when the next war breaks out?

I respect the views of all sincere men. I respect the views of those who believe that Canada should participate in all wars in which the empire may be engaged. Such people are imperialists rather than Canadians, but I respect their views just the same. I even respect the views, illogical though they are, of those who style themselves as Canadians and hold that Canada should make herself a close partner in all the quarrels and all the ventures of England, just or unjust, as once was said in this house by the Right Hon. Mr. Fielding. As I say, I respect the opinions of all such people. At the same time I am bound to say I rely more upon the policy which enabled Canada to emerge from that half defined state in which she struggled for so many years previous to confederation—the safe policy that shaped the course of this Dominion in matters relating to Canada and Great Britain on the one hand and Canada and the United States on the other, the policy proclaimed by Macdonald and Cartier at the opening of confederation. And what was that policy? It was this: that for all practical purposes Canada was a neutral country. Some people are scandalised when we speak of Canada's neutrality. But this parliament has erected on the grounds on which this house stands a monument to one of the founders of confederation, D'Arcy McGee, whose motto or, to use a modern Americanism, whose slogan when he appealed to the people of Canada hon. gentlemen may remember. He opposed tooth and nail the militia bill presented in 1862 by the Cartier-Macdonald government, who were defeated on the issue. He said, "If we want to help Canada and the British Empire the only way by which we can do so is to proclaim our neutrality to the world and have it understood not only by British governments but by every foreign country as well." The same principle was propounded in Washington, two or three years ago by Mr. Johnson, the leader of the Labour party in Dublin. And it is the policy which eventually will be accepted.

I had the advantage of meeting in London last year some gentlemen who have much to do in influencing public opinion in England, and they are exceedingly anxious to have this idea generally accepted. Without having the impertinence to make the statement publicly, they desire that the dominions should proclaim their wish to stand neutral in every crisis in which their territory is not directly attacked. By this means not only would there

be developed in Canada a mentality making for peace, but those who advocate peace in England would be encouraged. It would strengthen the position of men who suffered during the war in the interests of peace, men who were gaoled because they would not worship at the shrine of the war god, but who to-day are among the most revered public servants of the British people. These men stood firmly by their ideal against the passions of war, and if we want to help them in promoting peace, instead of assisting the other element—to which the right hon. the Prime Minister referred in relation to the Chanak affair—let us honestly and loyally proclaim a policy of peaceful neutrality and arbitration in all cases, not drawing that fine distinction of arbitration in cases where the honour of the country is not involved. Of course, the warmongers have always invoked these reservations; it has always been possible to arouse the passions of the people and make them believe that the honour of the nation was at stake, just as in the medieval ages it was possible to arouse the passions of any knight and make him believe that he was bound to fight to redeem his honour and that the tribunals of the land did not exist for noblemen.

I claim that this is the only policy that can serve as a basis for readjustment of our economic problems, for the solution of our population problem. Let us proclaim that policy boldly and create a mechanism which will facilitate the work of those who are interested in the development of this Dominion both east and west, in Ontario, in Quebec, in British Columbia and in Nova Scotia. In the last five years I have met a number of people engaged in such work, and I say, knowingly, that they expect us to create such a mechanism as will serve to concentrate the best efforts of those who are seeking to promote peace. Then we could abolish our immigration policy, and save the millions which are voted every year. Canada would then become a spot on earth to which the eyes of men and women the world over would turn when in search of some place in which to raise a family peacefully. This would be our best immigration advertisement; it would attract from every country in the world people of peaceful disposition and would teach mankind an object lesson worth all the billions we spent in the last war. It would help in settling those problems the solution of which was postponed after the Napoleonic wars—the problems which were at issue during the Thirty Years war, during the Hundred Years war, and indeed ever since Christianity came into the world. The great misfortune of the race has been that so many Christians have been satisfied with individual religion, with a kind of selfish and narrow Christianity, helpful to the individual soul, but fruitless to promote the good of society at large.

[Mr. Bourassa.]

Let us institute a bold policy for peace, and Canada's name will rank higher than it does at the present time, with all our pretences to greatness because of our mines which we cannot exploit, of our forests which we sell to the Americans for the reason that there is not sufficient Canadian money to develop these resources. To-day there are grave problems associated with our population question. Great industrial and railway companies are obliged to go to foreign lands and bring in a practically enslaved labour to do work for which Canada has not a sufficient population.

Mr. Speaker, I may have spoken in some heat and I hope that hon. members will pardon me. But this is a subject which is dear to my heart. Time was when I advocated this peace policy mainly for the good of my country. To-day I still think of my country, but also of the four boys I have at home, whom I am prepared to sacrifice at any time for the welfare of Canada, but whom I am not prepared to offer as a sacrifice to be slaughtered in Asia or in Europe to serve the sordid ends of any foreign government or of any organized plutocracy. Therefore, as the father of a family, as a Canadian and as a lover of his country, and of all that is great in British institutions and under the British flag, I support with all my heart the motion of the hon. member for Southeast Grey, which motion could be carried out practically if the government were sincerely desirous of doing for the cause of peace what it does for so many other causes, worthy though they are but certainly not worthier than this.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, in the brief time remaining I should like to say a few words on the resolution now before the house. I have been in my seat since three o'clock listening to every word uttered on this subject; I listened with a great deal of interest to the mover of the resolution (Miss Macphail), and as she and those who immediately followed her proceeded to unfold their views, I found myself almost entirely in harmony with what they said. With some details, some observations, perhaps I could not exactly agree, but with the spirit which actuated the speech of the hon. member and those who immediately followed her I found myself in comparative

harmony. So far as the resolution is concerned I see no great objection to it. Perhaps only one part of it might be called into question, and that is the practical side, the question of the actual establishment of such a department of government. That feature might be discussed, but as to the motive behind the resolution there can be no difference of opinion.

My hon. friend who has just taken his seat (Mr. Bourassa) and who in a three-quarters of an hour address made a most impassioned plea, suggested toward the close of his remarks that he had persuaded himself that he alone was standing against an embattled world, including everyone around him, with perhaps one or two exceptions, resisting some attempt to turn Canada into a gory monster looking for war. I think my hon. friend intoxicates himself with the intensity of his feelings. Of course one must admire his eloquence, but frankly, as far as the question of peace is concerned—peace in this house, in this country and in the world as a whole—I think his contribution was not remarkable for its peaceful nature. I ask him and this house most seriously to consider this fact. Twice during his address of three-quarters of an hour—

Mr. BOURASSA: Forty minutes.

Mr. STEVENS: No, three-quarters of an hour. Twice in that length of time he indicated that the last war was preceded by months of careful propaganda as far as Canada was concerned; by years of such work in the case of England, and by many, many years in the case of other European countries. In language which could not be mistaken he indicated that those in control of affairs in England and in Canada were responsible for taking 500,000 of Canada's sons and placing them at the disposal of warring powers in Europe. He added these words, "the warmongers of London." Did the hon. member do even fair justice to the then leaders of the British government, the late Lord Oxford and Asquith, the Prime Minister; to Sir Edward Grey, now Earl Grey, the Secretary of State for Foreign Affairs; to Sir Robert Borden, the leader of the Canadian government, or to the late Sir Wilfrid Laurier? I well recall the session of seven days in August, 1914, when the members of parliament of Canada were called to Ottawa, meeting not in this chamber but in the old chamber on the site of the present building. In his quiet, dignified and cultured manner, and obviously moved to the depths of his heart, Sir Robert Borden presented to the house the facts behind the action taken by his government. I recall the late Sir Wilfrid Laurier, that venerable figure, rising in his place on this side of the house. Who will say that either of those two gentlemen were warmongers?

Mr. BOURASSA: Mr. Speaker, I must protest—

Mr. STEVENS: Will my hon. friend allow me to finish? Who will justify the contention that either of those great leaders or the leaders to whom I have referred in England willed the war? No one will say it.

Mr. BOURASSA: I rise to a point of order. No hon. gentleman has the right to put in my mouth statements or sentiments which were not at all in my mind, and to which I did not give expression. I did not make the slightest connection between the word "warmonger" and any of the leaders of any country, including Canada. I said that governments were carried away and stampeded—

Some hon. MEMBERS: Order.

Mr. STEVENS: Surely my hon. friend does not wish to make another speech.

Mr. BOURASSA: I wish to prevent any hon. gentleman from falsifying my statements.

Mr. STEVENS: I am not going to occupy my time protesting against that interjection. I simply asked this house to consider carefully whether any man, I care not who he is, is justified in casting aspersions upon the leaders of Great Britain and the leaders of Canada. After all, it is the leaders of the country who lead, and my hon. friend repeatedly said that they were led into this and they were led into that, and that the result of the leading was the sacrifice of 500,000 of Canada's sons.

Mr. BOURASSA: That is right.

Mr. STEVENS: The hon. member says that is right. I ask again, is it a contribution to the spirit of peace to pillory these men, the great men of our own country and of Great Britain, men who stand among the greatest in the world? Knowing them as I do and as hon. gentlemen opposite know them, I cannot see how anything can be said but that they were men who willed peace and not war. I shall not follow the remarks of the hon. gentleman further.

I also regret the latter part of the address of the Prime Minister (Mr. Mackenzie King), although with the major portion of his remarks I am heartily in accord. I found myself, as I think others around me found themselves, desirous of according to the right hon. gentleman that meed of credit and

praise which a courageous and frank statement deserves. But my right hon. friend spoiled it all by two references in the latter part of his speech, in the first of which he introduced a matter which I think had been better left out of this discussion. Until that time I think we all had been earnestly seeking to find some formula, if I may use the word, through which Canada could express to the world in a sensible and proper way its peaceful desires. Then the Prime Minister introduced, as an illustration of his position, the question of the appointment of Canadian ministers in Tokyo and Paris. That places us at a disadvantage; we are unable to debate that question here, although we intend to debate it later. There are phases of that question which offer room for marked differences of opinion, and I am sorry indeed that it was introduced at all.

I was even more sorry when the Prime Minister raised that controversial question of the Turkish crisis of 1922. He read despatches from British papers, quoting the words of Bonar Law and Lord Asquith, and I think there could have been no other object than to attract to himself in relation to this incident the notice of the world—years later, when we are far removed from the incident and safely past it—and to show that it was he and his decision alone that prevented the outbreak of a new European war. Again that is a subject which might be open to controversy, but I do not wish to enter into a discussion of these subjects to-night.

With the exception of those two references and some of the statements made by the hon. member for Labelle (Mr. Bourassa), I find myself very largely in accord with what has been said. However, I wish to say a word or two with regard to some of the suggestions which have been made, particularly looking to the practical side of the question. For instance, a good deal of emphasis has been laid upon the desirability of establishing some method or setting up some machinery for educating the people of Canada. The hon. member for Labelle, the hon. member for Winnipeg North Centre, the hon. member for Southeast Grey and others, have laid stress on that point. But I notice that all this emphasizes the fact that public opinion is opposed to war and prone to peace, and would stand by the principles of peace if it were not led astray by its leaders. Now there is no need, to my mind, of educating the people of Canada to peace. We are a peace-loving people to-day. The hon. member for Labelle did give utterance to one very obvious truth, and it was this: What public man could go before the people of Canada and make an appeal on war policy? He would get no support; that is obvious. The people of Canada need no educating in the desirability of peace. And so I would point out that it is not so much the expenditure of public money to educate the people to a sentiment of peace that is required; it is an intelligent direction of our affairs along peaceful lines. The question arises, are we doing that? I rather compliment the Prime Minister upon a large portion of his remarks directed to this end. We have, as a nation, unquestionably directed the general trend of our public administration along peaceful lines. The very fact that for a hundred years we have lived in absolute peace with our neighbours to the south is without doubt one ofthe outstanding illustrations to modern civilization of how two nations can live at peace. Furthermore, to carry on Canada's century-old national trend to deal with international affairs by a process of arbitration is undoubtedly an expression of the genius of the people of this country.

Another suggestion was made that Canada should disarm. I want to call the attention of hon. members to the fact that Canada is not now armed in the sense that a nation is armed. We ought to keep that clearly in our minds. It is obvious to one who gives a moment's thought to it that we have no armament. On neither of our shores have we any batteries of artillery. We have a couple of small ships that serve for little more than coastguard vessels; I doubt if they can effectively carry out that purpose. Our forces are insignificant. But we must also bear in mind that just so long as there are people in the community who will resist the law, any government—it matters not what government it is or what its stripe may be—must have some arm or force or power, call it police force if you like, to enforce its laws. Whether that is done by a police force or with the support of a very moderate militia establishment does not make very much difference, but you must have some support of that character. I will deal in a moment with the theoretical side of the question.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) suggested that we should promote an exchange of students. I direct the attention of the house to the fact that we are carrying on that work now, and carrying it on very effectively. Canada does exchange students with France and with Great Britain—I do not know whether we do so with other countries, but we certainly do with those two—and in that respect we are carrying on a very useful work.

The hon. member pointed out that science and art had overleaped, as he said, international boundaries and were themselves international. Certainly they are—so is commerce and so is finance. It is because of the establishment of a growing confidence between nation and nation that these things are becoming more and more international rather than matters limited and peculiar to various nations. And so the great cause of peace, if you like to call it that, is progressing. Progressing how? Progressing along lines established by commerce, by art, by science, and I hope and trust—in fact I am sure—by a moral sense of responsibility, among nations, and among men, which is underlying it all.

It seems to me that we have lost sight of one thought: Peace will never be brought about by propaganda. Take the member for Labelle—and I am sorry that he has left his seat. It would be a considerable time before he and I could agree upon some line of propaganda for a peace society or a peace department for Canada. I submit that it is an impracticable thing. I could not agree with his premises; he would not agree with mine. It is not so much a question of education or propaganda. Peace is based upon a will for peace, just as war comes out of a will for war. This country is not saturated or impregnated with a desire for or rather a will for war. Our people of all classes have absolutely the will for peace, and as long as we can give expression to that in our legislation, in our administration, in our public sentiment, so long shall we promote the cause of peace.

One other thought, sir, and then I take my seat. You will never bring about peace—and I say this with the greatest of sincerity and with the utmost reverence, not in any sense for the sake of show but rather from a deep conviction of its truth—you will never get peace in this world by philosophical dissertations about it, by propaganda. There is only one method I know of and that is by promoting the principles of the Prince of Peace; that is the way in which peace will be brought to the world. And while undoubtedly we are very often guilty of a disregard of these great and sacred principles, I find there is a great conflict in my own mind, and I know there is in the mind and the heart of almost every man and woman I meet, in endeavouring to reconcile these principles of peace with the problems of everyday life. It is very easy and very simple to give utterance to platitudinous arguments and expressions about peace, but it is a very different thing to harmonize these ideas with one's duty day by day in the administration of public affairs or even in the direction of one's private life.

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

Tuesday, March 27, 1928

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 152, respecting The Great Lakes and Atlantic Canal and Power Company, Limited.—Mr. Denis (Joliette).

ESTIMATES FOR 1928-1929

A message from His Excellency the Governor General, transmitting estimates for the financial year ending March 31, 1929, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee on railways and shipping.

CONSCIENCE MONEY

On motions being called:

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, in the special mail of yesterday the Finance Minister and Receiver General received the following letter:

March 25, 1928.

Enclosed find conscience money totalling $35, including interest. Please take good care to speak of this in the house as soon as you get it, so it will be mentioned in the newspapers, and the sender can know before Easter that you received the money safely.

Mr. STEVENS: He does not trust the Minister of Finance.

Mr. ROBB: It looks bad for the minister.

INDUSTRIAL AND INTERNATIONAL RELATIONS

REPORT OF COMMITTEE ON CIVIL SERVICE COUNCILS

Mr. C. R. McINTOSH (North Battleford) presented the second report of the committee on industrial and international relations, as follows:

Your committee has had before it Bill No. 4. an act to amend the Civil Service Act (Councils), referred to the committee on February 10, 1928. Having considered the bill and examined a number of witnesses on the subject matter involved, your committee beg leave to report as follows:

1. That whereas the majority of the witnesses heard were of the opinion that further consideration should be given to the details of the constitution of national civil service councils;

And whereas the government is prepared to establish such councils;

And whereas the objects of the bill may be attained by order in council;

2. That this committee endorses the principle of the establishment by the government of a national civil service council, composed of representatives of the government and the organized civil service in equal numbers, to consider and advise the government upon matters of mutual concern to the government and civil servants in their respective capacities as employer and employees, also as to the establishing of any other consultative and advisory machinery that may be required.

3. That, as the form of constitution for such a council, covering its scope and functions, can best be determined by joint agreement between the parties concerned, this committee recommends the setting up by the government of a drafting committee representing both the government and the civil service organizations, for the said purposes, provided that any such constitutions so drafted shall be subject to the approval of the governor in council; and

4. That after the said constitution has been drafted and approved in the manner set forth the national civil service council should be established forthwith by the government.

5. In view of the above recommendations your committee recommend that Bill No. 4 be not further proceeded with.

All of which is respectfully submitted.

PRINTING OF PARLIAMENT

On the motion of Hon. Charles Marcil (Bonaventure) the first report of the joint committee on the printing of parliament was concurred in.

CANADIAN NATIONAL RAILWAYS

RATIFICATION OF ARRANGEMENT WITH HOLDERS OF CANADIAN NORTHERN DEBENTURE STOCK

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

That the scheme of arrangement with holders of the five per cent income charge convertible debenture stock of the Canadian Northern Railway be ratified and confirmed, and that the governor in council be authorized to guarantee the principal and interest of the new securities to be issued in pursuance therewith not exceeding in aggregate face value such an amount as may by the governor in council be considered sufficient to raise $22,689,575.32; the proceeds to be deposited to the credit of the Minister of Finance in trust, to be released by the minister in such amounts as are required to carry out the provisions of the scheme.

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

I might mention, Mr. Speaker, that this resolution is to provide for taking care of maturities in May. The purpose of the bill is to approve and give effect to the scheme of arrangement and compromise between the Canadian Northern Railway Company and the holders of its five per cent income charge convertible debenture stock. This stock is secured by trust deed dated May 6, 1910, supplemented by trust deed dated May 17, 1915. The trustees are the British Empire Trust Company, London, England, and the National Trust Company, Toronto. The due date is the 6th of May, 1930. The interest is payable at five per cent or such less rate, if any, as the net earnings of the railways concerned shall be sufficient to pay. The amount outstanding is $24,137,846.08, and 94 per cent of this amount is $22,689,575.32. The sale of securities shall be by competitive bids, but in view of the fact that time is the essence and will be very limited, provision is made for temporary financing.

If hon. gentlemen desire, we could take up this resolution now and give the bill its first reading, and then let it stand over until Thursday.

Sir HENRY DRAYTON: Mr. Speaker,—

Mr. SPEAKER: Except by unanimous consent, this motion is not debatable. Standing order 38 provides:

The following motions are debatable:
Every motion—
(a) standing on the order of proceedings for the day (except government notices of motion for the house to go into committee at a later date).

Mr. ROBB: If I could have unanimous consent, we might go into committee now and pass the resolution, and then introduce the bill. Then hon. gentlemen will be in a better position to discuss it.

Motion as amended agreed to, and the house went into committee thereon, Mr. Johnston in the chair:

Sir HENRY DRAYTON: This time I rise, Mr. Chairman, to support my hon. friend the minister. This is a very old subject. The stock was issued, not to carry interest unless interest was actually earned, but the time is coming when the obligation will have to be met. My hon. friends are perfectly right in meeting it, but in this connection I want to draw one little matter to the attention of the committee. The longer these things run generally the more people want, and I very well recollect, when in 1926 authority was given for negotiations to be entered into with the bankers through whom the business had been handled, the indignation of my hon. friends opposite on returning to office and the manner in which they cancelled

the arrangement that had been effected. Now, this is what actually did happen. The first offer was on the basis of the 40-year stock and carried interest at 4½ per cent. That interest was not to start to run until May 6, 1930. The governing rate of interest in the market at that time—and I give my hon. friend, not my figures, but the figures of the gentlemen who were dealing with this matter and recommending it to their clients—was 4⅞ per cent. The discount value of those securities was on that basis, that is, the difference between 4½ per cent and 4⅞ per cent, or 93.42. But the securities had to run along from 1926 to 1930 without bearing any interest at all; so a further discount had to be made, which reduced the sum of money which the shareholders would receive under the arrangement to 80. Well, they have every reason to be pleased that my hon. friends stopped the arrangement, because it simply means that today they are getting a million and a half dollars more. The offer which we are now considering is a cash offer which becomes quickly payable. But the only fair way to arrive at its value would be to assume that it was made at the same time as the former offer and to apply the same discounts. Applying those same discounts—and that is going to the very furthest point in case of the proposition—this cash offer would be reduced, so that the value on the market at that time would be only 86, or six points above the offer which my hon. friend cancelled. In other words, it represents on the whole twenty-five million dollars an increase of a million and a half. I am not saying that it will cost the country an extra one and a half million dollars, I am merely pointing out the fact that the shareholders get that much more. It may not cost the country that much more. Why? Simply because the rate of interest in the meantime has gone down. We cannot say exactly what the rate will be, for it depends entirely upon the American market, as we were told in the banking and commerce committee by the department's representative who in giving evidence on this question of the rate of interest chargeable by the government under the legislation of 1914 said that it was reduced from time to time having regard to the rate of interest charged in New York. None of us can say exactly what that will be, but it does show clearly that the former settlement was proper, that the liability was a real liability—everybody knew it—and that the shareholders as a matter of fact are getting, as I say, one and a half million dollars more than they would have received under the former arrangement, and their circular shows it.

Mr. ROBB: I am glad, Mr. Chairman, to have the assurance of my hon. friend that there is no difference of opinion as to the justice of meeting these bonds. It is one of the railway cases which has arisen out of the changed condition from poverty to prosperity. When we discuss the bill in committee I shall be very glad to deal with the relative merits of the two propositions, and to tell my hon. friend why the government at that time did not authorize the settlement which was said to have been arrived at.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 153, respecting the Canadian National Railways and respecting the Canadian Northern Railway Company five per cent Income Charge Convertible Debenture Stock.

Motion agreed to and bill read the first time.

DEPARTMENT OF NATIONAL HEALTH AND VETERANS' WELFARE

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment and Health) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Department of Health and of Soldiers Civil Re-establishment be amalgamated in a single department to be called the Department of National Health and Veterans' Welfare, presided over by a minister of the crown; that the powers and duties of the minister be defined; and provision be made for the appointment of a deputy minister, the making of regulations, and the employment of such other officers, clerks, and employees as may be deemed necessary.

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

Motion agreed to.

LOWER EAR FALLS STORAGE DAM

Right Hon. W. L. MACKENZIE KING (Prime Minister) (for the Minister of the Interior) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the agreement between the Dominion of Canada, the province of Ontario and the province of Manitoba respecting the construction of a dam for the purposes of conservation, regulation and power, at Lower Ear falls at the outlet of Lac Seul in the

province of Ontario, be ratified and confirmed, and that the governor in council be authorized to carry out the provisions thereof whereby the Dominion assumes three-fifths of the capital cost of the dam, estimated at $700,000, and the payment of interest and cost of operation and maintenance for certain limited periods.

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

Motion agreed to.

YUKON QUARTZ MINING ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) (for the Minister of the Interior) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Yukon Quartz Mining Act be amended to provide for the payment of an annual royalty on the profits of mines in the Yukon Territory, exceeding the sum of $10,000 annually, in place of the royalty at present imposed upon sales of the products of the mines, and to prescribe the rates of royalty to be paid upon the said anual profits.

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

Motion agreed to.

BRITISH COLUMBIA LANDS

LEGISLATION TO GIVE EFFECT TO REPORT OF MR. JUSTICE MARTIN

On the orders of the day:

Hon. S. F. TOLMIE (Victoria): Is it the intention of the government to introduce legislation at this session to carry out the recommendations of Commissioner Martin in connection with the return of British Columbia lands?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps my hon. friend will allow the question to stand until the Minister of the Interior is in the house. I think he will be satisfied with the reply which the minister will make.

RADIO—CANCELLATION OF LICENSE

INTERNATIONAL BIBLE STUDENTS' ASSOCIATION

On the orders of the day:

Mr. ALFRED SPEAKMAN (Red Deer): I wish to ask the Minister of Marine a question based on a number of communications I have received. In these communications exception is taken to the anticipated action of the minister in cancelling broadcasting privileges hitherto enjoyed by the International Bible Students' Association. My question is: Does the minister intend cancelling these privileges, and, if so, why?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I am not in a position to make any pronouncement to-day on the matter. The question is still under consideration and I may be able to make a definite statement to-morrow regarding it.

Mr. SPEAKMAN: Thank you.

TRANSPORTATION OF COAL

REDUCED RATE FROM MARITIME PROVINCES TO CENTRAL CANADA

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): In the absence of the Minister of the Interior, I wish to direct a question to the Minister of Railways based on a telegram I have received from Stellarton, Nova Scotia. This telegram reads:

Conditions as to work were never worse than at present in Pictou county coalfields. From first of April, 1927, until August 31, 1927, pits averaged only 19⅔ days per month; from that until the end of year fairly steady. January, February, March, 1928 to date average 14⅓ days per month with no prospects for future.

Mr. SPEAKER: It is out of order to read telegrams inasmuch as they emanate from outside and the house has no assurance of their veracity. The rule, which is laid down in Bourinot, is well known. The hon. member may ask a question based on information he has.

Mr. CANTLEY: In that case, Mr. Speaker, may I ask the Minister of Railways whether he is now prepared to put in force the rate mentioned by the Minister of the Interior on Monday of last week in these words:

The movement of Nova Scotia coal is now under consideration, chiefly by the Minister of Railways (Mr. Dunning), as it is a railway matter.

Will the rate be put into force at once?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I gathered from the telegram as my hon. friend read it that it is similar to one I have received personally and which I immediately forwarded to the management of the Canadian National Railways for their consideration as to whether anything further could be done as requested. I am quite satisfied that the national railway management is doing all it can to help to provide work for Nova Scotia miners in the

banking of coal for railway use; and, as my hon. friend knows, Nova Scotia coal is now used on the Canadian National Railways as far north as Cochrane and as far west as Belleville. Regarding the general question to which my hon. friend makes reference, it is true that the Minister of Mines asked me to help in investigating the possible application to Nova Scotia of a test movement similar to that which has been inaugurated in relation to Alberta. I have conveyed my views to the Minister of Mines and he is, I know, working on the matter. I cannot state definitely what the outcome will be, but I know that he is giving the subject his attention at the present time.

INQUIRY FOR RETURN

On the orders of the day:

Mr. G. T. MacNUTT (Colchester): May I ask the Minister of National Revenue (Mr. Euler) whether I may expect the return to a question asked by me a month ago—on February 22nd, to be exact? It was passed as an order for return. Has the answer to the question been lost in transit?

Hon. W. D. EULER (Minister of National Revenue): I will inquire and report tomorrow.

INTERIM SUPPLY

ONE-SIXTH VOTE

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

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

Mr. ROBB moved:

Resolved, that a sum not exceeding $37,198,026.71, being one-sixth of the amount of each of the several items to be voted as set forth in the main estimates for the fiscal year ending 31st March, 1929, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending the 31st March, 1929.

Sir HENRY DRAYTON: Before this motion for interim supply carries, we shall have to have the usual understanding. The minister saw me on Saturday in reference to the matter and I consulted my leader, who saw no objection to it. So far as we are concerned, therefore, we are not opposing the motion but the matter must, of course, be dealt with on the usual terms; that is to say, the vote, which is for two months, is not to be taken as in any way hampering the fullest and freest discussion in the house and the fullest right to object to any or all items. And that right covers more than what appears on paper because the vote, although passed, is passed under this agreement. It is passed for the purpose of providing for necessary payments that have to be made. The civil service must be carried on and existing obligations met, but no new work can be commenced, so that any item may be moved to be struck out which ordinarily could be struck out when considered in the usual course.

Mr. ROBB: That is a fair understanding, and the usual procedure.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committe of ways and means.

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

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1929, the sum of $37,198,026.71 be granted out of the consolidated revenue fund of Canada.

Sir HENRY DRAYTON: This is subject, of course, to the same arrangement.

Motion agreed to.

Resolution reported and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 154, for grantaing to His Majesty certain sums of money for the public service for the financial year ending March 31, 1929.

Motion agreed to, bill read the first and second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1:

Sir HENRY DRAYTON: This bill, of course, is subject to the same arrangement which was made in committee on the resolution.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

SUPPLY

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, as the house is aware, we adjourn on Friday over Easter, and I am told that the upper house which also adjourns on

Friday may not reassemble until the latter part of April. Hon. members will recall that a few days ago I tabled further supplementary estimates for the fiscal year ending March 31, 1928, involving items of a number of departments and totalling $3,306,347.02. Included therein were the European war and active militia pensions, amounting to $1,600,000. With the unanimous consent of the house I would like to advance these further supplementary estimates so that we may pay them before the end of the fiscal year. I therefore move that the house go into committee of supply.

Mr. E. J. GARLAND (Bow River): I would like to ask the minister if he intends to ask the house to vote any other item than that covering these pensions?

Mr. ROBB: Yes. As soon as this is through we will take up similar supplementary estimates for the Department of Railways and Canals, covering the Maritime Freight Rates Act and certain advances to the Canadian Government Merchant Marine.

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

Marine and Fisheries — contingencies — further amount required, $8,000.

Mr. STEVENS: We ought to have some explanation about this.

Mr. ROBB: This is to provide for unforeseen expenditures of the fisheries branch of the department, more particularly as regards the expenses in connection with departmental officials and employees who were engaged in the Royal Fisheries Commission.

Item agreed to.

National Defence — contingencies — further amount required, $10,000.

Mr. GARLAND (Bow River): What is the explanation of this item?

Mr. ROBB: This sum is required mainly because of the expansion of the work in connection with the air service. It has been necessary to employ several new clerks and stenographers for whom provision was not made in the civil government estimates. The outlay for telegraphs, telephones and travelling expenses was not estimated in the main estimates. The details given are: To pay of temporary employees, $5,000; telegrams and telephones, $4,000; travelling expenses, $1,000.

Item agreed to.

[Mr Robb.]

Public Archives — contingencies — further amount required, $6,888.70.

Item agreed to.

Secretary of State—contingencies—further amount required, $5,000.

Sir GEORGE PERLEY: Will the minister give some explanation as to why this amount is required?

Mr. RINFRET: When the revision of the statutes was rendered necessary new forms for application under the Companies Act and other acts were required. This sum is necessary for the printing of these special forms in connection with the revision of the statutes.

Sir GEORGE PERLEY: No part of this amount is needed to pay the salaries of a greater staff?

Mr. RINFRET: No. it is merely to pay for the printing.

Mr. GARLAND (Bow River): We see the lips of ministers moving when they are giving their explanations but that is all that registers in this corner of the house. Will the Secretary of State speak a little louder, because down here we have not heard a word he has said.

Mr. RINFRET: I had explained, and I am delighted to explain again for the benefit of my hon. friends in that corner of the chamber, that the revision of the statutes made necessary the printing of new forms for certain acts that are under the administration of the Secretary of State, namely the Companies Act. There is also the printing of the Guide to Relative Precedence in Ottawa and in the provincial capitals.

Mr. GEARY: Has the money been spent in connection with these items?

Mr. RINFRET: It is in process of being spent.

Mr. GEARY: You have got a good start.

Mr. RINFRET: As to the printing which is being done in the printing bureau, the item is really a bookkeeping item. The amount will be outstanding between the printing bureau and the department. The work that is being done outside is in the process of being delivered to the department.

Mr. GEARY: These are not estimates at all, they are overdrafts.

Mr. ROBB: It is the customary thing. At the end of every fiscal year we have such amounts.

Mr. STEVENS: It is an evil practice.

Item agreed to.

Department of Agriculture—Fruit branch—further amount required, $35,000.

Sir GEORGE PERLEY: We should have an explanation of this item.

Mr. MOTHERWELL: This item was occasioned by the additional cost due to the new policy of grading and inspecting fruit for export, from which source $60,000 was obtained in inspection fees. That amount, however, went directly into the treasury. The cost was borne out of our vote, consequently we need an additional $35,000.

Sir GEORGE PERLEY: Did the minister not ask for a sufficient amount last year when we passed the original estimates?

Mr. MOTHERWELL: We had no means of judging how much the work was going to cost and being the first year it was an estimate purely and simply. A great deal more grading was done in connection with fruit for home consumption than was anticipated.

Sir HENRY DRAYTON. I think perhaps the explanation should come from the Minister of Finance. How was it that the Minister of Agriculture got ahead of him to the extent of $35,000?

Mr. ROBB: That is quite easy of explanation. I got ahead of the Minister of Agriculture when he was preparing his estimates, at least I think I did.

Sir HENRY DRAYTON: But he comes back.

Mr. STEVENS: He is a good horse trader.

Mr. GEARY: Are these items being charged up against the surplus?

Mr. ROBB: I hope not.

Mr. MANION: All the expenditures are.

Mr. ROBB: This was provided for in estimating the budget requirements.

Item agreed to.

Pensions—European war and active militia —further amount required, $1,600,000.

Mr. MANION: Would the minister explain this item because this seems rather a large amount for a supplementary-supplementary.

Mr. ROBB: The department reports that the provision in the main estimates will be inadequate and the above additional amount will be required. The expenditure to February 29, 1928, was $35,026,421.21, leaving a balance of $1,973,578.79 available for the month of March. The expenditure for the month of February amounted to $3,273,333.78. My hon. friend is quite aware that there are pension revisions going on from time to time, and I imagine that the present item is the result of granting a greater pension allowance in some cases.

Sir HENRY DRAYTON: Will the minister tell us how much of that goes to pensions? How much of the vote of $1,600,000 goes to the soldiers, how much of it goes in other expenditures, and how much of it goes to an investigation here or an investigation there?

Mr. ROBB: I think it is safe to say that all of it goes to pensions. My hon. friend will note carefully the wording of the item: For the European war and active militia pensions.

Mr. STEVENS: That covers a multitude of sins.

Sir HENRY DRAYTON: That covers everything.

Mr. ROBB: It is the result of revisions of pensions by the pension board from time to time.

Mr. MANION: How much of a supplementary of this kind did we have last year?

Mr. ROBB: I have not that information.

Mr. MANION: I should like, if possible, to have further details with regard to this $1,600,000. This is a large amount of money.

Mr. ROBB: It is a large amount of money.

Mr. MANION: I should like to have some further details than just a general statement.

Hon. JAMES H. KING: (Minister of Soldiers' Civil Re-establishment): I did not come prepared with a complete statement, but this amount of money is required for pensions, not for administration expenses. The latter are taken care of by another vote, as are also treatment expenses. The amount required here is undoubtedly for pensions. We find that each year we have come to parliament asking for a supplementary vote for pensions.

Mr. MANION: How much was it last year?

Mr. KING (Kootenay): I think over a million dollars last year. It is an unknown quantity. We have not yet reached the peak in the matter of pensions. More applications are coming in. We received many new applications last year, and then there have been increases in pension.

Mr. MANION: I certainly would be the last to object to what is necessary for pensions, but it seems to me that we ought to

be able to get a little closer to our estimates than practically $2,000,000 in a case of this sort. That is what strikes me. I am not objecting to the money being used for necessary pensions, but I hope that the minister next year will get a little closer to his estimates. I cannot work out the percentage of increase while on my feet but it is too large in the case of an estimate of this kind. I hope that next year the minister will make a closer estimate and that we shall not be asked for another couple of million dollars for a supplementary-supplementary such as this.

Mr. ADSHEAD: Approximately what amount is for European war pensions and how much for the active militia?

Mr. KING (Kootenay): This amount is for European war pensions and also the active militia, further amount required.

Mr. ADSHEAD: What is the approximate amount of each?

Mr. KING (Kootenay): The item for militia pensions is very small. The main amount is for European war pensions.

Mr. GARLAND (Bow River): Then why not strike out the words "active miltia?"

Mr. KING (Kootenay): They are included in the pension payment but the amount is very small. I have not the figures with me but I can assure my hon. friends opposite that it is very difficult to estimate our pension bill from year to year. It is changing and we have not yet reached the peak. I think it has been the policy of the department and the desire of the government not to appropriate huge sums of money or more than is required, but rather to vote, as has been done each year, a supplementary item at the end of the year covering the deficit.

Mr. McGIBBON: The minister ought to come to parliament with a little more information than that. He says: I think this and I think that; I can assure this and I can assure that. When it is all boiled down, he is not giving us any information at all. It is ridiculous that the Board of Pension Commissioners—and I do not blame the minister altogether for this—should not be able to make a more definite estimate.

Mr. KING (Kootenay): I do not think so.

Mr. McGIBBON: I think it is. They come before the pension committee making certain suggestions and they claim to be able to tell us almost exactly what they are going to cost. If they can forecast the cost of these increased expenditures, they have the normal expenditures stabilized, so how is it they are two or three million dollars out? Are the expenses of the Hunter commission included in this?

Mr. KING (Kootenay): No.

Mr. McGIBBON: We hope to run across them somewhere, because we should like to discuss the commission.

Mr. ROBB: My hon. friend is quite right. We should have a little more detailed information on this item. I observe one item covering European war pensions short on account of retroactive awards. How can a government provide for retroactive awards?

Mr. STEVENS: How much is that?

Mr. ROBB: About $115,000. It is not exactly fair to blame the minister or the department for estimating short. When these estimates come before the treasury board, it is natural that we hold them down to the last dollar based upon the previous year's experience. The pension board are in operation all the time; they increase these pensions from time to time, and that is why there is a shortage at the end of the year. We can pay this only by the authority of parliament. My friends are quite right in stating that more detailed information should be given.

Mr. STEVENS: That is the point. We are not complaining about paying out legitimately money for pensions. The minister has given us one item. He must have under his hand an explanation of this appropriation. Can he give us the other items?

Mr. ROBB: That is all the information I have.

Mr. STEVENS: When the cabinet prepared these supplementary estimates they had before them from each department the details and the reasons why these supplementaries were required. Parliament is entitled to an explanation such as the minister has received from the different departments. This is a large item and we are entitled to know definitely what it consists of.

Mr. MANION: Retroactive awards take place every year. I presume from the second year onward there have been retroactive awards. Again and again pensions are demanded and refused for a year or two; then they are granted and the commission grants the retroactive effect. Therefore some such figure as that should be included in the estimates each year. This item might be held

over for a little while in order to see if the minister cannot give us more information and we can go on with some of the smaller items.

Mr. EDWARDS (Frontenac): Those who prepared this amount of $1,600,000 for insertion in the supplementary estimates must have had some information and details on which they based the amount. Either that is the case or they just guessed at the amount and said: We will ask for $1,600,000; we do not know whether it will be that much or $10,000,000. I assume they had some definite information on which they based this amount and the committee is entitled to know what that definite information is. I should also like to know how much will be paid out in the fiscal year ending the last of this month in actual money in pensions to soldiers and how much by way of administration.

Mr. ROBB: I shall have the question of my hon. friend noted, and we will endeavour to get the information. I should like to have it myself. A moment ago I said that of this amount $115,000 was for retroactive awards. I find that $115,000 is in another item. I suggest that this item stand until the minister endeavours to obtain some more information.

Sir GEORGE PERLEY: Will the minister let us have the figures as to how much is for European war and how much for active militia?

Mr. GARLAND (Bow River): Will letting the item stand injure any interested soldier?

Mr. ROBB: We will pick it up again before we go out of committee.

Item stands.

Railways and Canals—chargeable to income—canals—Sault Ste. Marie—compassionate allowance to the widow of the late William H. Tilley, who was drowned while on duty at the canal, September 23, 1916, $1,000.

Mr. CARMICHAEL: Why is this payment being made more than eleven years after it was incurred?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I can speak only of my connection with it. The facts were brought to my attention during the past year and on reviewing them I thought the widow, who is now seventy-three years of age, was entitled to some consideration on account of the death of her husband under these tragic circumstances. I am therefore recommending the payment. I had not heard of the matter until this last year.

Item agreed to.

Welland canal—Compassionate allowance to Stanley Sleck, minor son of Mrs. Marcelle Sleck, who was accidentially injured on the Welland canal bridge in the city of St. Catharines on May 28, 1927, and for payment of said allowance to F. E. Hetherington (solicitor) as trustee for and on behalf of the said Stanley Sleck, $1,000.

Mr. ADSHEAD: Will that $1,000 be the amount Mrs. Slack will receive, or will the solicitor's fees be deducted from that?

Mr. DUNNING: In connection with this boy I took a personal interest in the disposition of the moneys. I can assure my hon friend the solicitor in the case gave his services either freely or at a very nominal figure, I forget which, and a trust arrangement has been made so that the education of the boy will be provided for out of this sum of money.

Mr. CARMICHAEL: There does not seem to be a fair comparison between this item and the previous one. The previous item allows $1,000 for the death of an adult. This item allows $1,000 for an injury to a minor son. Just how serious was the injury?

Mr. DUNNING: It was necessary to amputate the boy's foot.

Mr. EDWARDS (Frontenac): Do I understand that the government feels itself responsible for that injury to the boy?

Mr. DUNNING: No. The allowance is a purely compassionate one. There is no admission of responsibility. The circumstances were such that the term compassionate allowance is the best I can use to explain the matter.

Mr. EDWARDS (Frontenac): My reason for asking the question is that if any responsibility in any way attaches to the government or to the department over which my hon. friend presides, $1,000 is no compensation at all.

Mr. DUNNING: I can assure my hon. friend that any case where even the remotest responsibility attaches to the department always receives my most sympathetic consideration. I do not want to discuss the details of this case, but I can assure my hon. friend that the boy was injured on the swing bridge, and he had no business to be where he was. The case has been settled very satisfactorily from the point of view of all those people in the district who took an interest in the case.

Mr. McGIBBON: It is one more humane act on the part of the minister.

Mr. DUNNING: I would not say that, but rather on the part of parliament.

Item agreed to.

Board of Railway Commissioners for Canada —maintenance and operation — additional amount required, $15,000.

Sir HENRY DRAYTON: Would the minister explain this?

Mr. DUNNING: This further sum of money is required due to two major hearings by the board. One of them was the general rates inquiry, which occupied sittings throughout Canada during 113 days. The record comprised 13,500 pages, and the additional expenditure involved covers evidence, $5,731.50; translation, $1,117.25; printing, $2,652.20; additional travelling expenses, $2,716.30. That comes out of the $15,000 chargeable directly to extra expense incurred in winding up the general rates inquiry. There was also an extensive inquiry into the affairs of the Bell Telephone Company, which included extra expense in taking evidence, printing, and so forth, to the extent of sixteen volumes of the records of the board, costing about $2,695.50. That makes up the amount which we are asking here.

Sir HENRY DRAYTON: What was the total vote?

Mr. DUNNING: In the main estimates of last year?

Sir HENRY DRAYTON: Yes.

Mr. DUNNING: I have not that before me.

Sir HENRY DRAYTON: The money has gone anyway.

Item agreed to.

Ocean and river service—miscellaneous and unforeseen expenses—further amount required, $500.

Mr. STEVENS: What is this for?

Mr. CARDIN: This is required to cover small unforeseen expenditures, such as legal fees and small repairs to wharves which we control.

Item agreed to.

To provide for the establishment of a patrol service to investigate the conditions of navigation in Hudson strait and Hudson bay—further amount required, $200,000.

Mr. CAHAN: This is to provide for the establishment of a patrol service to investigate the conditions of navigation in Hudson strait and Hudson bay. At the last session of parliament a sum was voted for this patrol service which has been continued during the autumn months up until the present time. The department must now have very complete reports with regard to the conditions which were encountered in the Hudson bay and strait during the autumn and early winter, and I submit that parliament is entitled to know the facts as they are within the knowledge of the department over which the Minister of Marine presides. I think we should have some statement to the house in regard to the matter.

Mr. CARDIN: The report of the officer in charge is practically completed, and I shall be in a position in the course of a few days to table it. The printing of the report is practically completed.

Mr MANION: What was the amount in last year's estimates for this work?

Mr. CARDIN. The amount last year was $850,000.

Mr. MANION: That was all used, plus this $200,000?

Mr. CARDIN: Yes.

Mr. MANION: That makes a little over $1,000,000.

Mr. CARDIN: Yes, $1,050,000.

Sir HENRY DRAYTON: Why should not that be looked after in the usual way by governor general's warrants? Is no attempt at all being made to keep down departmental expense? Are they allowed to overdraw just as much as they want? This is a big overdraft, $200,000, with a main vote of over $800,000.

Mr. ROBB: It is not the fault of the department that we did not put through governor general's warrants. When the matter was called to the attention of the department, it was so near the time of the assembling of parliament that we thought, and I think quite properly, that parliament should vote the money.

Sir HENRY DRAYTON: It does, in any event, whether it is done by way of governor general's warrants or not. I understand that this money has been paid. Where did it come from? By what legerdemain have we got $200,000 from nothing?

Mr. CARDIN: Most of the accounts remain to be paid. Certain wages have been paid out of some other votes, and we want to reimburse them.

Sir HENRY DRAYTON: I was quite sure that that would be the answer. We have departmental juggling between one vote and another for the purpose of running along. I do not know which is the worse, to take money voted for one purpose and use it for another purpose, so as to get along without governor general's warrants, or to pay these overdrafts openly and above board.

Mr. STEVENS: Was not one of these camps or posts destroyed by fire?

Mr. CARDIN: No.

Mr. STEVENS: I heard that one camp had been destroyed by fire.

Mr. DUNNING. I think my hon. friend is referring to one of the buildings at the old port of Nelson which was burned a couple of months ago; the fire was reported in the press.

Mr. STEVENS: It was one of the patrol camps, I understand.

Mr. DUNNING: My hon. friend is wrong there.

Mr. STEVENS: I am very glad to know it.

Mr. ARTHURS: As this amount involves altogether an expenditure of over $1,000,000, I think we should have some details of the expenditures.

Mr. CARDIN: I shall be glad to give the committee a complete list of all the expenditures under the vote of $850,000 of last year when we come to the main estimates.

Mr. KAISER: Does this include the expenditure on the aeroplanes?

Mr. CARDIN: Yes.

Mr. KAISER: Are we getting any reports from them?

Mr. CARDIN: The report is practically completed and will be tabled in the course of a few days.

Item agreed to.

River St Lawrence ship channel—maintenance and operating dredging fleet — further amount required, $400,000.

Mr. CAHAN: In connection with this vote for the river St. Lawrence ship channel, and in order that the minister may prepare himself somewhat for the discussion on the estimates for the ensuing year, I wish to call the attention of the committee to certain facts in regard to navigation through the ship channel of the St. Lawrence river. When the later work was undertaken some time ago, it was the intention of the government, as stated, to make a depth of 35 feet for navigation up to and into the harbour of Montreal. From the engineering reports which are now available, it appears that the prevailing levels in Montreal harbour are now about three feet lower than they were at the time when the datum was established for the 35 foot depth. This lowering of the water level in the Montreal harbour is alleged to be due largely to the diversion of water through the Chicago drainage canal, to some extent to a decrease in run-off, and to the channel dredging at various points which facilitates the more rapid flow of the river. If there is a decrease in depth of three feet in comparison with the datum fixed at the time this work was projected, and if the dredging of the river facilitates a more rapid flow of the water, it would appear that the expenditure which we are making on the development of that river is not resulting in the advantages which were estimated at the time this later project was undertaken.

There is no doubt that the navigation depth of 35 feet in the channel will merely meet the existing requirements. For instance, I have before me a statement of the vessels which now make their destination at Montreal during the season of navigation, and I will read it into Hansard:

Vessel	Gross tons	Draught
Canadian Pacific ss.		
Montrose	16,402	27′ 6″
Melita	15,183	34′ 4″
Montcalm	16,418	27′ 6″
Minnedosa	14,000	34′ 4″
Metagama	12,400	27′ 7″
Montclare	16,314	27′ 6″
Robt. Reford Co.		
Athenia	13,465	27′ 8½″
Letitia	13,475	27′ 8½″
Alaunia	14,030	32′ 2″
Antonia	13,867	29′ 5″
Andania	13,950	29′ 5½″
Ascania	14,013	30′ 11″
Aurania	13,984	30′ 11½″
Ausonia	13,912	30′ 11″
White Star Line		
Doric	16,484	33′ 11½″
Regina	16,500	33′ 11½″
Albertic	18,940	30′ 10″
Megantic	14,878	27′ 6″
Calgaric	16,063	32′ 7½″

In the season which we are approaching the new White Star liner Laurentic of 19,000 tons will come to Montreal. The new Canadian Pacific liners, the Duchess of Athol and the Duchess of Bedford, each of 20,000 tons, will also come into the St. Lawrence trade.

Mr. BOYS: What is their draught?

Mr. CAHAN: I have not their actual draught, but I am told it will exceed the draught of any of the ships which I have already mentioned.

Mr. DUFF: Did those vessels enumerated in the list enter the port of Montreal last year?

Mr. CAHAN: Yes. I am not dealing with the ships that made their destination at Quebec. The Empress of Australia, of 22,000 tons, is now compelled to make her final destination at Quebec, being unable to come up the river to Montreal. The number of these ships which are now able to come to Montreal, at some seasons of the year, owing to the decrease in the depth of the river, are compelled to enter the port with depleted cargoes, and to sail again only partially loaded. So the reduced depth in the river means a very great loss indeed to the shipping companies, and also to the traders and merchants of Montreal who are compelled to pay a higher freight rate when ships are not able to take a full cargo.

This 35-foot channel which we are projecting will not be, under present conditions, a 35-foot channel at all. Furthermore, I notice in their report that the engineers, who have been studying the development of the navigation on the St. Lawrence river and Great Lakes, suggest that compensating works should be provided in lakes Ontario and Erie and at other places to restore the levels of lakes Michigan and Huron, and lakes Erie and Ontario further down, which have been lowered by the diversions already made at Chicago and elsewhere. Engineers with whom I have come in contact, who are not partisans of one scheme or another, but who have studied this question, advise me that the construction of these so-called compensating works as proposed, either in connection with the levels of lakes Michigan and Huron or the levels of lakes Erie and Ontario lower down, will still further tend to decrease the depth of water in the harbour of Montreal. So the construction of these compensating works further west will tend to decrease the depth of water actually available for navigation at those seasons of the year when a certain depth is requisite for the shipping of Montreal. Therefore I sugest that when we come to deal with the main estimates in which there is an extra appropriation of something like $1,000,000 under item 220 for the construction and regulating of retaining dams in the St. Lawrence river, and a further appropriation under item 216 of $373,000 for the maintenance and operation of a dredging fleet, we should have a full and complete statement from the minister regarding the works which are now in progress, the extent to which the government proposes to carry on these works, the result with respect to the depth of water available for navigation in the harbour of Montreal and in the river, and some evidence, if it is available, to reassure us that the work of dredging which is being carried on is not actually resulting in further depleting the water which is required in the harbour of Montreal at certain seasons of the year to accommodate shipping which makes its destination there. I do not expect the minister to go into the larger question of the diversion at Chicago which has resulted in such serious loss to Montreal, because I infer that this is a matter which will be dealt with by the Prime Minister or some other member of the cabinet when we are discussing the St. Lawrence navigation scheme which has been suggested by the board of engineers. But I do call the attention of the government as such to the fact that there is an opinion, clearly expressed and apparently well substantiated by the facts, that the projects of compensatory works which have been suggested in connection with the St. Lawrence waterways scheme, the larger scheme will simply result in robbing Peter to pay Paul: they will diminish the depth avaliable for navigation in the port of Montreal in order to create and retain a greater depth of water in lakes Ontario, Erie, Huron and Michigan. The desire to ascertain the facts—a legitimate desire on the part of those interested in shipping in Montreal—is so great that, I suggest, the minister should prepare himself to give us a clear and definite statement regarding these matters when the estimates for the year are brought down. I do not wish to prolong the discussion on this point, but I thought it wise to call the attention of the minister and of the government to these facts.

Mr. POWER: The solution of the difficulties suggested by my hon. friend (Mr. Cahan) would seem to me to be a very easy one: if the boats cannot go to Montreal, let them stop at Quebec. For fifty years or more we have been endeavouring to interfere with the course of nature by dredging the channel between Quebec and Montreal. As the hon. member himself says, it is extremely doubtful whether these dredging works have served the purpose which it was sought to attain when the dredging was begun. We have had, first, an agitation for a twenty-five foot channel to Montreal, then for a thirty foot channel and now for one of thirty-five feet. People who understand these things have stated very

definitely that there is a limit to which one can dig in a river such as the St. Lawrence; it is stated that increased dredging tends to allow the water to run off more rapidly than it would otherwise.

An hon. MEMBER: The sea will flow back.

Mr. POWER: The sea flows back up as far as Quebec, I may tell my hon. friend, and not as far as Montreal. That is one of the natural advantages with which Providence has endowed Quebec. When ships of draught such as mentioned by my hon. friend—ships of thirty and thirty-two feet—are proceeding in a narrow channel with only perhaps from six inches to a foot of water between the keel of the vessel and the bottom, there is a natural tendency to drag from the sides of this narrow channel all the silt and mud and so constantly to refill that portion which has been dredged. This, I think, has been stated by engineers to be one of the reasons why it is almost impossible to maintain a constant depth of thirty-five feet in this channel. Then, owing to the advance of settlement in the upper reaches of the river and the lack of storage facilities always due to vegetation and forests, we find that every spring the water runs off much more rapidly. This is, of course, far more noticeable in the smaller rivers which serve as feeders to the main body, the St. Lawrence river; but the same action is felt in the St. Lawrence also. It is true, perhaps, that the Chicago diversion has had some effect, but generally speaking it will be found, I think, that the principal reason why the St. Lawrence is lower at certain seasons of the year now than it was formerly is that the land has been cleared at the head waters which flow into the river, so that naturally the water flows off much more rapidly.

I had not intended taking part in this discussion, but I want to assure my hon. friend that there is being constructed at Quebec a magnificent port capable of accommodating all the vessels of the type he mentions, and many more, some up to forty feet, and if the hon. gentleman will be prepared to accept, as the lot of the harbour of Montreal, the lot which Providence no doubt intended for it, that of receiving only smaller vessels, and leaving to Quebec the lot of receiving the larger vessels, not asking parliament to intervene in the workings of nature, then possibly we might all get along better.

Mr. CANTLEY: I have not the slightest objection to the hon. member (Mr. Power) having the mail boats stop at his Indian village, but I want to point out that the depth of water in the St. Lawrence is a matter of considerable importance to Nova Scotia. We cannot unload, at Quebec, coal from Nova Scotia destined for Montreal; we must get the boats to Montreal.

Mr. POWER: I do not think any of the small vessels carrying coal—vessels of ten, twelve and fifteen thousand tons—will have any difficulty reaching Montreal. It is the large transatlantic vessels having a draft of twenty-eight and thirty feet which will find it difficult as they have done in the past.

Mr. CANTLEY: I quite understand that. I may tell the hon. gentleman that I have landed from ocean liners at Quebec and I have also gone up to Montreal on liners and on coal boats. The difference in cost between transporting coal in vessels of eight and ten thousand tons capacity and in vessels of twenty thousand tons is very material.

Mr. POWER: Are there any vessels of twenty thousand tons transporting coal from Nova Scotia to Montreal at the present time?

Mr. CANTLEY: No, but there ought to be. Before boats of that size will be constructed for the trade the people who will have to operate the boats must know that the required water will be provided and maintained. We have coal boats to-day of 27 and 28 feet draft, and even they are in trouble. I wish to point out to the house that this is not entirely a matter of providing water for the mail boats; there are other interests involved, the only advantage we in Nova Scotia receive from the whole St. Lawrence scheme of navigation is the opportunity to send our coal to Montreal. Hon. members must not think that the city of Quebec and the city of Montreal are the only places interested in the navigation of the upper reaches of the St. Lawrence river.

Mr. ROSS (Kingston): Will the minister explain whether this amount is for the general dredging fund or if it is ear-marked for any particular object, because there is a certain section of this country even above Quebec and Montreal which is interested in the development of the St. Lawrence.

Mr. CARDIN: This amount is intended for the general work of deepening the St. Lawrence channel, and in part it is necessary at present because we have increased the salaries of the men working on the dredges and tugs connected with this work. Last year we provided for an increase to a certain class of navigators employed on what we call the Dominion steamers, those ships which are used for the maintenance of the lighthouses,

but having made that increase which was provided for in the main estimates we thought it would be only fair and just to extend it to all the men working on the dredges and tugs which are used in this work.

Sir GEORGE PERLEY: What part of this $400,000 is accounted for by increased salaries?

Mr. CARDIN: They account for $100,000. In addition, certain units of the fleet required extensive and unexpected overhauls during the year, which necessitated further unforeseen expenditures approximating $300,000, which this proposed supplementary appropriation covers.

In connection with the main point raised by the hon. member for St. Lawrence-St. George, speaking offhand I might say that the engineers of the department in charge of the work are under the impression that we can deepen the channel of the St. Lawrence river profitably for some time to come; we have not reached the point as yet where dredging ceases to be profiable. We can deepen the channel to 35 feet without seriously interfering with the water in the port of Montreal and without causing a greater or more rapid flow of the water in the river. As a matter of fact, the first program which was undertaken to deepen the channel to 30 feet is practically completed, and in the course of probably seven years we will have the channel 35 feet deep from Montreal down. I might emphasize that fact, that the engineers state that we can dredge the channel to a depth of 35 feet without interfering with the water in the port of Montreal. I am not quite clear on the matter, but it seems to me that the deepening of the water in the port of Montreal is a matter under the control of the Montreal harbour commission rather than the Department of Marine and Fisheries. I am not quite sure, but that is my impression at present. In the main estimates to which my hon. friend has referred we are providing for an expenditure of about $1,000,000 for the construction of submerged dams below Montreal, with a view to raising the water in that port and removing the necessity for further dredging. The engineers have reported that if we could construct two or three submerged dams, one below Montreal and one in the vicinity of lake St. Peter, we would raise the level of the water in the port of Montreal by nearly two feet. Of course, when we come to the discussion of the main estimates I will be in a position to give all these details which have been asked for by my hon. friend from St. Lawrence-St. George.

With regard to the safety of navigation between Quebec and Montreal, I may say that navigation on that section of the river is quite as safe as navigation from Quebec down to the gulf, and in fact the accidents are not so numerous in the section of the river from Quebec to Montreal as they are from Montreal down to the gulf. The channel is very safe, and I have said before that the insurance people are not fair with regard to the St. Lawrence route. I maintain that the rates are too high, because the risks are no greater on the St. Lawrence river than on any other water course in the world. The government of Canada have spent large sums to establish buoys and lighthouses on this route, and I am sure it was a source of great comfort to the Canadian people when a high officer of the American government stated last year that the St. Lawrence route was the best inland route existing in the world. I think the money spent in deepening the St. Lawrence as much as can be done profitably is a wise expenditure, because up to the present navigation on that river has proven very beneficial to the country at large. It has helped develop one of the greatest ports in the world, and the benefits which have been derived by Montreal and by the whole country will amply justify the expenditure which has been made in that connection.

As far as the refilling is concerned, there is none to speak of. The nature of the soil which composes the bed of the river is such that when the dredging is done practically no refilling takes place, and the money we are expending now in deepening that channel is amply justified by the benefits which have been derived.

Then the hon. member for St. Lawrence-St. George referred to the lowering of the water by three feet in the port of Montreal. I am not prepared to agree that that is the situation. If my memory serves me right, certain engineers have contended that the diversion at Chicago does not very much affect Montreal. It may be affected in some way but at the most it will be a matter of a very few inches That, however, is a matter which is not quite clear, and there are expert opinions on both sides. At all events, may I repeat that I will be very glad to gather all the information in the department and give it to my hon. friend and to the house when we come to the main estimates.

Mr. POWER: Just a word to correct what was probably a slip on the part of the Minister of Marine and Fisheries. He made perhaps somewhat invidious comparisons between the casualty rate of vessels below and above Quebec. In that connection

I would simply say that if anything happens to the vessels below Quebec it is not due to a lack of water in the channel, and there never has been any complaint that it was impossible to load vessels at Quebec to their full capacity. Possibly if the same amount of money had been expended in connection with lighthouses and other aids to navigation between Quebec and the sea as has been expended in dredging and similar work between Montreal and Quebec, the accidents would be much less numerous. With reference to the question of refill that, as the minister has said, is a matter of opinion, and as neither of us is a navigator or an engineer—

Mr. DUNNING: You are a navigator.

Mr. POWER: I am not a navigator on this occasion. Possibly as neither of us is an engineer or a navigator both our theories may be wrong. The passage of the vessel through the mud and silt is of a nature to draw those materials from the sides into the centre of the channel, particularly in places where the channel is so very narrow that sometimes two or three ships cannot pass abreast.

Mr. STEVENS: What do they do, do they jump over each other?

Mr. POWER: They almost jump over each other. It is apparent to everyone that vessels of such weight and displacement must inevitably draw silt from the sides of the channel; but in the case of what may be regarded as the floor of the channel, if the material is so hard that none will be drawn up, I submit it must be too costly to dredge. In either case I very respectfully submit to the Minister of Marine and Fisheries that he should make out a somewhat stronger case, and the hon. member for St. Lawrence-St. George (Mr. Cahan) should have something more to say, before endeavouring to take away from Quebec the few ships which make that port their terminus.

Mr. EDWARDS (Frontenac): Will the minister tell me if any part of this vote is to be applied to dredging between Kingston and Montreal, or is all to be spent below Montreal?

Mr. CARDIN: All below Montreal. The St. Lawrence above Montreal is under the control of the Department of Public Works.

Mr. EDWARDS (Frontenac): This item would not in any way affect the determination of where the terminal is going to be?

Mr. ROBB: Not at all.

Mr. McQUARRIE: Is it possible for the minister to give us some further information with respect to the increases in wages? To the crews of what vessels do these increases apply, and what is the nature of the work the men are doing?

Mr. CARDIN: The house will recall that last year I asked for a certain amount to equalize the pay received by the captains, engineers and crews of all our vessels. The officers and men of our vessels in British Columbia were receiving higher pay than the rates received by the officers and men on our vessels in eastern Canada, and particularly on vessels employed on the St. Lawrence. I asked for a certain amount for the purpose of increasing the salaries of the men working on what we call the Dominion steamers and it was granted. The Dominion steamers are supposed to look after the maintenance of the lighthouses and buoys on the St. Lawrence river. After these increases in salaries had been granted representations were made to us that the wages of the captains, engineers and crews of the dredges and tugs used on the St. Lawrence channel should also be increased to the same rates. We thought this request was absolutely justified, and we decided to increase all salaries on the dredges and tugs working on the St. Lawrence river. That is the reason for the increase granted to the officers and men of these ships operating on the St. Lawrence.

Mr. McQUARRIE: The increase was granted in order to bring their pay up to the British Columbia rates?

Mr. CARDIN: Precisely.

Mr. McQUARRIE: These men do not come under the Civil Service Commission?

Mr. CARDIN: Under the law the captains, engineers and crews are not under the control of the Civil Service Commission. The majority of them are part time employees.

Mr. McQUARRIE: Are they temporary employees?

Mr. CARDIN: They are seasonal employees.

Mr. McQUARRIE: We have the same thing in British Columbia, and there is quite an agitation in that province on the part of these employees to be placed under the Civil Service Commission so that they would enjoy the advantages of superannuation, and other benefits. Has that matter been considered by the minister?

Mr. CARDIN: Representations have been made to the department that the captains and engineers particularly on these boats should be given the advantage of the Superannuation Act, but the matter has not been decided yet; it is under consideration.

Mr. McQUARRIE: Why the captains and engineers and not the rest of the men employed on these vessels?

Mr. CARDIN: The captains and engineers, in a sense, are more permanent employees than the ordinary sailor. After a vessel has been laid up for the winter, very often these officers look after it and direct the repairs which may be required while the ship is laid up. That is why a distinction is made between these classes of employees.

Mr. McQUARRIE: I know that in British Columbia some of the men have been in the employ of the government for ten or fifteen years, and are still temporary employees. They are not entitled to any superannuation.

Mr. CARDIN: No.

Mr. McQUARRIE: They are not entitled to annual holidays which are allowed, I think, to the captains and the engineers. The ordinary sailor does not receive the same consideration at all that the captain or the engineer does. I suppose there is the same agitation in the east that there is in the west with respect to the matters of which I have spoken. I must say that with us there has been quite a strong demand that these men be placed under the Civil Service Commission. Another matter that has come up relates to certain men employed on these vessels having to work on Sundays. Does the same condition prevail in the east as in the west in that connection?

Mr. CARDIN: Yes.

Mr. POWER: They work seven days in the week.

Mr. McQUARRIE: Contrary to the provisions of the order in council, without being allowed anything extra for working on Sunday?

Mr. CARDIN: No, they are paid by the month.

Mr. McQUARRIE: Has the attention of the minister been directed to the order in council in that connection, which provides that no man shall be employed on Sunday without being allowed off on another day or given compensation?

[Mr. McQuarrie.]

Mr. MANION: Is it true, as some people claim, that the Sundays are longer in British Columbia than they are in Quebec?

Mr. McQUARRIE: I do not know why they should be. Is the minister willing to discuss that matter?

Mr. CARDIN: I am not in a position to discuss the matter to-day.

Mr. McQUARRIE: I notice that with us, all these matters come under the Public Works department?

Mr. CARDIN: Yes.

Mr. McQUARRIE: Down in the east they come under the Department of Marine and Fisheries.

Mr. CARDIN: Yes.

Mr. McQUARRIE: Does that only apply to the St. Lawrence?

Mr. CARDIN: Well, the jurisdiction of the Department of Marine and Fisheries extends only to the channel of the St. Lawrence from Montreal down to the gulf. The rest of the St. Lawrence is under the control of the Department of Public Works; and in British Columbia, as well as in the maritime provinces, that department looks after the dredging of the channels, the care of the wharves, and everything else.

Mr. ROSS (Kingston): Do the vessels engaged in dredging look after the lighthouses and buoys on the St. Lawrence river?

Mr. CARDIN: No. We have special steamers, called Dominion steamers, that look after the maintenance of the lighthouses and the providing of them with supplies. This appropriation relates only to the dredging fleet.

Mr. ROSS (Kingston): That is why I am asking the question. The minister said that he had to increase the pay of the captains and others who look after the lighthouses and buoys.

Mr. CARDIN: Their salaries were increased.

Sir GEORGE PERLEY: Has this money already been paid?

Mr. CARDIN: Practically as far as salaries are concerned. Certain accounts for supplies and materials have not been paid.

Sir GEORGE PERLEY: Last year we voted $1,500,000 for this item and the increase is $400,000, or quite a large percentage. I am not objecting to the expenditure of the money if it was required for the purposes of the St.

Lawrence, but I should like to know how the department manages to spend such a large sum in excess of the amount voted by parliament. The minister said on the previous item that the money had not been spent; that there were accounts to pay. As regards this item he says that the amount has practically all been paid out. It is quite evident that the work of dredging the St. Lawrence is done in the summer and it was stopped some three or four months ago at least. Therefore I should like to know why, the Minister of Finance knowing that, the Department of Marine and Fisheries should get such a large amount without a governor general's warrant to cover this sum which they have expended in excess of the amount voted by parliament.

Mr. CARDIN: Frankly, I am not quite clear as to the exact procedure which is followed by the accountants and other officers of the department, but I understand, as was indicated by my good friend a moment ago, they are taking an amount which is appropriated in one place and transferring it to another vote. Of course accounts for supplies and materials are not paid; payment has been delayed on these, but salaries have been paid out of money provided in some other vote.

Sir GEORGE PERLEY: How much do the unpaid accounts amount to under this item?

Mr. CARDIN: I could not say at the moment.

Sir GEORGE PERLEY: Perhaps the Minister of Finance will explain how they are able, without a governor general's warrant, to spend this sum of money over and above the estimate voted by parliament.

Mr. ROBB: I am really unable to explain, but I repeat the statement made a moment ago that they urged the granting of a governor general's warrant after parliament had been called. We thought it was proper that they should wait until parliament met.

Sir GEORGE PERLEY: This item of $400,000 is a large item and the department must have known long ago they had overrun the amount voted by parliament. This cannot have happened in the last few days or just before parliament opened.

Mr. CARDIN: I may add by way of explanation that in an item that is voted by the house for certain things, an amount is included for wages and the balance is for materials. Probably the amount which was provided for materials and supplies was used for wages and we may be short on the money necessary to pay for materials and supplies. Sometimes we may provide a certain amount we expect will be required for the repair of a boat and we discover later that the amount is not sufficient. That may be a reason why at certain times we have not enough money.

Sir GEORGE PERLEY: I am not objecting to the expenditure. I suppose it was spent for purposes of the St. Lawrence river. I am objecting to the fact that the vote of parliament of last year has been over-expended by such a large sum as $400,000 apparently without any reference to the Department of Finance, or without the obtaining of a governor general's warrant.

Item agreed to.

Fisheries—salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protection services—further amount required, $50,000.

Mr. STEVENS: What is this for?

Mr. CARDIN: Owing to unusually intensive salmon fishing in British Columbia where 2,252 more licenses for fishing were issued than in the previous year, it became necessary to use more boats and to employ more assistants than was expected; also particularly in the maritime provinces it was found essential to spend more than was expected in safeguarding sport and commercial fisheries. The expenditure at the end of February was practically $850,000; at least $60,000 will be required to meet the March accounts, making a total of $910,000, or $50,000 more than the appropriation.

Item agreed to.

Labour — Annuities Act — further amount required, $15,000.

Sir GEORGE PERLEY: We ought to have an explanation of this item.

Hon. PETER HEENAN (Minister of Labour): This is chiefly due to increased business in selling annuities. This carries with it increased help and increased commissions. We have increased the business this year by 145 per cent and consequently the commissions have also increased somewhat.

Mr. CHAPLIN: How much does 145 per cent mean in dollars? What is the business this year?

Mr. HEENAN: Over three million dollars.

Mr. HEAPS: How many people took out annuities last year?

Mr. HEENAN: I am not quite sure of the number last year. It was about one thousand altogether.

Mr. HEAPS: What was the total amount of money these people paid to the government?

Mr. HEENAN: I am not sure of that.

Mr. HEAPS: I want to find out how much it cost to get the business. This sum of $15,000 seems quite an amount of money to pay for it.

Mr. HEENAN: This is not all for commissions. Travelling expenses and expenses of that nature are included.

Mr. HEAPS: It was part of the cost of getting the business?

Mr. HEENAN: Yes.

Mr. CHAPLIN: There must be some basis of profit in this business. What amount of profit would be made to justify the payment of $15,000 of expenses?

Mr. HEENAN: There are no profits made at all on the annuities. The system is run practically at cost, the government paying for the administration.

Mr. CHAPLIN: There must be something to balance the expenses of the proposition.

Mr. HEENAN: The government bears all the expenses.

Mr. CHAPLIN: If that is the position, then the sooner the government gets out of the business the better.

Sir HENRY DRAYTON: I think when the minister brings down his estimates and has his explanation before him he will find that the rates were based upon the actuarial rates as applicable in Great Britain and other places. The general feeling has been that the rates have been a little too high, and that we are not doing nearly as much business as we ought to be doing, and that the government is making a profit out of it, but I personally do not know.

Mr. GEARY: Is there any loading of the premium for expenses?

Mr. HEENAN: No.

Mr. HEAPS: I would ask the minister, when he brings down his estimates, to provide the committee with the information we have asked for this afternoon.

Mr. HEENAN: Yes. I should just like to make it clear that we do not load the premium for the expenses. The government bears the cost.

Mr. GEARY: What was the total estimate last year for which this is a supplementary?

[Mr. Heenan.]

Mr. HEENAN: The amount last year was $25,000.

Mr. GEARY: This amount is for acquiring new business?

Mr. HEENAN: Yes, practically.

Mr. GEARY: It has nothing to do with carrying the old business?

Mr. HEENAN: No.

Mr. GEARY: How do you carry the old business?

Mr. HEENAN: I did not expect this matter to come up to-day; I would prefer to give a full explanation when the main estimates are under consideration. There are accounts in hand unpaid amounting to $3,200; advertising, $4,500; salaries $2,500; commissions to agents, $5,000.

Mr. STEWART (Leeds): What is the scale of commissions paid to agents?

Mr. HEENAN: One per cent on one kind of annuity and two per cent on another. We have been paying one per cent for years to the postmasters.

Mr. STEWART (Leeds): Have you agents in addition to the postmasters who are devoting all their time to this work?

Mr HEENAN: Yes.

Mr. STEWART (Leeds): And you pay them on a commission basis?

Mr. HEENAN: Yes.

Mr. STEWART (Leeds): And no salary?

Mr. HEENAN: We have trained a few returned soldiers in the office giving them $120 or $125 a month while training and afterwards they go out and solicit business on commission.

Mr. STEWART (Leeds): I quite approve of the extension of the government annuity system. How many men are now working on commission and where are they working? Do they cover the whole of Canada?

Mr. HEENAN: We have one at Quebec, Vancouver, Regina, Winnipeg, two or three in Toronto, and two in Montreal. We are gradually extending the system.

Item agreed to.

Indians—New Brunswick — relief — further amount required, $3,000; medical attendance and medicines—further amount required, $3,000.

Mr. EDWARDS (Frontenac): I notice under several of these items an amount for the relief of destitute Indians. Has there

been a general epidemic among the Indians all over the Dominion of Canada during the last year, or is this just the usual vote? Do we have to give this relief every year?

Mr. ROBB: As my hon. friend knows, the Indians are the wards of the government, and we have to meet their requirements as they come along from time to time. I know that in preparing the estimates we keep the amount down as low as possible. The explanation I have before me, in the absence of the minister, is that this further amount is required for medical attendance due to the fact that the appropriation of $32,700 already granted is inadequate.

Mr. EDWARDS (Frontenac): Perhaps my question might better come under item 392.

Item agreed to.

Prince Edward Island—medical attendance and medicines—further amount required, $800.

Mr. QUINN: Does this means that the Indian population of Prince Edward Island is growing? The general population of the island is not. Why this increased appropriation for the Indians?

Mr. ROBB: The explanation I have before me from the department is that the amount already granted for medical attendance and medicine has been exhausted, and this further amount is required to meet the expenses for the balance of the year. I have no information as to the numbers of the Indian population on the island, but my colleague the minister will be prepared to give that information when we come to the main estimates.

Mr. QUINN: There seems to be no policy of retrenchment on the part of the government. Every year the amounts voted under these and other heads are increasing. If this government is in earnest in adopting a policy of retrenchment, it might as well begin here.

Item agreed to.

Ontario and Quebec—hospitals and medical attendance—further amount required, $8,000; repairs to roads and bridges and drainage—further amount required, $2,000.

Mr. QUINN: I register the same objection against this item. The Indian population is not increasing in Ontario and Quebec, and why should there be an increase in the vote?

Mr. ROBB: The memorandum I have before me states that $8,000 is required to complete the plant and build an ice house in connection with the hospital which is being constructed on the Six Nations reserve. The amount of $19,030 has already been voted for this purpose. The amount of $2,000 is required to compensate the Indians for lands that have been taken in connection with the construction of a highway through the Caughnawaga reserve.

Item agreed to.

Manitoba, Saskatchewan, Alberta and Northwest Territories—supplies for destitute Indians—further amount required, $40,000; hospitals, medical attendance and medicines — further amount required, $30,000.

Mr. QUINN: I register the same objection here against increasing the votes in this or any other branch of the government.

Mr. ROBB: The appropriation of $163,450 for providing supplies for destitute Indians has been exhausted, and a further amount of $40,000 is required for this purpose. An appropriation of $35,000 was voted to establish a hospital at Isle a la Crosse, but owing to difficulties of operating in that remote region the cost has exceeded the appropriation, and the department estimates that $30,000 is required to complete the work.

Mr. EDWARDS (Frontenac): Is this vote for destitute Indians something that we are up against every year? Are we up against the same thing so far as the Indians of the west are concerned, or have we to make an appropriation every year for destitute Indians in the prairie provinces and British Columbia? If it is an unusual case, what has brought it about?

Mr. DUNNING: Mr. Chairman, the Minister of the Interior (Mr. Stewart) is not present, but as I am somewhat familiar with the situation which arises in the northern part of the prairie provinces, I may be permitted to answer my hon. friend. He will notice that this vote also includes the Northwest Territories. While within the prairie provinces this destitution on the part of the Indians cannot be said to be of regular occurrence, there may be in any area a greater or less degree of it, depending sometimes upon the extent of forest or prairie fires, sometimes upon the movement of game, and upon other factors. When I was at Churchill last summer I saw a band of Chipewayan Indians—probably the furthest north Indians we have. They were in pretty poor shape, the preceding winter having been bad for them, and they were anxiously awaiting the incoming Hudson bay steamer in order to get the wherewithal to carry along. In fact the Hudson's Bay Company had given them a considerable credit in advance. They are not a very provident people. I am not now speaking of the British Columbia tribes; the hon.

members from that province know that the situation there is somewhat different. But in the Northwest Territories and the extreme north of the prairie provinces they are not nearly as self-sustaining as the Indians further south in the same provinces.

Mr. EDWARDS (Frontenac): Do they provide food for themselves by raising corn?

Mr. DUNNING: Not that far north; they do nothing in the way of farming or tillage. In the southern parts of the prairie provinces the Indians engage in farming quite extensively under the Department of Indian Affairs; but the northern tribes live in a primitive fashion, hunting and fishing, and do not put aside from a season of plenty anything to provide for a season of scarcity. You may have destitution in one tribe, and another tribe fifty miles away may be enjoying plenty during the same season.

Mr. STEVENS: I wish to draw the attenof the Minister of Finance to a rather striking feature of this vote. I am not complaining of providing the necessary funds to look after these destitute Indians. The Minister of Railways (Mr. Dunning) suggests, and I have no doubt in perfectly good faith, that there may be a bad season when the vote would be overtaxed. In this case we are dealing with a supplementary estimate of $40,000 for supplies to destitute Indians. If the minister will turn to next year's estimates he will find that the department has provided for an increase in that vote of $40,000. In other words, as soon as parliament grants assistance for a year, that amount is carried in as the minimum for next year, and at the end of next year the department comes along for a further increase, and I suppose it goes on indefinitely. That is one of the things that governments must watch. The Minister of Finance and the Minister of Railways and their colleagues will, I know, agree with me that after all it is the duty of parliament to criticize these things.

Mr. DUNNING: That is right.

Mr. STEVENS: Here we are faced with a glaring example of what I have referred to. The department does not know what it will require next year any better than it knew last year, but it puts in this vote an additional $40,000 for supplies to destitute Indians, which is the exact amount it is now asking in the supplementaries for the present year; and under hospitals the department has asked for an additional $20,000 for next year. I think the minister ought to be prepared to reduce that vote when we come to it, because it looks to me as if we were just providing a basis for the continued increase of these items.

Mr. DUNNING: My hon. friend speaks quite sympathetically with respect to the government's duty in relation to the various departments. Those of us who are members of the treasury board have occasion to watch the kind of thing to which he refers. But I might point out that there is criticism from two angles. A little while ago there was criticism with respect to the $1,600,000 asked for pensions. I am in a position to speak with knowledge that that $1,600,000 vote comes about by reason of the treasury board last year having taken precisely the attitude that my hon. friend says, and I think very properly, we should take in endeavouring to hold these votes down. The same is true with regard to the item now before us. I may say by way of explanation, in order that we may be fair to all departments, that the treasury board of the present government in reviewing the estimates looks back over the experience of the preceding five years in connection with each one of these votes. I presume that when we come to the main estimate to which my hon. friend refers my colleague will be here and will be able to give him full information about it. But I thought it would be of interest to the committee to know that in dealing with the estimates generally the treasury board takes that course.

Mr. EDWARDS (Frontenac): What is the Indian population?

Mr. ROBB: I have not those figures. They will be available on the main estimates.

Item agreed to.

British Columbia—relief to destitute Indians —further amount required, $5,000; medical attendance, medicines and hospitals—further amount required, $15,000.

Mr. ROBB: The additional amount of $5,000 required for relief is to supplement the vote of $45,000 already granted which, it is explained, is inadequate. The amount of $106,700 already granted for medical attendance is insufficient, and the department states that $15,000 additional will be required.

Mr. CANTLEY: Mr. Chairman, may I ask how the Indians in Nova Scotia are looked after? Nothing is here provided for them.

Mr. ROBB: There are no Indians in Nova Scotia.

Mr. CANTLEY: Kedus, ukwis Micmac soolajookun welos putawa sesmogun castome tamawa seowwn—Yes, yes my son Micmac needs his food, tea, sugar, molasses, tobacco, many things.

Item agreed to.

Soldiers' Civil Re-establishment—unemployment relief—further amount required, $200,000.

Sir HENRY DRAYTON: Mr. Chairman, I have no doubt that this item is absolutely necessary, and I have no doubt also that if I had been here at the time I would have found that representations were made that the assistance afforded by the main estimates was entirely inadequate. But I think the committee should get some explanation as to where this unemployment exists, and in what lines of activity.

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): This item is to assist pensioners who are out of employment. It has been voted from year to year, and a supplementary is not unknown; in fact each year the vote has been supplemented because over expended. The expenditures have been made largely in Montreal, Toronto, Winnipeg, Edmonton and Vancouver. Last year about $400,000 was expended. We expect it will run very nearly the same this year. In addition to the vote of $250,000 we are asking for a supplementary of $200,000. I understand that on March 1 this year we had just $50,000 left, which will probably take us through.

Sir HENRY DRAYTON: Out of this supplementary?

Mr. KING (Kootenay): Yes; that will probably take us through to the end of March, when the relief ceases for the year.

Sir HENRY DRAYTON: Perhaps my hon. friend will explain that item a little more clearly. In the first place he had a vote of $250,000 in the main estimates, and that is all spent?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: Then we have a supplementary of $200,000 of which $150,000 has already been spent—

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: —and $50,000 left to clean up this month. Will my hon. friend tell me where he got the $150,000 which he paid out in advance of this vote?

Mr. KING (Kootenay): It is carried in the books of the department. This is a vote for an expenditure already made.

Sir HENRY DRAYTON: It is carried in the books, but how? It must be an overdraft.

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: Where did the money come from to afford that overdraft? It must have come from the treasury board. Then we shall have to ask the treasury board under what system moneys can be made available and kept available without a vote or a governor general's warrant. I ask as a matter of curiosity.

Mr. ROBB: I take my colleague's word that the amount is paid, although I really do not know personally. However, I will be frank with the committee and agree that it is not good business to include a relief vote in your estimates, to dazzle the eyes of the public from one end of Canada to the other, and for that reason we will pursue the same policy this year and keep the vote as low as possible, trusting to parliament when we come back.

Sir HENRY DRAYTON: My hon. friend with his inimitable smile is dodging the issue. Where did he get that $150,000? There was neither vote nor warrant for it. Of course, if he had got a warrant for it there would be no question of dazzling the eyes of the unemployed.

Mr. KING (Kootenay): The $250,000 voted in the main estimates in all probability provided the funds to carry us well into January. After the house opens it is not possible to have a warrant, and that would explain the vote.

Mr. MANION: I would suggest that in future, in dealing with unemployment of this nature, the government should hold a secret session to discuss the question, because I remember only recently when some of us mentioned the fact that there was unemployment in the country we were accused of being unpatriotic and were told that we were not only driving people out of the country but preventing prospective immigrants from coming to Canada. If the government wants to be consistent they should have some other way of covering these votes than the method they are now adopting. I suggest that next year, when the unemployment vote comes up, unless the government wish us to apply the tu quoque argument to them and charge them with a want of patriotism for implying that there is such a thing as unemployment in Canada, they should adopt a secret method of having the money voted in the house.

Mr. CHAPLIN: They are covering up the payments pretty well.

Mr. EDWARDS (Frontenac): They might have the relief vote printed in the Chinese language.

Mr. ADSHEAD: Is the unemployment relief applicable to pensioners or to returned soldiers generally?

Mr. KING (Kootenay): It applies largely to pensioners.

Mr. ADSHEAD: Is it denied to soldiers who are not pensioners?

Mr. KING (Kootenay): It is applied to unemployed disabled ex-members of the forces, pensioners, to provide shelter, fuel, food, clothing and so forth. It goes largely to pensioners although there may be exceptions; an ex-member of the force who is down and out might be given relief.

Mr. ADSHEAD: It is not applicable to ordinary returned men who are out of employment? I know returned soldiers who are out of work and if this applies to them I want to put them in touch with it.

Mr. KING (Kootenay): It does not apply to them.

Mr. EDWARDS (Frontenac): I would suggest that the minister use his influence with, say, the Postmaster General (Mr. Veniot) to give employment to returned soldiers, as he is supposed to do under the act, and not turn them down and give the preference to those who have not served at all, as he has done and is doing right along.

Mr. VENIOT: As my hon. friend did in his time.

Mr. EDWARDS (Frontenac): I?

Mr. VENIOT: Yes, in 1921 when you were a member of the government.

Mr. EDWARDS (Frontenac): Not at all.

Mr. VENIOT: Yes, you did.

Mr. EDWARDS (Frontenac): If the Postmaster General's authority for other statements is no better than his authority for this one, he is not on very safe ground.

Mr. VENIOT: I am on safe ground.

Mr. POWER: Did you have a pull with the government?

Item agreed to.

Unforeseen expenses—further amount required, $25,000.

Sir GEORGE PERLEY: What are governor general's warrants for? In our time they covered unforeseen expenses. It is all right to put unforeseen expenses in the estimates because there are always contingencies arising which you cannot anticipate; but these and unforeseen expenses turn up during the year. Governor general's warrants are for unforeseen necessary expenses, but not for moneys borrowed from the bank, parliament afterwards being asked to pass a vote.

Mr. ROBB: When I explain what this is my hon. friend will appreciate the necessity for the vote. This is an additional amount required to pay outstanding accounts, largely in connection with overseas visitors whom I need not mention. Most of the accounts have been incurred since parliament assembled.

Mr. STEVENS: Under the item in the main estimates it is provided that the expenditure under "unforeseen expenses" shall be under order in council on the recommendation of the treasury board, a detailed statement to be laid before parliament within fifteen days of "the next session." The amount was $110,000 last year.

Mr. ROBB: The details have been tabled.

Item agreed to.

Canada Grain Act—further amount required, $175,000.

Mr. STEVENS: I trust the minister will have a pretty complete explanation to make of this item, but before he speaks I will call attention to the main vote. Last year the vote was $1,500,000 and we have a vote now of $175,000. I notice that the main estimates this year have been increased by $355,000.

Mr. DUNNING: Business is growing.

Mr. STEVENS: I presume it is but the item is a large one and the increases predicted for next year are considerable. The whole subject deserves a fair explanation.

Mr. MALCOLM: The treasury board did not give all the money we asked for and the additional amount is required for this reason: The estimated requirements of the Board of Grain Commissioners had been reduced by $150,000, but the crop of last year as all hon. members know, was rather more difficult to handle than formerly. There was a good deal of damp grain, and the number of moisture testing machines that had to be installed, as well as the extra men who were employed to handle the crop, undoubtedly increased the cost of administration of the Canada Grain Act. There will be no profit, no money returned from last year's vote. The fees probably will not quite

meet the expenses of administering the act, and I doubt whether there will be very much change next year. More service has been demanded each passing year, and with more tough grain and a greater demand for grain drying the cost of administering the Canada Grain Act will increase The total amount asked for was $1,654,600; there was voted $1,504,000. Up to January 31 we had expended $1,421,000 and had available on that date only $82,000. We estimate February and March to take about $258,000, which, less the amount we have available, means that we require $175,838.

Mr. MILLAR: I would like to ask the minister if he has the figures to show whether the grain is carrying itself, whether the fees equal the amount voted.

Mr. MALCOLM: This year there will be a deficit; the fees will not equal the vote.

Mr. McGIBBON: Is it the policy of the department to make the fees cover the cost of operation?

Mr. MALCOLM: Yes, and in the past there has been a substantial surplus although we have never charged interest on the elevators or on any of the equipment. There has been a substantial profit but not of late years.

Mr. McGIBBON: Does that include the interest on the capital invested in the elevators?

Mr. MALCOLM: I think so.

Item agreed to.

Governor General's warrants—restoration, old examining warehouse, Montreal, $150,000.

Sir HENRY DRAYTON: What was the extreme urgency in connection with that old warehouse?

Mr. ELLIOTT: The old examining warehouse was destroyed by fire and it was necessary to replace it as speedily as possible.

Mr. ADSHEAD: Was there no insurance on the building?

Mr ELLIOTT: No.

Item agreed to.

To cover unprovided items, 1926-27, as per Auditor General's report, vol. I, page 3, 1926-27, $222,657.

Sir GEORGE PERLEY: Will the minister please explain this item?

Mr. ROBB: This is an interesting list, and I observe that one of my colleagues has run away because he did not want to be called upon to explain the first item, which comes under the Department of Agriculture —"International Institute of Agriculture, $3.70." I imagine this is to provide for overdrafts. The remainder of the list is as follows:

Dominion lands; shortage in salaries in Canadian National parks vote, $7,102.59.

Fisheries; shortage in vote for expenses of International Fisheries Commission, $505.80.

Legislation; shortage for expenses of members attending first part of session and for contingencies in printing, $12,164.42.

Lighthouse and coast service; shortage in vote for maintenance and repairs to lighthouses, $30,772.29.

National Defence; shortage in votes for topographical surveys, transport and freight, $2,757.44.

Penitentiaries; shortage in votes for Manitoba and British Columbia penitentiaries; increased number of inmates, $53,515.92.

Pensions; European war pensions, shortage on account of retroactive awards, $115,047.68.

Post Office; shortage in appropriation for miscellaneous outside services, $230.39.

Scientific institutions; shortage in vote for the topographical survey, $361.08.

Public Works, capital; shortage in vote for construction of Esquimalt dry dock, $195.69.

Sir GEORGE PERLEY: I quite understand that this is chiefly a bookkeeping item to adjust the accounts which have been taken care of, but I am rather puzzled as to why some of these larger amounts were not known before parliament prorogued last year. The smaller items are quite understandable, but does not the minister think some of the larger items must have been known when the house was in session last year, and that they might have been provided for them in the supplementaries?

Mr. ROBB: My hon. friend is only making it more difficult for me to resist the demands which will be made in preparing the estimates this year.

Item agreed to.

Pensions—European war and active militia —further amount required, $1,600,000.

Mr KING (Kootenay): This amount will be paid directly to the pensioners or to their dependants; none of it will be used for administration. I think in our legislation last year we brought to the pension board a number of cases which formerly had not been entitled to attention, and many pensions were made retroactive. During 1925-26 the house voted $1,000,000 for this purpose in the supplementary estimates, and in 1926-27, $500,000. I do not know that it is possible to estimate exactly what the amount will be, but I think it has been the desire of parliament that these pensions should be fair and reasonable. They should not be excessive, but they should meet

the situation, and this supplementary item will take care of them for this year. I repeat that none of this money will be used for administration; if hon. members will turn to page 8 of the report of the Department of Soldiers' Civil Re-establishment a statement will be found showing the cost of administration, under the various headings.

Mr. CHAPLIN: The minister has made a wordy statement, but I cannot make out one word of explanation in it.

Mr. KING (Kootenay): What would my hon. friend like to know?

Mr. CHAPLIN: I would like to know what this $1,600,000 will be used for?

Mr. KING (Kootenay): It will be spent in paying pensions to the pensioners or their dependants. That is the explanation.

Item agreed to.

Railways—Maritime Freight Rates Act:

Amount required to provide for payment of the difference, estimated by the Board of Railway Commissioners and certified by the said board to the Minister of Railways and Canals, occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in section 9 of the said act) on all traffic moved during the period July 1, 1927, to December 31, 1927, under the tariffs approved, by the following companies:—

Atlantic Quebec & Western Railway, $9,974.20; Canada & Gulf Terminal Railway, $890.39; Canadian Pacific Railway, including Fredericton & Grand Lake Coal and Railway Co., New Brunswick Coal and Railway Company, $130,962.64; Cumberland Railway & Coal Co., $13.597.03; Dominion Atlantic Railway, $86,971.71; Maritime Coal Railway & Power Co., $10,980.96; Quebec Oriental Railway Co., $4,905.52; Sydney & Louisburg Railway, $150,408; Témiscouata Railway, $12,964.11—total $421,654.56.

Mr. GARDINER: Will the minister give us an explanation of this amount? Is this for the six months period?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I had the estimate drawn in what I thought was a self-explanatory fashion, but possibly a word of explanation is necessary. The passing of the Maritime Freight Rates Act at the last session involved the making of payments by the government to the Canadian National Railway under one section, and to the other railways operating within this territory under another section of the act. No provision was made last session for the six months of 1927 commencing July 1 and ending December 31; it was not possible to deal with it at the time the bill finally went through the house. All the railways have been complaining, that we compelled them by this legislation, in the first instance, to bear the 20 per cent reduction themselves for a year, and hence they are out upon the amount represented by that reduction. In order to meet that situation, or at least to meet it more nearly than is now the case, we propose to bring down estimates for the fiscal year 1928-29 providing for the amounts which we estimate will be required upon the certificate of the railway commission for the calendar year 1928, in order that the railways may be paid these amounts more promptly and not compelled to carry such a large amount as is seen here. I have before me the certificate of the Board of Railway Commissioners for Canada with respect to the amounts we are now discussing. It reads as follows:

February 27, 1928.

DEAR SIR,—

Pursuant to the authority contained in your letter to me, dated February 14, 1928, you will please find hereto attached the certificate which, under the provisions of the Maritime Freight Rates Act, 1927, s. 9 ss. 3, the Board of Railway Commissioners is directed to forward to the hon. the Minister of Railways and Canals at the end of each calendar year in respect of the difference between the normal tolls and the tariff tolls on all traffic moved by railway companies owning or operating lines of railway in, or extending into the select territory, as defined by the act.

I am also directed to forward herewith two copies of the detailed statements filed by the said railway companies respectively in support of their claims.

Mr. GEARY: Is that letter dated February 27th?

Mr. DUNNING: Yes, February 27, 1928.

Mr. GEARY: Was that the first intimation the minister had of that amount?

Mr. DUNNING: I wrote to the Board of Railway Commissioners—I have not a copy of my letter here—asking them for a submission as soon as possible. Under the law they were compelled to certify as soon as possible after the close of the calendar year, and of course the length of time involved in the year 1927 was from the 1st of July to the 31st of December only. I wrote to them asking when I could expect this certified statement to enable me to put before the House of Commons the necessary estimates and have the money voted.

Mr. GEARY: How did that amount come to the knowledge of the Minister of Finance so as to enable him to make up his supposed surplus in preparing his budget speech?

Mr. DUNNING: I can assure my hon. friend that the Minister of Finance made allowance for it. I think I can go further,

and say that the Minister of Finance was very conservative in his statement regarding his surplus, as the end of the fiscal year will reveal.

Mr. GEARY: There was some information available.

Mr. DUNNING: It is just an estimate of course.

Mr. KAISER: In the item there are a number of railways mentioned. Are these railways branches of the Canadian national railway system or are they privately owned roads?

Mr. DUNNING: The lines in the vote we are now dealing with are not branches of the Canadian National Railways at all. They are all railways included in section 9 of the Maritime Freight Rates Act, which reads as follows:

> Other companies owning or operating lines of railway in or extending into the select territory may file with the board tariffs of tolls respecting freight movements similar to the preferred movements, meeting the statutory rates referred to in section seven of this act.

My hon. friend will remember that last session we made provision not only for the Canadian National Railway, but for all the other railway companies operating within the area in which these special rates apply, to have the right to meet and reduce the rates if they desire to do so and come under the provisions of the act with respect to the 20 per cent.

Mr. KAISER: Was it ever the understanding that if any of these railways made application, parliament was to make up that particular difference?

Mr. DUNNING: That is what the law, which was passed unanimously last session, says.

Mr. McGIBBON: Were there any railways that did not take advantage of the provision?

Mr. DUNNING: I believe they are all under it now. There was some reluctance on the part of some of them, and they did not all come under it on the first of July, on account of the fact which I mentioned previously, that they were compelled to carry the 20 per cent themselves and to be out the interest on it until parliament voted the money. I think they may now be said to be all in.

Mr. ADSHEAD: Is the amount of $3,471,400.87 the actual amount which the Dominion government will have to pay for a period of six months because we reduced the freight rates to the maritimes 20 per cent?

Mr. DUNNING: No; I should make that clear. Perhaps if my hon. friend would wait until he reads the next item, which deals with the Canadian National Railway, the explanation will be a little clearer than it would be at this stage when I am dealing with railways other than the Canadian National.

Mr. GARDINER: If the minister would file the certificate from the Board of Railway Commissioners hon. members would have an opportunity of looking at it.

Mr. DUNNING: My hon. friend means more than the certificate; he means the amounts as well.

Mr. GARDINER: I mean both. When this legislation was before the house last year it was pointed out by the minister that the cost to the country of this reduction would be something like $2,400,000. Has the minister any information in regard to the amount of tonnage moved in the six months period dealt with, compared with previous six months periods?

Mr. DUNNING: I do not like to differ from my hon. friend as to what I estimated last year, but my memory is that I stated that we estimated close to 2½ million dollars for the Canadian National Railway for the whole year due to the 20 per cent reduction, and approximately half a million for the Canadian Pacific Railway. I think that is what I said. In any event, the experience of the first six months would indicate $1,350,000 for that period. If my hon. friend will add together the two amounts in votes 404 and 405 he will arrive at the total cost to Canada of the 20 per cent reduction under the Maritime Freight Rates Act for a period of six months.

Mr. CANTLEY: On all lines?

Mr. DUNNING: On all lines. Of course I must qualify that by saying that not all lines came in by the first of July.

Mr. KAISER: Will the same condition obtain year after year?

Mr. DUNNING: So long as the Maritime Freight Rates Act remains on the statute books, so long will these payments be made year by year in exactly the terms set forth in the estimates now before the committee. The estimate is worded to follow accurately in every particular the language of the statute.

Mr. KAISER: At the present time there is a certain tonnage. That tonnage means so much money. Supposing the tonnage increases and the railways earn more money, shall we have to go on paying these deficits?

Mr. DUNNING: Will my hon. friend allow this question to stand until we come to the Canadian National vote? It is much easier to deal with the general deficit on eastern lines under the vote which relates to it. In connection with the other railways all that the government does, when authorized by parliament, is to pay the 20 per cent; but in connection with the Canadian National we pay under the terms of the act two amounts: first, the amount represented by the 20 per cent freight reduction, and, second, the deficit on the eastern lines which are segregated for accounting purposes under the act. I will come to that when we reach the next two items.

Mr. GARLAND (Bow River): Does the Board of Railway Commissioners undertake a scrutiny of the accounts submitted to them in connection with this 20 per cent reduction?

Mr. DUNNING: They undertake a detailed audit. In fact I have had to provide for more staff for them in order to carry this out.

Mr. GARLAND (Bow River): Can the minister tell the committee whether the original statements submitted to the railway commission by the railways have been accepted in full? Is the amount contained in these estimates the actual amount submitted by the railways?

Mr. DUNNING: I am afraid I cannot say that accurately.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

Mr. G. H. PETTIT (Welland) moved the third reading of bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company.

Mr. A. A. HEAPS (North Winnipeg): I beg to move, in amendment, Mr. Speaker:

That the said bill be not now read a third time, but be referred back to the committee of the whole with instructions to amend it so as to insert the following in substitution of section 20 of said bill:—

The employment of labour in the construction, maintenance and supervision of the said bridge shall be subject to the terms and conditions of the fair wage clauses set forth in the order in Council, No. 1206, of June 7th, 1922, and any amendments thereto, and so far as it may be practical to do so, Canadian materials and labour must be used in the construction of the said bridge, and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

As the house was proceeding to divide on the amendment of Mr. Heaps:

Mr. SPEAKER: I must say that when I put the question a moment ago and called for the yeas and nays, I thought the nays had it. I have since been informed by the promoter of the bill that he has no objection to the amendment, so if the house is also agreeable to accepting the amendment, no vote need be taken.

Mr. ROBB: I may say on behalf of the government that we have no objection.

Amendment agreed to.

Mr. SPEAKER: The question now is on the main motion as amended.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, the question being proposed that Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company be now read a third time, I move in amendment thereto, seconded by the hon. member for Athabaska (Mr. Kellner):

That the said bill be not now read a third time, but that it be referred to the committee of the whole for the purpose of amending it by striking out from section 12 of said bill all words after the word, "directors", in the eighth line of the said section 12 and by inserting in place thereof the words following:

"but no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company

(a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up; nor

(b) Unless in each and every case in which the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual cash value;

(c) And, in case the foregoing provisions of this section are not complied with, the holders of the shares so issued shall be liable to the company and to its creditors to the amount of the par value of the shares held by them respectively."

If hon. members will look at section 12 of the bill as it is now before the house they will find that it reads:

The directors may issue as paid-up stock shares of the capital stock of the company in

payment for any businesses, franchises, undertakings, rights, powers, privileges, letters patent, inventions, real estate, stocks, assets and other properties which the company may lawfully acquire, and may, for such considerations, allot and hand over such shares to any person or corporation, or its shareholders or directors; and any such issue or allotment of stock shall be binding upon the company and such stock shall not be assessable for calls, nor shall the holder thereof be liable in any way thereon; or the company may pay therefor wholly or partly in paid-up shares or wholly or partly in debentures, as may be agreed upon.

It is clear that this clause gives power to the company to allocate stock to individuals for certain considerations other than cash. Those considerations other than cash may be very much overvalued. My amendment merely provides: first, that a statement of the contract between the parties concerned and the company shall be filed with the Secretary of State specifying such considerations; next, that a definite value shall be placed upon the considerations by the company; and, third, that if such value appears to be excessive the holders of the shares so overvalued shall be liable to the company. Considering the extent to which stock has been watered in the past generation or so, and in view of the general public objection to the practice, I think that this parliament would be remiss in its duty if it failed to check this sort of thing as far as it could. Passed in its original form the bill would open the door to all kinds of stock watering and stock manipulation. I therefore urge the house to accept my amendment. It does not prevent the company from proceeding with its business but it sees to it that the company shall conduct business in a proper legal manner.

Mr. DUNNING: The house a few moments ago resolved to go into committee to do a certain thing. The house has not yet been in committee and—

Mr. SPEAKER: I may tell the hon. member that by the notices given I know there are four amendments to be moved and I think that the house should dispose of these before going into committee. the moment the house decides the points raised by said amendments it will go into committee.

Mr. DUNNING: If the house, having decided to go into committee on one amendment, declines to do so on the next, does that estop consideration in committee of that first motion?

Mr. SPEAKER: No; after these amendments are disposed of, the order of the house to refer the bill back to the committee will operate.

Mr. KAISER: May I ask the mover of the amendment whether it has been drawn up by a legal gentleman?

Mr. IRVINE: Is that a question?

Mr. KAISER: Are we being asked to pronounce upon an amendment covering matters which, in my opinion at any rate, the hon. gentleman knows nothing of? I protest against the house being fed on infantile material such as this. Are we going to upset a proposition which has been considered by men capable of studying it, and carry an amendment coming from a gentleman whom I consider to be absolutely incapable even of understanding it?

Mr. WOODSWORTH: Mr. Speaker—

Mr. KAISER: I ask—

Mr. WOODSWORTH: I rise to a point of order. The hon. member has referred in unparliamentary terms to certain members in this corner of the house. I myself have not spoken on the bill; had I done so, possibly I might have incurred the hon. gentleman's displeasure. He says that members in this corner are incapable—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: —of understanding or dealing with such matters. I submit that it is not in keeping with the dignity of the house that certain members should be spoken of in these terms. We are all presumably quite capable of considering the business that comes before the house and the hon. member ought not to refer in the way he has done to hon. members with regard to a motion which is introduced in all seriousness and which the mover has every right to propose.

Some hon. MEMBERS: Question.

Sir GEORGE PERLEY: May I correct my hon. friend? No reference was made to members in any particular corner of the house.

Mr. SPEAKER: From what I heard of the remarks of the hon. member for Ontario (Mr. Kaiser) I did not infer that he was criticising any hon. member in the way suggested. However, I appeal to the Easter spirit and ask hon. members to discuss dispassionately a purely private bill.

Mr. KAISER: I had no thought of including all hon. gentlemen in that corner in the statement I made and I would especially exclude the hon. member for Winnipeg North Centre (Mr. Woodsworth), whom most of us regard as a well versed man. I only wish I knew half as much as he thinks he does—

Mr. GARDINER: I rise to a point of order—

Mr. KAISER: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. GARDINER: The hon. member has made a certain reference to members in this corner and he has used language which in my judgment is not parliamentary. He says that an hon. member is incapable of passing on the question now before the house, I ask that the expression be withdrawn as unparliamentary.

Mr. SPEAKER: In the course of thirty-two years I have heard some severe expressions used in debate, and I must say that I do not consider the remarks of the hon. member for Ontario unparliamentary. There is nothing in what he says that discredits any hon. member.

Mr. IRVINE: May I be permitted to answer this almighty mind?

Some hon. MEMBERS: Question.

Mr. SPEAKER: Order.

Mr. KAISER: I asked the hon. gentleman a question. I simply wanted to know whether the amendment has been submitted to a legal or a financial mind; that is all.

Mr. IRVINE: If the hon. member were as brilliant as he would have the house believe he would know at once, without consulting anyone, whether the amendment had been drawn up by a lawyer. No doubt he would be perfectly satisfied if I assured him that the amendment had received legal approval, but I would ask the hon. gentleman to use his own judgment and to consider the amendment on its own merits. Where is his intelligence? Let him apply it to the clause in question and he will discover that the member to whom he has referred slightingly knows just as much as he does, and perhaps a little more. I do not ask anyone to tell me whether a clause is properly drawn or not; I use my own intelligence.

Mr. SPEAKER: Order. The hon. member has exhausted his right to speak. I allowed him to speak as he was replying to a question, but having replied he may not go further.

Mr. IRVINE: This is the answer. I can assure my hon. friend that this clause was drawn—

Some hon. MEMBERS: Order.

[Mr. Kaiser.]

Mr. SPEAKER: The hon. gentleman having already made that statement, the incident is therefore closed.

Mr. IRVINE: I have not answered the question yet.

Mr. C. H. CAHAN (St. Lawrence-St. George): At the risk of being placed in the infantile class by my hon. friend from Ontario (Mr. Kaiser), I wish to state that I have read and considered this amendment on two previous occasions, and I agree entirely with the way in which it is drawn both from a legal and from a financial point of view. This measure is one with which I have no particular concern; I am as anxious as other members may be, coming from various parts of this Dominion, to see measures passed by this house providing for such international communication across the St. Lawrence river wherever it may be required. I do not think I am in a position to judge as to whether this particular measure should be passed on that ground, but I endorse it from the fact that it has been before the private bills committee. They have heard the evidence and have reported to this house that a bill of this character should be passed.

Mr. DIONNE: Mr. Speaker, I rise to a point of order.

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: This is a bill to incorporate a public service company; it does not incorporate an ordinary trading company, and in respect of every public service or public utility company of this character, coming before the house I insist upon my right as a member of this house to ensure, so far as my voice and my vote may do so, that it shall be organized on a cash basis, and that it shall not be a company which may be watered to any extent which may be desired by the promoters. I think the time has come in this country when we are bound to adopt such a policy as that.

I can remember in earlier years when we had to cross the rivers by floats or by ordinary ferries—and when, in order to secure a bridge, the people were prepared to endorse almost any measure and to make almost any concession to the promoters of such a public utility. In the condition in which we find ourselves to-day, however, where a public utility of this character has its success assured from the very start, it should be organized on the basis that the capital of the company shall be paid up in cash, or, if property is to be transferred, that the transfer shall be made at the actual cash value of that property.

There is no reason in the world why the promoters of this bill need or should be authorized to transfer to the company a single bit of property in payment of its shares. They should subscribe the capital of the company and that capital should be paid up as it is required; they should use that capital when it is paid up to acquire only such property as is necessary to carry out the undertaking which they have in view. The tolls of the company should be subject to the control of the governor in council, as is the case in the present instance, as the Solicitor General (Mr. Cannon) pointed out in a previous discussion. Furthermore, he has given us the assurance that with respect to these tolls the governor in council will exercise its right to refer these matters for decision to the Board of Railway Commissioners which is competent to hear the evidence and revise the tolls from time to time. But these tolls should be based upon the traffic of a company such as this, upon the income of such a company in respect of its capital which has been paid up, either in money or in actual money's worth.

Therefore I say I am in favour of this amendment, first because in respect of every incorporated company, which we now have in the province of Quebec and in respect of every bond issue by a company under the Companies Act, parliament has insisted that the company shall file, with the provincial secretary in the case of a Quebec company and with the Secretary of State of Canada in the case of a company incorporated under the Companies Act of Canada, a contract showing how, to what extent and for what consideration every share issued has been paid, if paid otherwise than in cash. That enables the government, by a reference to the Secretary of State, to know exactly on what financial basis the company is organized, and it enables any other person interested to ascertain the same fact in the same way. Therefore that section of this measure is in accord with the best legislative precedents which have been established by parliament, and those precedents should be adhered to in the present case.

Then take the next point. The contract should be filed, and if property must necessarily be acquired by an issue of stock, which I regard as unnecessary and inexpedient in the case of a company of this kind, that property should be acquired at something approximating its real or market value. In the incorporation of utility companies such as tramway companies—and in its larger aspect this is a tramway company—in the incorporation of transportation companies of this kind we should insist upon such legislative enactments as will prevent the watering of the stock of such companies.

Mr. PETTIT: Mr. Speaker, I rise to a point of order. The hon. gentleman started to discuss the amendment to section 12, but it strikes me, as I think it must have struck every other hon. member of the house, that he is dealing with everything but the amendment.

Mr. CAHAN: Mr. Speaker, in order that it may be clear that I am adhering strictly to this amendment, I call your attention to subsection (a) of the amendment and the words immediately preceding it:

—but no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company

(a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up.

I have dealt with that much. Now, secondly:

(b) Unless in each and every case in which the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual value.

Now if you allow the company to issue its paid-up stock for a mere consideration without regard to that principle, by purchasing a bit of land for $500 and turning it in for $2,500,000, or any such scheme as that, then you depart from the principle and policy that should govern parliament in respect of the incorporation of every public utility company of the kind which is organized for carrying on a transportation service in this country.

Mr. DUNNING: Would my hon. friend permit a question? I am very sympathetic with his line of argument, but who would determine the actual cash value for the purposes of this subsection?

Mr. CAHAN: The board of directors who are taking the property would have to assume that risk, and if they turned in property of a nominal or purely fictitious value, then the result would be that the shareholders would be liable not only to the creditors of the company but to the call of its board of directors for the difference between the actual value of the property which they turned in and the par value of the stock which was issued there-

for. That is a matter which has come before the courts time and time again, and it is that principle upon which I am relying. That principle applies in respect of every company incorporated in England for any purpose whatsoever. That principle applies to every company incorporated under the Companies Act of the province of Quebec, with which I am more familiar; and I say that that is a proper principle to apply in a country as highly developed as ours with respect to the incorporation of public utility companies the success of which is absolutely assured from the start, as the success of this one is. We have had questions arising in the city of Montreal with regard to the rates or tolls that should be charged by public lighting companies, by waterworks companies, and the rest; and it is impossible I say for the public utilities commission, which has to decide what the rates and tolls shall be, to decide that question of rates or tolls without considering at the same time the capital stock of the company upon which a fair return, or income, or profit should be paid. In order that they may determine what is a fair return or income or dividend to the stockholders of that company, it should be assured from the start that that stock when issued represents money or money value. I think that is a fair principle. If we were incorporating a company in some new part of our northwest where the enterprise was purely speculative, I should probably adopt the policy which was adopted by this parliament many years ago with respect to allowing these companies to pay up for a consideration other than cash or cash value. The question of speculation then enters into it, and to induce men to engage in an enterprise in a new and unsettled country you have to offer probably larger rewards. Before the committee who considered this bill, the promoters said, and the clear inference from the evidence was, that the traffic was awaiting the construction of this bridge, and that that traffic would ensure an adequate recompense or return or revenue upon the entire cost of the bridge almost from the day it was opened. Such being the case, I am myself opposed to any stock watering in connection with this enterprise, or to the enactment of a measure that will permit stock watering and stock jobbing to be carried through.

Mr. SPEAKER: The question is on the amendment. Those in favour of the amendment will please say "aye."

[Mr. Cahan.]

Mr. J. ETIENNE DUSSAULT (Levis): (Translation): Mr. Speaker, I am sorry to delay the vote, but I ask that the amendment of the hon. member for Wetaskiwin (Mr. Irvine) be read in French.

And the amendment having been read in French, the house divided on the amendment (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Bancroft,
Benoit,
Bird,
Black (Halifax),
Cahan,
Campbell,
Carmichael,
Chaplin,
Charters,
Clark,
Delisle,
Denis (St. Denis),
Dunning,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Gardiner,
Gershaw,
Heaps,
Irvine,
Kellner,
Kennedy,
Lacombe,
Lovie,
Lucas,
MacLaren,
McGibbon,
Neill,
Power,
Robitaille,
Ryckman,
St-Père,
Speakman,
Spencer,
Steedsman,
Stewart (Leeds),
Woodsworth.—38.

NAYS

Messrs:

Allan,
Anderson (Toronto-High Park),
Anderson (Halton),
Baldwin,
Barber,
Beaubien,
Bell (St. John-Albert),
Black (Yukon),
Blanchard,
Blatchford,
Bothwell,
Bouchard,
Boulanger,
Bourgeois,
Bowen,
Bowman,
Bradette,
Cahill,
Cannon,
Cantley,
Cayley,
Cotnam,
Descoteaux,
Deslauriers,
Dickie,
Dionne,
Duff,
Dussault,
Elliott,
Fiset (Sir Eugene),
Foster,
Fraser,
Garland (Carleton),
Geary,
Girouard,
Goodison,
Goulet,
Guérin,
Hall,
Harris,
Hay,
Heenan,
Hepburn,
Howden,
Ilsley,
Jenkins,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Kaiser,
Kay,
King (Kootenay East),
Laflamme,
Lanctôt,
Lang,
Lapierre,
Letellier,
MacLean (Prince),
McLean (Melfort),
McGregor,
McIntosh,
McKenzie,
McMillan,
McPhee,
Maybee,
Millar,
Morin (Bagot),

Morrissy,
Motherwell,
Odette,
Parent,
Peck,
Pettit,
Price,
Ralston,
Raymond,
Rennie,
Robb,
Robinson,
Ross (Kingston City),
Rutherford,
Ryerson,
Sanderson,
Séguin,
Senn,
Sinclair (Queens),
Sinclair (Wellington North),
Smith (Cumberland),
Smith (Stormont),
Spence,
Spotton,
Stinson,
Stirling,
Taylor,
Telford,
Thompson,
Thorson,
Tobin,
Totzke,
Vallance,
Veniot,
Verville,
Wilson (Wentworth),
Young (Saskatoon),
Young (Weyburn).—104.

Mr. GARDINER: I wish to raise a point of order arising out of the vote. The Minister of Immigration (Mr. Forke) was in his seat and did not vote. The hon. member was not paired and I ask that his vote be recorded.

Mr. FORKE: I might explain. I have no objection to voting; but as I was not in the house when the matter was under discussion, I do not know what it was about and, as a matter of conscience, I do not care about voting in regard to something which I do not understand.

Mr. CHAPLIN: The minister is not the only one who did not understand what he was voting for.

Mr. SPEAKER: The rule is that members who are present when a motion is read must vote if they are in the house whilst the division is being taken. But when an hon. member declares that he does not know what the amendment is about, he is excused from voting. That is the practice followed in the British House of Commons.

SUPPLY

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

Railways—Maritime Freight Rates Act

Amount required to provide for payment of the difference, estimated by the Board of Railway Commissioners and certified by the said board to the Minister of Railways and Canals, occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in section 9 of the said act) on all traffic moved during the period July 1, 1927, to December 31, 1927, under the tariffs approved, by the following companies:—

Atlantic Quebec & Western Railway	$ 9,974 20
Canada & Gulf Terminal Railway	890 39
Canadian Pacific Railway, including Fredericton & Grand Lake Coal and Railway Co., New Brunswick Coal and Railway Company	130,962 64
Cumberland Railway & Coal Co.	13,597 03
Dominion Atlantic Railway	86,971 71
Maritime Coal Railway & Power Co.	10,980 96
Quebec Oriental Railway Co.	4,905 52
Sydney & Louisburg Railway	150,408 00
Témiscouata Railway	12,964 11
	$421,654 56

Mr. DUNNING: This is the item which was discussed for some time before recess and I think it might be carried now.

Mr. GARDINER: Before six oclock I pointed out to the Minister of Railways that last year he made a certain estimate as to what this maritime freight rates discount would cost. The minister this afternoon stated that his estimate was approximately $2,000,000 for the Canadian National, $500,000 for the Canadian Pacific, and another sum, probably about $500,000, for the other lines. During the recess I took the opportunity of looking up Hansard and at page 1878 of last year's Hansard I find that the minister stated during the debate that in his judgment the total amount that would be required to meet this maritime freight rates discount would be approximately $2,500,000. The minister did state that he did not want to be held down to that figure; and consequently I merely make this statement so that the estimate will be put on Hansard.

Mr. MacLAREN: Is there any charge submitted by the Kent Northern railway?

Mr. DUNNING: I explained before the recess that there was some reluctance on the part especially of the smaller lines to come under the provisions of the law because they would be compelled to carry themselves the 20 per cent reduction until payment was made. Some of them did not come under the law immediately. The Kent Northern has not yet come under the provisions of the act.

Item agreed to.

Amount required to provide for payment to the Canadian National Railway Company of the portion of the deficit in receipts and revenues of the eastern lines, as defined in the Maritime Freight Rates Act, occurring within the period of July 1, 1927, to December 31, 1927, on account of the application of the said act, $931,809.89.

Mr. GARDINER: Has the minister any information as to the tonnage moved during the six months which this estimate covers, as compared with the previous six months?

Mr. DUNNING: It would be impossible to go into this matter upon a tonnage basis. The 20 per cent reduction has a relation to the rate charged by the railway company; it has no relation at all to the tons of freight of the various classes carried. The statement of the Board of Railway Commissioners with reference to this matter, as supplied to me, is a monthly statement with respect to each company.

I think the member for South Toronto asked before recess regarding the checkup by the Board of Railway Commissioners. I have made inquiries of the officials of the board during the recess, and they inform me that the certificate which they are now giving is of necessity an E. & O.E. certificate, because they have not yet had an opportunity of making that thorough audit which the terms of the act require. The E. & O.E. provision, of coure, will permit of the necessary adjustments being made with respect to next year's payments under the same act. I am informed, however, that there is every indication that the amounts are correct. After all, the check-up, in a gross sense, is fairly easy for the reason that as regards the freight moving under the various preferred movements, if you take the aggregate revenue received by the railway company for these various classes of freight and then apply the provisions of the act with respect to the 20 per cent—in gross, I say—it can be easily calculated; but manifestly there must be a proper audit made in order to make sure that no railway company is padding its books, let us say. I do not accuse any railway company of doing that, but obviously the necessary care must be taken by the audit staff of the Board of Railway Commissioners in that connection. I can give the figures in connection with each railway concerned for each of the six months now under review, if that is desired by any member of the committee.

With respect to the item under discussion, I want to draw the attention of the committee to the fact that in accordance with the terms of the act itself, this item comprises only that part of the eastern lines deficit which is chargeable to the 20 per cent reduction. The next item gives the balance of the deficit on the eastern lines.

Sir HENRY DRAYTON: Is that right? I think my hon. friend is putting the cart before the horse. The item refers to the deficit on those lines irrespective of the 20 per cent.

Mr. DUNNING: No,—"less the portion of such deficit occurring on account of the application of the said act." The reason for presenting it in this manner is so that the house will be able to see from year to year what is the actual result of the application of the Maritime Freight Rates Act to the traffic covered by it. If business increases at all, the item we are now discussing, 405, amounting to $931,809.89, will naturally increase also, but if the ordinary laws of railway operation work out, an increase in that item, due to an increase in tonnage and an increase in traffic, should give a decrease in the deficit in item 406. One cannot say that it will follow naturally, but I am placing it before the house in this form so that the house will have a true conception each year of how the act is working in all particulars.

Sir EUGENE FISET: Was not the minister incorrect in stating that this deficit applies to the whole of the eastern section of the Canadian National Railway? I think it applies only to that section of the Canadian National Railway from Levis to Halifax, not the whole eastern section.

Mr. DUNNING: My hon. friend is correct except for the fact that where I used the term "eastern lines" I meant eastern lines as defined in the Maritime Freight Rates Act. It is important that that distinction should be drawn. The area defined in the act is the area east of Levis and Diamond Junction.

Sir HENRY DRAYTON: I have not been objecting at all to the item because I assume that the estimates for this year will go to the special committee, where we shall have an opportunity of going into the manner in which these matters are checked up. But my hon. friend will have to do more than merely certify in gross, and we ought not to have in the future any E. & O. E. statements.

Mr. DUNNING: That is right.

Sir HENRY DRAYTON: The only safe way is not to handle it in gross. There is only one way of doing it, and that is to check it on the billings. The Board of Railway Commissioners have duplicates of all the billings, and there should be no bulk about it at all. The minister ought to have before the committee the officials of the board who are dealing with this question, because it is a very important one.

Mr. DUNNING: My hon. friend is quite right respecting the nature of the audit. I would merely ask the committee to remember that the statute came into effect only on the first of July last, and we had to ask the Board of Railway Commissioners to set up the ne-

cessary organization to make the kind of check to which my hon. friend refers. When I said a moment ago that one could look at it in the gross, I did not mean to suggest that the railway commission was using that method, but simply that an idea could be gained by the average individual of what the 20 per cent reduction would amount to if he knew the gross revenue from the movements under review. My hon. friend suggests that the item in the main estimates similar to this might go to the special committee. I really had not thought of sending it there, because it is not a Canadian National Railway item; it is an item under the statute which must be considered in the departmental estimates. If there is any desire to inquire into its application in the specal committee, I shall be very happy to have that done there, but I would not like formally to pick out this item from the departmental estimates and send it to the special committee.

Sir HENRY DRAYTON: I do not care how it is done so long as the committee have a chance to find out how the checking is done and that a proper check is kept.

Mr. GARDINER: Can the minister give us any information as to whether this 20 per cent reduction has increased the movement of freight in this area?

Mr. DUNNING: With the experience we have up to date it has been difficult to answer that question positively. My estimate last year, as my hon. friend pointed out, was about two million and a half dollars, based upon the experience of the then current year. Putting the figures together which we have before us to-night, he will notice that it is running practically in accordance with that estimate. But I must qualify it by the fact that some of the smaller roads did not come under the provisions of the act promptly after July 1. I am informed by maritime members that there is better business down there, which will show us an increase in traffic; but that can only be a general statement. I cannot for a moment give the figures of the tonnage, but I will bear in mind when the main estimates are before the house, when I think possibly I shall be able to give some information in that regard.

Item agreed to.

Amount required to provide for payment to the Canadian National Railway Company of the deficit in receipts and revenues of the eastern lines, as defined in the Maritime Freight Rates Act, occurring within the period July 1, 1927, to December 31, 1927, less the portion of such deficit occurring on account of the application of the said act, $2,117,936.42.

Mr. GARDINER: Is this an operating deficit?

Mr. DUNNING: Yes.

Sir HENRY DRAYTON: I am not familiar with the legislation, but I apprehend that this is the operating deficit as the result of the legislation.

Mr. DUNNING: This item is not the result of the legislation.

Sir HENRY DRAYTON: Why is it done in this way?

Mr. DUNNING: The legislation provides for its being done this way, but this amount is not the result of the legislation.

Sir HENRY DRAYTON: My hon. friend has not caught my point. In other words, the legislation did not create this deficit; but the legislation provides for the deficit to be thus reported.

Mr. DUNNING: That is it.

Sir HENRY DRAYTON: Does it go to the extent of saying that the deficit is thus to be paid?

Mr. DUNNING: Yes.

Sir HENRY DRAYTON: Then we will have it up twice; we will have it up again in connection with the major statement.

Mr. DUNNING: No, it is a receipt in the major account.

Sir HENRY DRAYTON: We can look into it just as well in that connection.

Mr. DUNNING: Yes.

Item agreed to.

Canadian Government Merchant Marine—Loan to Canadian Government Merchant Marine, Limited, repayable on demand with interest at a rate to be fixed by the governor in council, upon such terms and conditions as the governor in council may determine, and to be applied in payment of:—

Deficits in operation of the company and of the vessels under the company's control during the nine months' period ended December 31, 1927, and working capital requirements, $1,000,00.

Sir HENRY DRAYTON: I do not think this should be dealt with here at all. It certainly should be referred to the special committee now.

Mr. DUNNING: I have an explanation to make in that regard. As my hon. friend states, this is an item which in the ordinary course of events would be referred to the special committee on Canadian National railways and shipping. But the fiscal year of the government ends on March 31. This

estimate was prepared only a day or two ago, has not been before the committee, and cannot get there prior to the end of the fiscal year. I may say that the whole matter of the Canadian Government Merchant Marine will be dealt with by that committee on the main estimates. These we have already tabled. But in connection with this item, the close approach of the end of the fiscal year compels me to present it to the committee of the whole house.

It will be remembered that at the last session no vote was taken for deficit purposes. If my memory serves me correctly, I think there was a vote in the neighbourhood of something like $18,000 for capital requirements, but the showing of the previous year caused the management to believe that possibly they might get along without a deficit during the year 1927. Experience, however, indicates an expected deficit in operation of $559,000. In addition to that there has been a gradual impairment of the working capital from year to year since 1922, in which year the Canadian Government Merchant Marine received from the government working capital to the extent of $930,000. Deficits from time to time have whittled that down until it is now about $84,000—an insufficient amount of working capital. For that reason, and in order to bring the working capital up to the necessities of the business, the balance of this vote of $1,000,000 amounting to $440,000, is asked for.

The condition of the merchant marine during the last few years can be indicated by the following figures: In 1923-24 there was a deficit of $1,829,000,—I am omitting the odd hundreds—in 1924-25 it was $1,416,000; in 1925-26, $595,000; 1926-27, $44,000; and as I indicated a few minutes ago, this year it is estimated to be $559,000.

Sir GEORGE PERLEY: Will the minister be good enough to tell us how the tonnage compares to-day with that of three or four years ago?

Mr. DUNNING: There has been a steady adjustment in that regard, reviewed by the committee from year to year. Only those ships suitable for the service have been retained, but I cannot give my hon. friend a comparison, for instance, between 1927 and 1926. I can, of course, undertake that everything in that regard will be subject to review by the special committee.

Sir GEORGE PERLEY: All I am trying to understand is whether the deficit has been reduced by the management getting new markets, or simply because the tonnage has been reduced.

[Mr. Dunning.]

Mr. DUNNING: There is no doubt that the reduction in tonnage has not had any material effect in reducing the deficit, for the ships disposed of were for the most part not in use. In any case where it was found to be impracticable to apply the ships to good business purposes they were in the course of time sold. In general I may tell my hon. friend that I am encouraged by the progress which is being made in this connection. It is needless for me at this time to go into the experience of other countries in this regard; it does not do us much good to take comfort from the sorrows of others; but it is a fact that while our government-owned mercantile marine is not entirely a bonanza, it is at least doing a great deal better than any similarly owned mercantile marine that I know of. And it is performing a real service in connection with Canada's trade, a service which I hope will increase as time goes on.

Sir HENRY DRAYTON: Has there been any change in the working year of the merchant marine?

Mr. DUNNING: We are this year changing it to the calendar year.

Sir HENRY DRAYTON: I thought it was always so.

Mr. DUNNING: No.

Mr. BLACK (Halifax): Mr. Chairman, this vote of one million dollars is apparently to cover a deficit for nine months' operation, and if you add to that another 25 per cent you have a very large deficit. I am confining myself strictly to the freight boats which are being operated by the government and am not referring at all to the West Indies services, the new ships for those services not yet being in operation. Let me say at the outset that the criticism of the leading shipping paper in the world, Fair Play of England—I am sorry I have not a copy under my hand—without being able carefully to analyze the accounts, tells a totally different tale from that which is put forward by the government. With regard to these boats, I make the following statement without fear of contradiction, and if I am contradicted I am perfectly willing to submit the matter to any firm of experienced shipping auditors or chartered accountants in the old country who are familiar with this business. I say that the Canadian merchant marine, if wound up to-day, would be found to have cost the country $125,000,000. And what are the ships doing? To-day they are operating in competition with privately owned ships in every quarter of the globe, going east and west and north and south

They are competing with privately owned English shipping concerns who are thoroughly familiar with the operation of steamships, and these concerns are paying, as the merchant marine boats are not. The government merchant marine steamers are carrying cargo from the east to various American ports and cutting rates in opposition to the established lines. What are they doing with regard to the Australian, the South African and the New Zealand trade? There are private companies that have been operating in those waters for years, and in comes the merchant marine and cuts rates, to which it has not agreed. The merchant marine is running voyage after voyage at an absolute loss, and I maintain, as I have always done, that the government operation of steamers cannot be profitable. I contend, therefore, that the sooner the operation of the merchant marine is discontinued the better it will be for the taxpayers of the country, who will have less to pay.

Mr. DUNNING: I shall appreciate it if my hon. friend will let me have that criticism of the accounts to which he refers in order that we may submit it to the management and have them appear before the special committee prepared to deal with that criticism, thus enabling the members of the committee, and the house later on if necessary to ascertain the facts, whatever they may be. With regard to the cost to the country, which my hon. friend says would be something in the neighbourhood of $125,000,000 if the merchant marine were wound up now, I do not want to revive the acrimony of past debates in that connection. I am endeavouring to deal as well as I can with the merchant marine as this government found it and as it has since been carried on by the management of the Canadian National Railways. The major portion of the loss certainly cannot be said to be chargeable to the present management of the merchant marine. I prefer to remain on a business plane in discussing the question and not to go back to the origin of the merchant marine, discussing what we have been compelled to do with it. Such a debate might involve a good deal of argument, some of it acrimonious, which would get us nowhere. The country knows perfectly well that we have the ships. They were built under war conditions, as similar ships were built, and while I may have quarrelled with the policy at the time, I do not think that this is the time to discuss that policy or to exchange recriminations regarding it. We are dealing with the conditions that now exist. I do not think that the Canadian people would be satisfied to have their government owned ships disposed of at the present time, and I will state why. The people of Canada, rightly or wrongly, now own a great railway transportation system and the operation of shipping in connection with that system is a very important factor indeed. The chief competitor of our Canadian National Railway system, the Canadian Pacific Railway, has gone very extensively into the shipping business—extensively and, I believe, successfully. At any rate the shipping controlled both by the Canadian Pacific Railway and by the Canadian National system is to-day a valuable contributor to the traffic of the railways operated by these two companies, and I do not think there is immediately before us the prospect of completely closing out the merchant marine. We are providing, not through the government merchant marine, it is true, but by special legislation, for the management of the Canadian National Railways to operate a Canada-West Indies steamship service which will, of course, form a part of the same general shipping arrangement which contributes to the success of our railways. I do agree, however, that we should scrutinize with the utmost care this institution which belongs to us and which is operated by the Canadian National railway system; and, I repeat, I shall be very much pleased, as the government will be, to have any criticism either of the presentation of accounts or of the system itself in time to permit us to put it before the management and ask them to appear before the special committee prepared to deal with it thoroughly and in detail.

Mr. BLACK (Halifax): No doubt it is pleasing to the house to hear of the wonderful traffic which the merchant marine is bringing to the railways, but I would ask the minister this question: If these ships are withdrawn does he think the traffic will lose at all? I maintain that private interests would bring in a good deal more traffic because, by reason of the fact that the merchant marine is operating in competition with them, private shipping companies are not favouring our railways. I say, therefore, that the minister would get just as much traffic if not more from the private companies. My judgment, based on observation, is that the merchant marine does not increase the traffic of the railways.

Mr. DUNNING: That is, of course, a matter of opinion which could not be determined by actual test. I am sorry I cannot agree with my hon. friend.

Mr. CANTLEY: There is evidently one branch of the service which is not contributing much to the Canadian roads, and that is the service operating from Australia and New Zealand direct to New York. It is not contributing to the building up of traffic on our railways.

Mr. DUNNING: Is my hon. friend quite sure of his facts?

Mr. CANTLEY: I think so. I understand that the boats from the far east, from Australia and New Zealand, are carrying cargo through the Panama canal and unloading at New York before coming up to Canadian ports. After discharging the bulk of their cargo at Boston or Philadelphia or New York they then come to Canadian ports.

Mr. BLACK (Halifax): We read in every newspaper of the movement of ships from South Africa, Australia and New Zealand to New York, where they discharge; they do not land here first.

Mr. DUNNING: That may be so, and I suggest to my hon. friends that they examine the management before the special committee as to the reason why these boats from the far east call at American ports, if they do. I have no personal knowledge of it but I know that my hon. friend from Halifax (Mr. Black) studies these matters and presumably he knows whereof he speaks. But I also presume that the management will have some pretty good business reasons to offer as to why the boats make these calls, if they do.

Mr. STEVENS: When the special committee reassembles after the Easter recess the minister might have the management submit a statement regarding the voyages of the various ships. Such a statement should be easily compiled. The complaint which my hon. friend from Pictou (Mr. Cantley) has voiced I have also heard frequently, that is, that the Canadian government marine ships operate between two foreign ports and not directly between Canadian ports and other parts of the world. I may remind the minister that the Canadian people and this parliament, in so far as it sanctioned the original construction of the ships, had in mind the utilization of the merchant marine for the development of Canadian trade. That was really the only justification for the policy, and any departure from that policy ought to be fully explained and defended, if it can be, by the management before the special committee. This, I suggest, could best be done by having submitted to the committee a report showing the various voyages during the last year at least.

Mr. DUNNING: I will undertake that that information will be placed before the special committee when these matters are under discussion, as well as any other information which may help the committee to get an understanding of the whole situation. I think we should look into it very clearly.

Sir HENRY DRAYTON: My hon. friend should do more than that; there is not much use looking into it when it has been done. There is a real business reason why he should get these other amounts through and get that indebtedness out of the way, but of this vote $441,000 is for new capital. Why treat that as last year's business? You want that capital for the future, and my hon. friend would be well advised to let this whole item go to the committee. Certainly there is no excuse for trying to crowd the item through; this is merely a government subsidiary and there is no business reason for hurrying payment of that $559,000. That can be borrowed, so I would suggest that since we have let these other items go through the minister should take this item and send it to the committee.

Mr. DUNNING: I should like to meet my hon. friend on that, but I would point out that the item is properly in the supplementary estimates for the current fiscal year. It relates to the last fiscal year of the merchant marine, and certainly should be payable to them out of money available in this fiscal year. The money has been borrowed and is chargeable in their accounts in that way, and I would ask my hon. friend to reconsider his request.

Sir HENRY DRAYTON: As my hon. friend knows, the supplementary estimates are often passed months after the fiscal year is ended, so there can be no trouble about that. If anyone would be hurt it would be different, but this will not injure anyone; it is merely a matter of bookkeeping.

Mr. DUNNING: I am afraid no one would be helped either, because I would have to come back with a supplementary item identical to this, and even though I brought it in during the new fiscal year it would remain a supplementary for this year.

Sir HENRY DRAYTON: Send this one item to the committee.

Mr. DUNNING: That would mean the introduction of another supply bill at a later date for 1927-28. I suggest to my hon. friend that it would be an unnecessary complication.

Sir HENRY DRAYTON: As I see it, the committee should know everything about this

new capital. I am willing to take my hon. friend's word for it now that he has had a loss which he knows nothing about and which he did not think would occur; we will take his word for that at once, but at the same time he says they need something which they have been getting along very well without for some considerable time, and they need it as a supplement to the past year. What has new working capital to do with the past year?

Mr. DUNNING: It has been borrowed.

Sir HENRY DRAYTON: Whose overdraft was that?

Mr. DUNNING: The Canadian Government Merchant Marine.

Sir HENRY DRAYTON: If the Canadian Government Merchant Marine have already borrowed it from the bank willy-nilly, so far as we are concerned it makes no difference whether it goes over or not. The bank can afford to let it stand out a little while.

Mr. ROBB: Mr. Chairman, may I appeal to my hon. friend to allow this item to go through on the assurance of my colleague that the fullest inquiry will be made when it comes before the committee with the other items? I should like to get this properly cleared up before the end of this fiscal year, for one reason, and for another reason the bills are now all printed and ready.

Sir HENRY DRAYTON: If my hon. friend tells me that it will help him in his work I am quite satisfied, so long as it is thoroughly understood that we still have a string on the item.

Mr. DUNNING: Absolutely.

Mr. CANTLEY: Will the minister tell us how many of the boats are laid up, and where they are laid up?

Mr. DUNNING: I am compelled to speak without definite information, but I know of only one which is laid up. The Canadian Raider is laid up at Port Burwell.

Mr. GEARY: Before the item passes would the minister tell me if a supplementary estimate is the place where he is going to put items 405 and 406 from year to year? I think there was some conversation about it which I could not hear, but under the statute I believe these should go in the railway estimates.

Mr. DUNNING: It is not the intention in future years to bring in supplementary estimates for items 405 and 406. These will appear as items in the main estimates of the Department of Railways and Canals in accordance with the statute, which I will cite to my hon. friend. With regard to other companies section 9 applies, but with regard to the Canadian National Railways the statute states that in the event of any deficit occurring in any railway fiscal year in respect of the eastern lines, the amount of such deficit shall be included in a separate item in the estimates submitted to parliament for or on behalf of the Canadian National Railways at the first session of parliament thereafter. Now I have my hon. friend's point, which I did not see before. I was very anxious, and the government were very anxious, to present to parliament the whole picture in connection with the Maritime Freight Rates Act, and the manner in which it was working. Consequently that is all placed on one page in this fashion, and I think it would be well to continue that practice in future estimates, while it is not the intention to bring these items down in the form of supplementary estimates. I would point out that in a certain sense the wording of this estimate does amend the statute, because the statute intends to have the full year expire, then to have an audit take place, after which the railway commission certifies to the result. By following that practice the railway companies are out that amount of money for a considerable period of time, while by introducing an estimate worded in this fashion it will be possible to make payment by the government closer to the time at which the expenditure is incurred by the railways. That is the objective in view.

Mr. GEARY: I am not questioning the desirability of doing that; I am only pointing out that it is not according to the statute which was passed last year, and I suggest that the procedure be definitely decided upon. Perhaps you will amend the statute, but I am simply pointing out that it should be done in order.

Mr. STEVENS: There is nothing of this nature in the main estimates for this year, so far as I can see.

Mr. DUNNING: The railway estimates are not in the main estimates; they were tabled to-day as a separate estimate.

Sir HENRY DRAYTON: Perhaps the loss on the Canadian Raider is already looked after in that $441,000?

Mr. DUNNING: We do not regard the Canadian Raider as lost.

Sir HENRY DRAYTON: Is it damaged?

Mr. DUNNING: Yes.

Sir HENRY DRAYTON: Have you any estimate of the damage?

Mr. DUNNING: It will be taken care of by that famous insurance fund but there seems to be a good deal of hope that it will not be lost.

Item agreed to.

Resolutions reported, read the first and second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

The house in committee of ways and means, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses for the public service of the financial year ending the 31st March, 1928, the sum of $7,777,747.89 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 155, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1928.

Motion agreed to, bill read the first and second time, considered in committee, reported, read the third time and passed.

SICKNESS AND ACCIDENT INSURANCE

PROPOSED INVESTIGATION BY BANKING AND COMMERCE COMMITTEE OF OPERATIONS OF CANADIAN COMPANIES.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, on March 19th the house was considering a motion introduced on February 16th by the hon. member for North Winnipeg (Mr. Heaps) that the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity. On that occasion the hon. member for New Westminster (Mr. McQuarrie) moved, seconded by Mr. Dickie:

That the said resolution be amended by adding the following:

"That the said committee be authorized to investigate and report on the operations of companies carrying on sickness and accident insurance business in Canada."

I took some exception to referring this matter to the committee on industrial and international relations, and suggested that if my hon. friends were willing I would facilitate its reference to the committee on banking and commerce. By unanimous consent I would therefore move:

That the committee on banking and commerce be authorized to investigate and report on the operations of companies carrying on sickness and accident insurance business in Canada.

Mr. SPENCE: Did not the hon. member for New Westminster withdraw his amendment? I think he did.

Mr. ROBB: He did, but he desires now that it should go to the banking and commerce committee.

Mr. SPEAKER: This resolution can only be moved by leave of the house. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: Just before the committee rose at the last sitting, Mr. Robb moved that the following be substituted for item 219b:

Customs tarif—219b. Formaldehyde containing not more than 15 per centum of alcohol: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. STEVENS: I do not think there is any need to detain the committee at any length in regard to this item, as the matter has been pretty clearly placed before the minister. I have but one suggestion to make, if the minister would give it consideration, namely, inasmuch as the one company—and there is only one company of this kind in Canada—has on hand necessarily a large quantity of raw material, I understand something like 12,000 cords of hardwood, some consideration might be given as to the time when this would come into force and effect, say a year, or something of that character. We have done this in other cases; for instance, we have specified in the tariff that certain items shall be effective only after a certain time or shall come into force at a certain time. Would the minister consider that suggestion? I presume it is not necessary for me to remind him of the very small effect that this tariff has upon the value of formaldehyde in the small quantities in which it is sold, but the very serious effect it has on the whole upon this one company.

Mr. ROBB: Representations have been made to me on behalf of the company that, as stated by the hon. member for Vancouver

Centre, they have now in stock some 11,000 or 12,000 cords of hardwood, which apparently is used for this purpose. They also represent that the distribution for this year has already been made so that this change will not affect the price of their material. That being the case, if we extend the time the distribution for next year would also be made before parliament met again, and it seems to me that we might very well stand by our decision of a few days ago and put the item through as it is now.

Item as amended agreed to.

Customs tariff—267b. Crude petroleum not in its natural state .725 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free; on and after the 1st July, 1931, per gallon: British preferential tariff, 3/10c., intermediate tariff 4/10c., general tariff, ½c.

Mr. ROBB: I wish to move an amendment to meet some technical objections that were made to this item as it was originally presented. I understand this meets with the concurrence of the parties who asked me to make this change and also of some who were offering opposition. Neither of them was altogether satisfied, but I think the resolution is pretty fair. As it was before there was a question as to certain points of specific gravity which would have been lost altogether. Therefore I move that item 267b be struck out of the resolutions. We are inserting a new resolution.

Motion agreed to.

Mr. ROBB: I beg to move that the following item, enumerations and rates of duty be inserted in schedule A to the customs tariff:

Customs tariff—272b. Crude petroleum not in its natural state, .725 specific gravity or heavier but not heavier than .770 specific gravity at 60 degrees temperature, when imported by oil refiners to be refined in their own factories until July 1, 1931; British preferential tariff, free; intermediate tariff, free; general tariff, free.

Sir GEORGE PERLEY: Is no duty imposed until the first of July, 1931?

Mr. ROBB: No. After that it goes where it was before.

Sir GEORGE PERLEY: It will have to be dealt with then?

Mr. ROBB: No, it goes back to where it is under the old item.

Item agreed to.

Customs tariff—526. Household blankets wholly of cotton, not to include horse blankets, automobile or steamer rugs, nor similar articles: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 27½ per cent.

Mr. HEAPS: I wish to say a word in connection with the tariff in general. The other night, when we were discussing this question in the house, we were assured that the tariff was given to the manufacturers in order to afford some protection to labour employed in industry. I said that if such were the case we in this corner of the house could have a certain amount of sympathy for protection. On looking at the papers this evening I find that the workers employed in one of the most highly protected industries in this country are out on strike because they have had three reductions in pay in the past six months. I am now referring to the automobile industry. Men employed in the automobile industry at Oshawa are out on strike because some of them have refused to accept a further cut in their wages. If such be the case, the whole idea on which protection is based falls to the ground. I suggest to the minister, in view of the protection that parliament gives to the automobile industry and of the fact that automobile manufacturers in Canada are continually reducing the wages of men employed in that industry, lowering the standard of their living, and compelling them, in the case I have mentioned, to go out on strike within the past day or two, that the house should take some action in the matter and refuse to continue to give to such industries the protection we have been giving them.

Mr. GEARY: I do not think my hon. friend has proved his case by what he has said. If I remember rightly, there was a reduction in the protection on this very article not long ago which I might with just as much confidence put forward as an argument why they had to reduce wages, but I do not know anything, nor does my hon. friend, about what the circumstances in that particular factory are. I have a great deal of sympathy with what he says about wages, whether in that particular industry or in any other. My contention is—I am not going to argue it now, but it is well supported—that the great thing that will go—I hate to repeat words that I have already uttered—towards the making of security in industrial life and to the fixing of a living wage is this very factor of protection. It is an agent of great potency in producing that particular result. That is the general statement I make,

but I do not attempt to bolster it up by any reference to the industry which my hon. friend mentions, nor do I think that his reference to that industry proves the other side of the case. If there is any way in which we can, by means of the tariff or otherwise, protect the worker more than he is protected now in his security of employment, I am all for doing anything that would help to bring that about.

Mr. MANION: Anyone who has followed industrial conditions in England during the last few years since the war realizes that practically the only industries in England which are at all successful to-day, both from the point of view of the industry itself and of the workers engaged in it, are those to which England has given the safeguarding of industries protection, which amounts to 33⅓ per cent. Just a day or so ago I was reading an article in the National Review which I have on my desk upstairs, written by an English manufacturer of the cheaper types of china, and he points out that previous to the war he was selling this crockery throughout the whole world. He had his own market in England, he had the Australian, the South American and the Indian market. Because of the low cost of manufacturing in England he was able to maintain his place in these markets, but to-day, because of the low wages being paid in Czechoslovakia, Germany, Japan, and a number of other countries in comparison with those paid in free trade England he cannot even compete in his own market in England; he has lost altogether the Australian, the Indian and the South American market, and the only hope for his industry to continue and give work to the people engaged in it and afford him a chance to succeed is that it shall receive, as other industries have received, the safeguarding of industries protection. I say with the utmost respect for the opinion of my hon. friend (Mr. Heaps), because I am quite sure he is sincere in his support of the workingman, that anyone who gives this question any thought must realize that the goods produced in the countries of Europe that have lower standards of living and lower wage scales must to a certain extent be kept out of those countries where higher wages and better standards of living prevail if the industries in those latter countries are to compete. Look over the different industries of England to-day and you will find that practically the only ones that are successful are those that are receiving the 33⅓ per cent protection under the Safeguarding of Industries Act, and they are the only ones that are able to compete in the markets of the world because of the lower wages and lower standards of living prevailing in other countries.

Mr. HEAPS: I would point out to the hon. member that one of the highest protected countries in the world is Japan, and not only has it a high protective tariff, but a 200 per cent anti-dumping law which is put into effect against American goods.

Mr. MANION: But it is one of the lower standard of living countries.

Mr. HEAPS: That merely goes to prove that protection does not of necessity raise the standard of living, or it would be high in Japan. What we have to contend with in this country in the automobile business is the competition not of Japan or of Czechoslovakia but of the United States, where wages are higher than they are in Canada. The point I raised was that when parliament gives great concessions to certain industries and protects them the way it does, those industries owe something to the workers employed in them. But what protection has General Motors of Oshawa given to the men employed in that industry? Two years ago they treated their employees in a very miserable way. They got them to come to Ottawa in a huge delegation, and when I moved amongst these men I found that hardly any of them knew why they had come here. Parliament gives to that industry a protection which is worth a great deal to the industry, and that being the case the industry owes something to the men and women engaged in it. But what has happened? We find by this evening's paper the men have had two cuts in wages, and they refuse to accept a third. The wages they are receiving now are lower than are being paid in the same industry in the United States. When they were here these men told me that they were working under conditions that were far from the best, that they were receiving from 42½ to 75 cents an hour, the average being not much over 50 cents an hour—considerably below a living wage; yet the stock of that company, because of the flourishing condition of the industry, attributable in some degree to the high protection it enjoys to-day, is now over 200, and it may be worth only one-tenth of that.

Mr. GEARY: You are speaking now of General Motors in the United States.

Mr. HEAPS: The Oshawa company is a subsidiary, and it also is enjoying a great deal of prosperity, as is manifested by the additions it has made to its buildings at

Oshawa in the last few months. Why should parliament protect an industry of that character? If we have any lever to use over such an industry, I say that it should be used when they are taking away from the workers something which they have no right at all to take away. The question of what is happening in other countries, the tariffs of Czechoslovakia, Australia and Japan, do not enter into this question at all. This is a question of one particular industry in Canada which is enjoying a high degree of protection, the gift of this parliament, yet it takes that gift to further its own interest at the expense of its employees. If that is the case I believe parliament would be justified at the very first opportunity in expressing its strong disapproval of the action which the management of that company has taken toward the men it employs.

Mr. MANION: I just wish to say that I was not arguing in regard to that particular case at all. The hon. gentleman when he was speaking previously had said that if this is the way the Oshawa industry is treating its employees, all that argument about protection protecting the working man is wiped out. It was a general argument I was making. I was not speaking of this particular case because I have a great deal of sympathy with the remarks of the hon. gentleman in that regard. I was speaking of protection in general.

Mr. McGIBBON: It does seem to me that those people who pretend to represent labour in this house have a very meagre knowledge of the requirements of labour in this country. There is no question at all that what this country wants to-day is work. All you have to do is to survey the industries of this country, and find out where that work can be got. I would ask the hon. gentleman (Mr. Heaps) what he would do if all the industries of this country were closed down. Where would labour go then? Does he want a still bigger army marching across the border into the American republic to get work in one of the highest protected countries in the world? That is what has been happening in this country for a number of years.

Mr. POWER: Mr. Chairman, I rise to a point of order. I think we are getting far away from the subject of cotton blankets. I am always glad to hear my hon. friend from Muskoka-Ontario because he is so very sincere about everything, and I have no objection to listening to my hon. friends from Winnipeg and Fort William, but really this debate is becoming too much enlarged.

Mr. McGIBBON: I think the hon. member is a little mixed in his point of order. I would tell the hon. member for North Winnipeg that a few years ago hundreds of men were employed in my constituency but to-day their jobs have disappeared.

Mr. POWER: Mr. Chairman, I should like your ruling on my point of order—that the discussion has wandered far afield from the resolution before the committee.

The CHAIRMAN: I do not think the hon. gentleman's point is well taken. The hon. member who has the floor is discussing the principle of protection, and the item now before the committee provides for protection of 15, 22½ and 27½ per cent.

Mr. McGIBBON: I contend, Mr. Chairman, that if it were not for the principle of protection—which, I admit, is inadequately applied—there would be no work here at all. If the hon. member for North Winnipeg had his policy put into force, our working men would not have any jobs at decent wages.

Mr. HEAPS: Why?

Mr. McGIBBON: Because there would not be any work except for the agricultural classes. What happened a few years ago to our leather industry? Factories were closed, and to-day those workmen are gaining a livelihood in the United States. What happened to the glass industry when the Libby-Owens Company went out of business? Not only did their workmen lose their jobs, but men in the bush were also adversely affected. For instance, in my riding two lumber firms were supplying that company with all their rough lumber for making boxes, and naturally when the glass industry went out of business the men back in the bush lost their jobs. The same can be said of the automobile industry. It is true the government tinkered with the tariff on automobiles two years ago, and then modified their action, but to-day there are five thousand fewer jobs in the automobile industry than there were at that time. Is that the kind of policy the member for North Winnipeg wants to establish in this country? Does he want to destroy completely every chance of our working men getting jobs. I have a great deal of sympathy with him when he advocates raising the working man's wages; but the first thing the Canadian working man wants is a job.

Mr. SANDERSON: May I ask the hon. member a question?

Mr. McGIBBON: Yes, if it is not too hard.

Mr. SANDERSON: I understood him to say that five thousand employees in the automobile industry are out of jobs to-day for the reason that the tariff on automobiles was lowered two years ago. Is that what he said?

Mr. McGIBBON: Yes, that is correct with regard to the industries auxiliary to the automobile industry.

Mr. SANDERSON: All I can say is that my hon. friend does not know what he is talking about.

Mr. McGIBBON: Of course we all have to bow to the wisdom of the hon. member for South Perth (Mr. Sanderson). We know that after he has spoken there is nothing more to do than pronounce the doxology.

Mr. SANDERSON: My hon. friend never talks wisdom at all.

Mr. McGIBBON: Those are not my figures, they are the figures of the industry.

Mr. SANDERSON: And yet he believes them.

Mr. McGIBBON: Those figures have been proven to be correct. It would be well for the hon. member to post himself on the primary things he presumes to talk about.

Mr. SANDERSON: I am just as well posted as my hon. friend.

Some hon. MEMBERS: Order.

Mr. McGIBBON: My point is that the working men of this country must have jobs, and until they get them our population is not going to increase. Every man who is not a parasite wants to work at a reasonable wage. For the life of me I cannot see how you are going to close down industries and cause unemployment and still keep our working people in the Dominion. You cannot do it, as our experience during the last five years amply proves. The exodus will continue at that rate as long as we pursue our present policy. What protection does primarily is to protect the working man to the extent that it protects his job. If you destroy his job what are you going to do? In my own village industries have been destroyed and their buildings torn down, although for forty years they were employing hundreds of men. Do hon. members think that that is not a serious matter? Are not our working people a national asset? I say again, as long as you pursue this policy that is what will happen. Take the agricultural implement industry: last year we imported thirty millions dollars' worth of agricultural implements. If those implements had been manufactured in Canada there would have been work for the people that our friends from Winnipeg are supposed to represent, and do not.

Mr. HEAPS: It is not simply a supposition; we do represent Winnipeg.

Mr. McGIBBON: You think you do.

Mr. HEAPS: No, we do. If you think we do not, come to Winnipeg North and Winnipeg North Centre and see for yourself.

Mr. McGIBBON: North Winnipeg is not the whole Dominion. That is the fault with the members for Winnipeg,—

Mr. HEAPS: Neither is Muskoka.

The CHAIRMAN: Order.

Mr. McGIBBON: —they seem to think the whole Dominion is contained in that small circle. I can tell him that the members for Winnipeg do not represent the sentiment of labour throughout Canada. Whether they represent Winnipeg or not I do not know. I presume they did represent it in 1921 when they agitated and brought on a strike.

Mr. HEAPS: May I state, Mr. Chairman, that since 1921 I have been five times elected to public office.

The CHAIRMAN: Order. The discussion is getting very far away from the item before the committee.

Mr. McGIBBON: I do not know how many times the hon. member wants to speak; he makes a speech every time he interrupts. But I think there are many members in this house who represent labour a great deal more accurately than do the members for Winnipeg. Winnipeg, as I said, is not the whole Dominion, and all Canadian labour is not centred there—in fact a very small part of it. On behalf of the labouring people of my riding and of the other ridings that are represented by my colleagues, I want to say that the government is not protecting sufficiently the labouring man's job. There should be greater protection, rather than less. I am not speaking in the interests of the manufacturers, but in the interests of the labouring people. As long as we continue a policy that takes away jobs from our working men and drives them out of the country, then I say the Dominion is worse off to that extent. In to-day's paper I read that Canada and Mexico have been supplying the United States with practically all their immigrants. Within the last six months fifty thousand Canadians have migrated

across the line. How long can this country stand such a drain? We are losing the very best of our native-born, the educated, the ambitious, the industrious. When I am home not a week passes that I have not to make out medical certificates for the very best people in my riding; they are going to the United States. I contend that nothing but an adequate protective policy will provide work and keep our people at home. We have tried everything else more or less. Now give us a fair protective policy for the working men of this country and see what we can do.

Mr. KENNEDY: I believe this item was held over so that the minister might consider whether or not horse blankets would be given a lower tariff.

Mr. ROBB: Yes; and as soon as this item is passed I will bring in the other.

Item agreed to.

Customs tariff—526a. Horse blankets or horse clothing of any material: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 27½ per cent.

Mr. MANION: What is the decrease in the tariff?

Mr. ROBB: The present rates, under four classifications, are 30, 35, 35 and 35. Under the British preference the rates are 20, 25, 27½ and 22½.

Mr. MANION: The present tariff just brought in is not the same as the tariff which we have passed?

Mr. ROBB: No; this is to bring it in line with the other.

Item agreed to.

Customs tariff—438b. Automobiles for conveying passengers only, n.o.p., valued at retail at place of production, when new, with standard equipment complete at not more than $1,200 each; motor cars or motor trucks (not for railways or tramways) for carrying goods only; motorcycles; chassis for motor vehicles specified in this item: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Sir GEORGE PERLEY: This is something entirely new; the minister should explain it.

Mr. EULER: This is designed to correct what seems to be an unfair discrimination arising out of the legislation of 1926, at which time automobiles valued at $1,200 or less could be imported at 20 per cent whereas cars valued higher than $1,200 were still subject to a duty of 27½ per cent. Under the law as it stands, an automobile which is manufactured in Detroit is transported through the western states on its way to Winnipeg, that being the shortest route. The car might be worth $1,200 in Detroit, or perhaps a little less, but when it enters Winnipeg, for purposes of duty the freight is added, thus bringing it into the class that would pay the 27½ per cent duty. In that case there is a discrimination to the extent that the man who imports a car at Windsor has to pay a duty of only 20 per cent as compared with a duty of 27½ per cent imposed upon the western Canadian importer. This amendment is intended to remedy that situation. I should add that while this fixes the rate at 20 per cent—because the value of the car for duty purposes is to be taken as at the point of production, say at Detroit—the 20 per cent will be paid on the value plus freight at the point it enters Canada.

Mr. MANION: The point that strikes me is that this will be a discrimination against the Canadian railways. Previously the man importing the same car at Windsor from Detroit brought it over the Canadian railways and paid 20 per cent, whereas if the car were transported by American railways through Minneapolis and St. Paul to Winnipeg the duty was increased above 20 per cent owing to the extra freight. What the minister is doing is to encourage people in western Canada particularly to import over American railways. It seems to me that this amendment will operate to the profit of the American railways and to the disadvantage of the Canadian roads.

Mr. EULER: There is some force in what my hon. friend says, and the same thing occurred to me. But if the car came from some distant point inland in the United States and were brought to Windsor the freight would be considerably increased.

Mr. MANION: That does not apply in the summer when there is traffic by boat, and I am not sure that it is true of the rail haul.

Sir HENRY DRAYTON: I think the minister is overlooking the fact that there is competition.

Mr. EULER: It frequently happens that a man wants a car on short notice and he might cross the line from British Columbia, say, to Seattle or Portland.

Mr. YOUNG (Weyburn): It is the duty of the customs department to collect revenue and not to direct railway traffic in this country. The railways can be trusted to get their share of the business and it is not for us to use the tariff to force people to ship their goods over one railway instead of another.

Sir GEORGE PERLEY: Does my hon. friend think that the government should change the tariff to induce people to ship goods by American railways instead of by Canadian?

Mr. YOUNG (Weyburn): No. All we ask is that the government remove a distinct discrimination which to-day exists against western Canada whereby the Canadian in the west pays 27½ per cent duty while the eastern man pays 20 per cent.

Mr. ROBB: I would ask hon. members to bear in mind the fact that the Canadian railways now enjoy a considerable automobile business which is not altogether Canadian.

Mr. McLEAN (Melfort): Is the duty always paid on freight?

Mr. EULER: Yes.

Item agreed to.

Customs tariff—705a. Settlers' effects, viz:—Machines and implements for agricultural purposes moved by mechanical power; and motor vehicles, valued at not more than one thousand dollars, and boats for fishing purposes if actually owned abroad by the settler for at least six months before his removal to Canada, and subject to regulations prescribed by the Minister of National Revenue. Provided that in respect to motor vehicles valued in excess of one thousand dollars duty shall be payable only on the amount in excess of one thousand dollars. Provided further that the said machines, vehicles, implements and boats may not be so entered unless brought by the settler on his first arrival, and shall not be sold or otherwise disposed of without payment of duty until after twelve months' actual use in Canada: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Sir GEORGE PERLEY: Is this a concession to people who are coming in or is it an extra burden?

Mr. EULER: Under the law as it stands, under certain conditions, the effects of settlers coming into Canada are free of duty. That includes automobiles valued at $1,000 or less at present. If the car is valued at more than $1,000, however, it becomes immediately dutiable for the full amount, so you have this situation: A car valued at $1,000 comes in free, whereas a car valued at $1,050 pays a tax on the entire amount. If it is fair to exempt entirely an automobile valued at $1,0000 or less it seems to me fair to exempt $1,000 of any sum greater than that. This is designed to correct that situation.

Sir GEORGE PERLEY: Is that all that is in the change?

Mr. EULER: That is all it means.

Item agreed to.

[Mr. E. J. Young.]

INCOME WAR TAX ACT AMENDMENT

Resolved, that it is expedient to amend the Income War Tax Act, and to provide:

1. That the schedule of rates of income tax pertaining to individuals be reduced for the year 1927 and thereof by twenty per centum.
2. That the income tax of companies for the year 1927 and thereafter by eight per centum.
3. That allowance for exhaustion of mining lands, oil and gas wells and timber limits be afforded to and apportioned between lessee and lessor.
4. That the income from the operation of ships owned or operated by a non-resident person or corporation be exempt from taxation, provided that the country of residence grants an equivalent exemption in favour of a person or corporation resident in Canada.
5. That $500.00 exemption be given persons supporting dependents twenty-one years of age and over, incapable of self-support on account of mental or physical infirmity.
6. That upon election by the trustee controlling a superannuation pension fund or plan to have the investment income exempt from taxation the contributions by employees shall not be exempt.
7. That provision be made for procuring information as to payments made from the source of payment.

Sir GEORGE PERLEY: Will the minister please explain paragraph 3?

Mr. ROBB: I have a rather long memorandum on that. The substantial principle established under the income tax law is that mineral royalties received by the fee owner and the profits made by the operating lessee of the mineral rights above the cost of operation are income. Under the statutory allowance for depletion it cannot be twice credited, Once to the fee owner and once to the lessee; the depletion belongs as of right to the fee owner.

Sir HENRY DRAYTON: In other words, what you really mean is that the depletion goes to the owner of the property and not to the lessee.

Mr. ROBB: That is the law at present.

Sir HENRY DRAYTON: What is the change?

Mr. ROBB: To give the depletion to the lessee, who is the real operator; or they may agree on it.

Sir GEORGE PERLEY: Under the amendment it is to be apportioned. Do you mean to divide it between the two?

Mr. ROBB: In many cases the lessor is the crown, and they may agree upon what the depletion may be.

Resolution agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 156, to amend the Income War Tax Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read a second time?

Mr. GARLAND (Bow River): At the next sitting.

Mr. ROBB: If there is no objection we might put through the sales tax resolutions and introduce the bill to be founded on them.

Mr. STEVENS: I wanted to ask one or two questions but the matters to which they relate are not very serious.

Sir GEORGE PERLEY: That would take a few minutes.

Sir HENRY DRAYTON: I think an explanation of the meaning of the language used in the resolutions would occupy some time.

On motion of Mr. Mackenzie King the house adjourned at 10.55 p.m.

Wednesday, March 28, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Fourth report of the select standing committee on agriculture and colonization.—Mr. Kay.

First report of the select standing committee on railways, canals and telegraph lines.—Mr. Cahill.

AGRICULTURE AND COLONIZATION COMMITTEE

On motion of Mr. Kay, the fourth report of the select standing committee on agriculture and colonization was concurred in.

REPORTS AND PAPERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table of the house:

Copy of the slavery convention adopted by the League of Nations at Geneva on September 25, 1926.

Copy of the second opium conference convention protocol of the League of Nations, signed at Geneva on February 19, 1925.

Copy of international sanitary conference, signed at Paris on June 21, 1926.

These copies are in both French and English.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BRITISH COLUMBIA COAL—FREIGHT RATE

Mr. NEILL:

Whereas order in council No. 439, approved 16th March, 1928, for reasons stated therein provides for a test movement of coal in full trainloads from Alberta to Ontario, the difference between the set rate of $6.75 per ton and what the Board of Railway Commissioners may determine to be a reasonable rate, to be paid by a vote in the estimates, and

Whereas the reasons stated in said order in council apply equally to coal mined in the province of British Columbia;

1. Will the government extend the provisions of said order in council to coal mined in British Columbia at the same rate as above mentioned, subject to a pro rata increase for the extra distance?

2. Whereas a number of British Columbia coal mines are situated on Vancouver island, and not in a position to readily ship by rail but well situated to ship by water, would the government grant them the same possible advantages as offered to railway shippers, by providing an equivalently proportionately low set rate for the transportation of coal in shiploads from Vancouver island to Montreal in the boats of the Canadian Government Merchant Marine?

Mr. STEWART (Edmonton): An order in council was passed on the 13th February, 1926, (P.C. 225) referring to the Board of Railway Commissioners certain questions relating to costs and rates for transportation of Alberta coal. To assist in definitely determining the questions so submitted with a view to ascertaining the possibility of Alberta domestic coal supplanting foreign household fuel in the Ontario market, it has been deemed necessary, as provided by order in council of March 16th, 1928, (P.C. 439) to carry out an actual test movement. Those engaged in coal operations in British Columbia have not made representation as to getting into the eastern market.

PENITENTIARY GUARDS—CLASSIFICATION

Mr. LADNER:

1. Are penitentiary guards classified as civil servants under the Civil Service Act and as civil servants under civil service jurisdiction?

2. Has the government or the department having the matters in charge, or the Civil Service Commission, prohibited penitentiary guards from becoming members of the Amalgamated Civil Servants of Canada or any other civil service organization?

3. If such prohibition does exist, what are the grounds for the decision?

Mr. LAPOINTE:

1. (a) Yes, for purposes of appointment, salary and promotion.

(b) For all other purposes they are governed by Penitentiary Act.

2. Yes, by department.

3. Duties of penitentiary officers are semi-military, semi-police and purely confidential, and under regulations they are not permitted to make the affairs of the penitentiaries the subject of conversation beyond the precincts of the prison nor make them known to any person outside. These regulations they have sworn to obey.

PENITENTIARY GUARDS—SALARIES

Mr. McQUARRIE:

1. What is the minimum and maximum salary of a penitentiary guard?
2. Did not Colonel H. W. Cooper, late warden of the British Columbia penitentiary, recommend in his annual report, that the minimum salary of a penitentiary guard should be $100 per month?
3. What is the schedule of hours that a penitentiary guard is required to be on duty according to the regulations?
4. What is the total number of hours that a penitentiary guard is required to be on duty in one week, including the Sunday duty?
5. Is it a fact that inspector Jackson, now in charge of the British Columbia penitentiary, has only allowed the guards 10 minutes off duty for the noonday meal?
6. Is it true that penitentiary guards have been punished or reprimanded for not saluting the superintendent of penitentiaries or an inpector when on a visit to a penitentiary?
7. How many penitentiary guards have (a) resigned; (b) been dismissed from the British Columbia penitentiary during the fiscal year 1927-28?
8. How many penitentiary guards have been appointed to the British Columbia penitentiary during the fiscal year 1927-28?

Mr. LAPOINTE:

1. $1,200 and $1,500.

2. Yes.

3. From opening to closing of the prison. Average daily hours served—seven and a half.

4. About forty-five hours.

5. No.

6. No.

7. (a) Permanent officers resigned, one; temporary officers resigned, two; temporary officers let go at expiration of employment period, two.

(b) Permanent officers dismissed, one; temporary officers dismissed, one.

8. Ten (temporary).

EGGS—IMPORTS, ETC.

Mr. LADNER:

1. What were the imports of hens' eggs, by dozens, into Canada, (a) from the United States; (b) from all other countries combined, during each month in the year 1127, and for the months of 1928 on which the department may have information?

[Mr. Lapointe.]

2. What were the total imports of hens' eggs, by dozens, from the United States, (a) to the port of Montreal; (b) to the port of Toronto, during the same period?

3. How many dozens of hens' eggs have been exported from Canada, (a) to the United States; (b) to the United Kingdom; (c) to all other countries combined, during the above period?

4. What was the production and consumption of hens' eggs in each province of Canada during the year 1927?

Mr. RINFRET:

1. Imports into Canada of eggs in the shell (a) from the United State, (b) from all other countries, by months, from January, 1927, to February, 1928, inclusive.

Months	(a) Imports from United States	(b) Imports from all Other Countries
1927—	Dozen	Dozen
January	622,966	10,254
February	1,123,466	4,611
March	958,719	6,774
April	2,384	4,198
May	4,875	2,551
June	2,798	5,817
July	2,169	1,495
August	87,600	1,575
September	134,757	1,588
October	2,232	2,269
November	28,353	6,768
December	200,797	7,629
1928—		
January	22,234	7,276
February	26,567	9,332

2. Statement of imports from the United States of eggs in the shell entered for consumption at Montreal and Toronto each month from January, 1927, to February, 1928.

Months	Montreal	Toronto
1927—	Dozen	Dozen
January	292,154	184,446
February	437,130	421,048
March	435,420	204,515
April	21	123
May	1	109
June	—	132
July	—	—
August	60,000	11,400
September	47,520	60,000
October	—	—
November	173	24,960
December	113,853	32,970
1928—		
January	16,740	—
February	45	23,430

3. Exports of eggs (Canadian produce) to (a) the United States, (b) the United King-

dom, (c) all other countries, by months, from January, 1927, to February, 1928, inclusive.

Months	(a) Exports to United States	(b) Exports to United Kingdom	(c) Exports to all other countries
1927—	Dozen	Dozen	Dozen
January	36	—	14,075
February	48	—	5,260
March	24	—	10,395
April	135	52	5,767
May	181	300	4,840
June	108	—	4,080
July	—	—	7,230
August	—	—	19,063
September	330	210	9,860
October	231	22,500	10,515
November	456	90,000	17,340
December	162	193,500	31,508
1928—			
January	14,250	30,000	7,670
February	2,484	—	12,660

4. Production of "farm eggs" in Canada, by provinces, 1927.

Province	Quantity
Prince Edward Island	4,104,160
Nova Scotia	4,391,537
New Brunswick	4,591,884
Quebec	37,054,000
Ontario	102,099,079
Manitoba	18,693,055
Saskatchewan	34,433,633
Alberta	26,749,466
British Columbia	20,629,854
Indian Reserves	530,559
Total	253,277,227

AMHERSTBURG PUBLIC BUILDING—CARETAKER

Mr. GOTT:

1. Has the position of caretaker of the Dominion government building at Amherstburg, Ontario, been filled?
2. What caused the vacancy?
3. How many applications were made for the position?
4. By whom?
5. What qualifications were required?
6. Was the position under the control of the Civil Service Commission?
7. Was the position regularly advertised?
8. How many wrote examinations?
9. What were examination requirements?
10. Did party patronage play any part in the appointment?
11. Is it the intention of the government to accept a recommendation from any person in advance of examinations, made by the Civil Service Commission?
12. Is it the policy of the government, the Civil Service Commission, or any department of state, to accept recommendations from anyone in advance of regular examinations advertised and held for the purpose of filling departmental offices?

Mr. RINFRET:

1. No.
2. The resignation of Mr. E. P. Tunnicliff
3. Twenty-five.
4. Arner, Albert, Amherstburg, Ont.; Bowman, Frans, Amherstburg, Ont.; Cunliffe, John, Amherstburg, Ont.; Downsborough, Fred. J., Amherstburg, Ont.; Heyden, William J., Amherstburg, Ont.; Holdaway, Edwin E., Amherstburg, Ont.; Hunter, Ernest, Amherstburg, Ont.; Kell, George, 616 Parent Ave., Windsor, Ont.; Manson, William A., Amherstburg, Ont.; Mayville, Fred, Amherstburg, Ont.; McCloskey, William H., Harrow, Ont.; Pearce, Edwin H., Amherstburg, Ont.; Read, Harold L., 1069 Sandwich St. E., Windsor, Ont.; Renaud, Victor, Amherstburg, Ont.; Rolinson, Arthur C., Amherstburg, Ont.; Russelo, Lemuel S., Amherstburg, Ont.; St. John, Lender, Amherstburg, Ont.; Sample, Stanley C., Amherstburg, Ont.; Scriver, George E., Amherstburg, Ont.; Sills, Thomas, 1106 Wyandotte St. E., Windsor, Ont.; Sinasac, Melville A., Amherstburg, Ont.; Sprague, Ernest W., Amherstburg, Ont.; Wells, Charlie V., Amherstburg, Ont.; Wilkinson, George, Amherstburg, Ont.; Wright, Lawrence, Amherstburg, Ont.
5. "Ability to read and write and preferably primary school education; experience in janitor or related work; knowledge of modern cleaning methods and implements; ability to operate stoves, furnaces, or other minor heating plants; good physical condition."
6. Yes.
7. Yes, locally.
8. No written examination was held.
9. An oral examination was held in which the following factors were considered:

(a) The training and experience of the candidate fitting him for employment as caretaker; his record of employment, including record of integrity and sobriety.

(b) The intelligence and mental alertness of the candidate; elementary education; knowldege of modern cleaning methods and equipment, stores, furnaces and heating plants.

(c) Manner and personal appearance.

(d) Physical fitness to perform the duties required.

10. No.
11. and 12. The intention and policy of the government is to follow the provisions of the Civil Service Act.

MR. J. W. DUMOULIN

Mr. CAHAN:

1. Has J. W. Dumoulin, now or formerly customs and excise officer at Notre-Dame des Bois, county of Compton, in the province of Quebec, been dismissed from the service?

2. If so, what complaints were made against him and by whom were such complaints made?

3. Did he request that an inquiry into such complaints be made by the department?

4. Was his request complied with?

5. If not, why not?

Mr. EULER:

1. Yes.

2. A charge of political partizanship made by a member of parliament.

3. No, but on his behalf representations were made by the service bureau of the Canadian Legion of the B.E.S.L. who were informed that Mr. Dumoulin would be given an opportunity to be heard.

4 and 5. No further advice received, and it was understood that Mr. Dumoulin had left the district.

WOLFE ISLAND POSTMASTERSHIP

Mr. EDWARDS (Frontenac):

1. When did the position of postmaster of Wolfe island, Quebec, become vacant, and was it by resignation or otherwise?

2. Did the Civil Service Commission ask for applications for the position?

3. From whom were applications received?

4. Was the present incumbent recommended for the position by the Civil Service Commission?

5. Was the present incumbent recommended for the position by any person or persons other than Civil Service Commission, and if so, by whom?

6. Who is the present postmaster of Wolfe island, Quebec, and what is his remuneration?

7. Does he devote all his time to the position of postmaster or is he otherwise employed?

Mr. VENIOT:

1. 3rd October, 1927. Resignation of postmaster.

2. Yes.

3. James Dufferin Cosgrove, Howard Cartwright Tarrant.

4. Yes.

5. Postmaster was selected as a result of competition. The only recommendations received were letters of reference submitted with his application.

6. James Dufferin Cosgrove. Total remuneration including allowances and commissions, $772.84.

7. Post office conducted in conjunction with store.

[Mr. Rinfret.]

MR. F. R. GREGORY—FERTILIZER IMPORTS

Mr. GOTT:

1. How many carloads of fertilizer were imported into Canada by F. R. Gregory of Leamington, Ontario. during the year 1927?

2. How many carloads of fertilizer were imported into Canada by F. R. Gregory of Leamington, Ontario, during the year 1926?

3. How long has F. R. Gregory been importing fertilizer for sale on the Canadian market?

4. What is the appraised value of same to the importer per ton or carload lots as invoiced?

5. To how many sections in Canada was it invoiced or unloaded, and what sections?

6. What is the reported revenue of F. R. Gregory for the years 1920-21-22-23-24-25-26-27, first, as an employee of the Imperial Tobacco Company, second, through the sale of fertilizer, third, other sources?

Mr. EULER: It is contrary to the practice of the Department of National Revenue to give information which would disclose the business of an individual concern.

MR. WILLIAM P. MANZEROLLE

Mr. HANSON:

1. Has William P. Manzerolle of Shippigan, New Brunswick, been dismissed from the position of subcollector of customs at Shippigan, New Brunswick?

2. If so, for what reason?

3. Were any charges laid against Mr. Manzerolle, and was any investigation held? If so, by whom?

4. Who asked for his dismissal?

5. Who has been appointed to his position, and who recommended his appointment?

Mr. EULER:

1. Yes.

2. For neglect of duty and unsatisfactory service.

3. Yes. Yes. An assistant inspector.

4. The assistant inspector recommended his dismissal after investigation.

5. Alphonse G. Robichaud, appointed by Civil Service Commission.

*GOVERNMENT VESSELS—USE OF CANADIAN COAL

Mr. SMITH (Cumberland):

1. What reason can the government give for not supplying information in a return tabled on the 6th March, 1928, as sessional papers No. 162, requesting them to specify what proportion of United States coal and what proportion of Canadian coal was used by the Department of National Revenue on government steamers on the Atlantic coast Service during 1927 and up to the present in 1928?

2. Is the government unable to ascertain what proportion was United States and what proportion Canadian coal, of the 3,623 and 282/2,000 tons supplied for the use of the Department of National Revenue on government steamers on the Atlantic coast service during 1927 and up to the present in 1928?

3. Did the government, or any department of the government, issue instructions to captains of ships (who were authorized to pur-

chase coal for the use of the Department of National Revenue on government steamers on the Atlantic coast service during 1927 and up to the present in 1928) to purchase all Canadian coal?

Mr. EULER: Mr. Speaker, the department has no records with regard to the information asked for, but I may say that instructions have been given to all masters of vessels in the preventive service that they use Canadian coal wherever it is possible to do so. As a matter of fact, out of about thirty vessels only one has used American coal. This boat was built for service on the great lakes, and is equipped with force draught furnaces, which apparently makes it necessary to use American coal.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HISTORIC SITES

Mr. KENNEDY:

1. What historic sites have been marked by the Historic Sites and Monuments Board during each of the last ten years?
2. What was the kind of monument erected in each instance?
3. What was the cost of each monument?

Mr. STEWART (Edmonton):

Questions No. 1, 2 and 3.—

During 1922

"Cliff Site", Port Dover, Ont.; cross, 3 tablets; $1,372.99. Marking site of cross erected by Dollier and Galinee, claiming sovereignty of lands in Lake Erie region in name of King Louis XIV of France.

During 1923

Fort Beausejour, near Sackville, N.B.; cairn, 2 tablets; $723.15.

Fort Monckton, near Port Elgin, N.B.; cairn, tablet; $322.40.

U.E.L. Landing, Shelburne, N.S.; boulder, tablet; $289.05.

U.E.L. Landing, St. John, N.B.; boulder, tablet; $453.63.

Fort Lawrence, near Amherst, N.S.; cairn, tablet; $427.95.

St. Maurice Forges, near Three Rivers, P.Q.; cairn, tablet; $411.57.

Battle of Three Rivers, Three Rivers, P.Q.; boulder, tablet; $403.23.

Fort Laprairie, Laprairie, P.Q.; cairn, tablet; $514.37.

Second Battle of Laprairie, La Bataille, P.Q.; cairn, tablet; $424.33.

Old Simcoe House, Kingston, Ont.; tablet affixed to; $164.73.

First meeting place Ex. Council Upper Canada; Whig building.

Glengarry House, near Cornwall, Ont.; cairn, tablet; $475.28.

Battle of the Windmill, near Prescott, Ont.; tablet affixed to lighthouse; $172.70.

Battle of Crysler's Farm, near Morrisburg, Ont.; tablet affixed to large memorial; $156.30.

Mission Ste. Marie II, Christian Island, Ont.; boulder, tablet; $267.85.

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Mission St. Ignace, near Midland, Ont.; cairn, tablet; $392.83.

"Wintering Site", Port Dover, Ont.; cairn, tablet; $657. To mark wintering place of Dollier and Galinee, 1669-70, the first Europeans to have ascended the Great Lakes.

Battle of Chippawa, near Chippawa, Ont.; tablet affixed to park memorial; $168.80.

Battle of Frenchman's Creek, near Bridgeburg, Ont.; tablet affixed to park memorial; $147.45.

Battle of Cook's Mills, near Welland, Ont.; cairn, tablet; $444.65.

Battle of Fort George, Niagara-on-the-Lake, Ont.; cairn, tablet; $460.80.

Beechwoods or Beaver Dams Battlefield, near Thorold, Ont.; cairn, tablet; $425.90.

"Lock Site", Sault Ste. Marie, Ont.; cairn, tablet; $473.62. To commemorate the first Sault Ste. Marie Canal in use before 1802.

During 1924

Fort Charnisay, St. John, N.B.; boulder, tablet; $394.20.

Champlain's Habitation, Lower Granville, N.S.; cairn, tablet; $363.21.

First Printing Press, Halifax, N.S.; tablet in Province House; $186.88.

First Royal Dockyard, Halifax, N.S.; tablet in dockyard; $178.45.

Fort Crevier, Notre Dame de Pierreville, P.Q.; cairn, tablet; $366.93.

Battle of Odelltown, Odelltown, P.Q.; cairn, tablet; $410.15.

Port Stanley, Port Stanley, Ont.; cairn, tablet; $418.80. To commemorate the early visits of Louis Jolliet, Dollier and Galinee, the Celoron expedition, Sir William Johnson, Colonel Thomas Talbot. Also marks the site of the encampment of General Brock's expedition on its way to Detroit in 1812.

Ernestown Shipyard, near Bath, Ont.; cairn, tablet; $345.80.

Welland Ship Canal, Allanburg, Ont.; cairn, tablet, $420.92. Commemorating the turning of the first sod, 1824, which was the inception of establishment of navigation between Lakes Erie and Ontario.

Batoche, Sask.; cairn, tablet; $344.57. Commemorating the engagement of May 9-12, 1885, during the Northwest Rebellion.

Battle of Cut Knife Hill, Sask.; cairn, tablet; $389.28.

Frog Lake Massacre, Frog Lake, Alta.; cairn, tablet; $361.59.

Fort Livingston, near Rosthern, Sask.; cairn, tablet; $681.45.

Battleford, Sask.; cairn, tablet; $337.71. Commemorating the events which took place there during the Northwest Rebellion.

Fort Langley, Langley, B.C.; cairn, tablet; $413.45.

Nootka Sound, Vancouver Island, B.C.; cairn, tablet; $903.44. Commemorating its discovery by Captain James Cook in 1778, its possession by the Spanish, 1789-95, and the Nootka Convention of 1790.

Prince George, B.C.; cairn, tablet; $432.34. To commemorate the passage of Sir Alexander Mackenzie in June, 1793, on his way to the Pacific coast.

Fort Yale, Cariboo Wagon Road, Yale, B.C.; boulder, tablet; $301.09.

Prospect Point, Vancouver, B.C.; cairn, tablet; $530.19. Commemorating the events

associated with the steamer "Beaver", which historic vessel was built for the Hudson's Bay Company in England in 1835, and was the pioneer steamship of the Pacific ocean.

During 1925

Port Latour, St. John, N.B.; tablet and plate on Fort Howe; $212.20.

Fort Meductic, near Woodstock, N.B.; cairn, tablet; $437.85.

Battle of the Restigouche, Campbellton, N.B.; cairn, tablet; $447.64.

Fort Louisbourg, Cape Breton Island; two tablets in lighthouse; $450.94.

Fort Edward, Windsor, N.S.; cairn, tablet; $348.15.

Charlottetown, P.E.I.; tablet in Provincial building; $205.75. Commemorating the several events associated with Prince Edward Island, including its discovery by Jacques Cartier, 1534; surrendered to Great Britain, 1758; annexed to Nova Scotia, 1764; arrival of the Loyalists, 1783; first Confederation Conference, 1864.

Hochelaga, Montreal, P.Q.; boulder, tablet; $409.70. Commemorating site of fortified town visited by Jacques Cartier in 1535.

Fort Chambly, Chambly, P.Q.; tablet affixed to shelter; $350.66.

Fort Richelieu, Sorel, P.Q.; cairn, tablet; $363.52.

Fort Longueuil, Longueuil, P.Q.; tablet affixed to church; $216.65.

Tadoussac, P.Q.; cairn, 2 tablets; $584.69. Commemorating it as the oldest French establishment and Christian Mission station in Canada; the arrival of Jacques Cartier, 1535; and the war alliance of the French and Algonkins against the Iroquois, 1603.

Fort Charlesbourg Royal, Cap Rouge, P.Q.; cairn, tablet; $440.55.

Battle of Coulee Grou, Riviere des Prairie, P.Q.; cairn, tablet; $404.87.

Port Arthur, Ont.; cairn, tablet; $447.83. Commemorating Radisson and Groseilliers, the first Europeans on Thunder Bay, 1662; Wolseley's Red River Expedition, 1870; the construction of the Canadian Pacific railway in 1882, and the first elevator, 1883.

Fort Nottawasaga, near Stayner, Ont.; cairn, tablet; $410.22.

Selkirk Settlement, Winnipeg, Man.; cairn, tablet; $453.09.

Forts Rouge, Garrys, and Gibraltar, Winnipeg, Man.; tablet affixed to gateway of fort; $208.07.

Fort Calgary, Calgary, Alta.; cairn, tablet; $486.05.

Gonzales Hill, Victoria, B.C.; cairn, tablet; $820.95. Commemorating the exploration of the Straits of Juan de Fuca, 1787-1792, by the Spanish and British.

Fort Kamloops, Kamloops, B.C.; boulder, tablet; $380.30.

During 1926

Fort Nashwaak, Devon, N.B.; cairn, tablet; $412.

Nicolas Denys, Bathurst, N.B.; cairn, tablet; $416.99.

Fort Louisbourg, Cape Breton Island; cairn, tablet; $408.02.

Fort Lennox, Ile-aux-Noix, P.Q.; tablet affixed to gateway of fort; $210.80.

[Mr. C. A. Stewart.]

St. Louis de Blandford, Arthabaska, P.Q.; tablet on memorial; $187.20. Commemorating the early settlement established there in 1825 by Charles Heon.

Fort Three Rivers, Three Rivers, P.Q.; boulder, tablet; $454.28.

Fort de Maisonneuve, Montreal, P.Q.; tablet affixed to Customs building; $218.20.

Fort St. Jean, St. Johns, P.Q.; boulder, tablet; $429.27.

Fort Wellington, Prescott, Ont.; tablet affixed to gateway of fort; $224.55.

Fort William, Ont.; cairn, tablet; $433.49. Commemorating it as the gateway of canoe traffic with the interior and became later the lake terminal of great transcontinental railways. The first sod of the Canadian Pacific railway was cut June 1, 1875. The first sod of the Grand Trunk Pacific railway was cut September 11, 1905. The first grain from the west reached Fort William in 1883.

Port Talbot, Ont.; cairn, tablet; $473.14. Commemorating the public services of the Hon. Colonel Thomas Talbot, and the foundation of the Talbot settlement in 1803.

Waterloo Pioneer Settlement, Kitchener, Ont.; tablet affixed to large memorial; $227.50.

Fort Frontenac, Kingston, Ont.; tablet affixed to gateway of barracks; $244.05.

Death of Duke of Richmond, near Richmond, Ont.; cairn, tablet; $379.19.

Fort de Levis, Adam's Point, Ont.; cairn, tablet; $522.60.

Rideau Canal, Ottawa, Ont.; tablet affixed to Plaza bridge; $176.97. Commemorating the hundredth anniversary of the beginning of the construction of the Rideau canal in September, 1826, under the direction of Lt.-Col. John By, R.E.

Arctic Expedition, Ottawa, Ont.; Tablet in Public Archives; $206.07. In memory of those who perished in the Canadian Arctic Expedition, 1913-18.

Fort Walsh, Coulee, Sask.; cairn, tablet; $443.35.

Fort Macleod, Macleod, Alta.; cairn, tablet; $398.87.

Forts Edmonton and Augustus, near Edmonton, Alta.; cairn, tablet; $415.25.

Sir A. Mackenzie, Bella Coola, B.C.; shaft, tablet; $1,245.68. Marking the western terminus of the first transcontinental voyage.

During 1927

Yorkshire Settlement, Fort Beausejour Park, N.B.; cut stone memorial, tablet; $443.28.

Tonge's Island, Fort Beausejour Park, N.B.; cut stone memorial, tablet; $468.59. Commemorating it as a capital of Acadia, and its grant to Michel LeNeuf de la Valliere, 1676.

Sir Howard Douglas, Fredericton, N.B.; tablet in Parliament building; $202.80.

Joseph Wallet des Barres, Sydney, N.S.; tablet on Post Office building; $192.12.

Battle of Shannon and Chesapeake, Halifax, N.S.; cut stone memorial, tablet; $727.59.

Battle of the Cedars, Cedars, P.Q.; cairn, tablet; $502.14.

Battle of Lacolle, Lacolle, P.Q.; cairn, tablet; $445.08.

Battle of Ile-aux-Noix, Fort Lennox, P.Q.; tablet on entrance to fort; $213.43.

Madeleine de Vercheres, Vercheres, P.Q.; tablet affixed to large memorial; $191.17.

Fort Ste. Therese, opposite Ile Ste. Therese, P.Q.; boulder, tablet; $363.80.

Point Pelee, Point Pelee Park, Ont.; cairn, tablet; $354.39. Commemorating the Battle of Pelee Island, March 3, 1838, the engagement of May 28, 1763, during the Pontiac War, also the encampment of Dollier and Galinee in April, 1670.

McKee's Point, Sandwich, Ont.; cairn, tablet; $420.02. Marking it as the embarkation point of General Brock's troops to attack Detroit in August, 1812.

Kaministikwia Portage, Pointe de Meuron, Ont.; cairn, tablet; $452.56.

Fort Norfolk, Turkey Point, Ont.; cairn, tablet; $320.10.

Pointe au Baril, Maitland, Ont.; tablet affixed to tower; $239.20.

Jasper House, Jasper Park, Alta.; cairn, tablet; $497.43.

First Coal Mine, Nanaimo, B.C.; cut stone memorial, tablet; $547.73.

Indian Treaty No. 7, near Gleichen, Alta.; cairn, tablet; $595.58.

Fort Hope, Hope, B.C.; cairn, tablet; $486.55.

New Westminster, B.C.; cairn, tablet; $248.88. Commemorating it as the first capital of the colony of British Columbia, and the events associated with the royal engineers who aided in the development of the colony.

The above comprises all the sites which have been marked by the Department of the Interior on the recommendation of the Historic Sites and Monuments Board of Canada since the inception of this work in 1919.

RIDEAU CANAL

Mr. EDWARDS (Frontenac):

1. How much money was expended on the Rideau canal during each of the years 1922 to 1927, inclusive, (a) at Kingston Mills, (b) at Washburn, (c) at Brewers Mills?

2. In each of the years mentioned and at each of the places mentioned, how much money was expended for material or supplies in connection with repair or construction work, to whom paid, and the amount in each case?

3. Were tenders invited for supplies of material required, and from whom were tenders received, and what was the amount of the tender in each case?

4. If tenders were not asked for, on whose recommendation were the contracts for supplies awarded?

5. In each of the years and places mentioned in question one, how much was paid in wages to persons engaged in doing the work?

6. What persons were employed on the work in each year and place, and on whose recommendation were they so employed?

UNOPPOSED MOTIONS FOR PAPERS

ENTERPRISE, ONTARIO POST OFFICE

Mr. EDWARDS (Frontenac):

For a copy of all correspondence memoranda, reports and other documents, in any way relating to the appointment of the present postmaster at Enterprise, Ontario.

ODESSA, ONTARIO POST OFFICE

Mr. EDWARDS (Frontenac):

For a copy of all correspondence memoranda, reports and other documents, in any way relating to the appointment of the present postmaster at Odessa, Ontario.

MR. WILLIAM P. MANZEROLLE

Mr. HANSON:

For a copy of all correspondence, memoranda, writings and papers relative to the dismissal of William P. Manzerolle from the position of subcollector of customs at Shippigan, New Brunswick.

VANCOUVER HARBOUR COMMISSION

On the motion of Mr. Manion:

For a copy of the budget submitted to the Department of Marine and Fisheries of the late Vancouver harbour commission, by R. E. Beattie, of the Vancouver harbour board, in the summer of 1924.

Mr. MACKENZIE KING: Perhaps my hon. friend will allow the motion to stand until the Minister of Marine (Mr. Cardin) is in his seat. In the meantime I would direct his attention to an obvious error. "The late Vancouver Harbour Commission, by R. E. Beattie", evidently should read "The Vancouver Harbour Commission, by the late R. E. Beattie". The word "late" is in the wrong place.

Mr. MANION: It is merely a verbal error.

Motion stands.

INTERNATIONAL PEACE

MOTION FOR THE ESTABLISHMENT OF A GOVERNMENT DEPARTMENT

The house resumed, from Monday, March 26, consideration of the proposed motion of Miss Macphail:

That, in the opinion of this house, the time has come for the establishment of a government department for the promotion of peace and international understanding.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The mover of the resolution was, I believe, agreeable to having the matter rest at the point it had reached and not have the house divide upon it. In view of what was stated to be the government's attitude in a general way towards the proposal, perhaps my hon. friend will be prepared to withdraw the motion. I hope it will not be necessary to divide upon it.

Miss MACPHAIL: I am satisfied not to have the house divide on the question, but I am not satisfied with the attitude of the government.

Sir GEORGE PERLEY (Argenteuil): I rise, not to suggest that we should divide on the motion, but, if it is to be withdrawn, to say a few words before the matter is disposed of. I was exceedingly interested on Monday in listening to what the hon. member for Southeast Grey (Miss Macphail) had to say on the subject. The resolution proposes the establishment of a government department for the promotion of peace and international understanding, and notwithstanding some of the things that are sometimes said by members of this house, I do not think there is an hon. member who is not in sympathy with the spirit and the purpose behind the motion. Who is there in this house who would suggest that we are not all for the promotion of peace and international understanding? But the great problem is, how best can this be brought about? We on this side of the house are certainly as anxious as those on the other side that we should always have peace in this country. I say that advisedly. I have discussed the question on many platforms and I wish to emphasize that statement here, because this house may be interested to know that in the last election my opponents, not publicly but privately, from house to house, went about trying to persuade people "not to vote for Perley", for the reason that if the Conservatives came into power this country would be at war with Turkey or some other nation within a few months. That was one of the weapons used by my opponents, and I daresay it may have been used in other counties as well. I am therefore glad of this opportunity to express, as I did on every platform in Argenteuil, the opinion that we have all had enough of war. Our boys went to the front, as did the boys from all other parts of this great empire as well as from other countries, and they did so with the conviction that they were waging war to end war. This was the belief voiced in after-dinner speeches in London, where I was at the time, and no doubt in other places, at meetings in the Guildhall and elsewhere. And many of us really believed that this would be the happy outcome of the war.

Now some people may say that we are not all equally desirous of stopping war. I rather think that the hon. lady who moved the resolution (Miss Macphail) had it in mind that perhaps she was more for peace than most of us. I can assure her this is not so. I was on the other side of the water all through the war, and although I was debarred by age from taking part as a fighting man, I was at the same time in a position to see and to know, and to have brought home to me as fully as it was brought home to anyone else who was not fighting, the horrors and the evils of this dreadful business. I learned then that whoever participates in war loses, no matter who wins. I hope the hon. member for Southeast Grey will not suggest that we did not do our duty in opposing the schemes and plans of the Germans at that time, because it is quite evident to me, as it must be to everyone, that the Germans really contemplated imposing their will, their ideas and their methods upon the rest of mankind. Nor would this country have escaped had they won out. And the fact that they did not win out within the first few weeks of the war was almost a miracle. Indeed, I understand from the best military authorities that the Germans simply overreached themselves in those first few weeks. They went too far; they spread their forces too thin over France; otherwise they might have accomplished their object.

The hon. member referred the other day to the vast cost of the war and she suggested how much we could have done with the money in other directions for the improvement of the social position of our people. Certainly; we are all agreed on that. But while trying to avoid war in the future, let us be thankful that we were able to frustrate the plans of the Germans who wanted to enslave the whole world and that, in consequence of our share in the war, we are now able to meet in this free parliament of ours and discuss peace and the best way to promote it.

Almost the whole of the discussion so far has been along the line of governmental action. There are two phases to this question; one is the government and the other is the people, and I am coming to the question of how we can best educate the people that they may understand these questions as we do who are in public life. I was very much interested in the debate which took place the other afternoon and evening; it started out with the most kindly words and feelings on both sides of the house and again I wish to compliment the Minister of National Defence (Mr. Ralston) for the tone and spirit of his words on that occasion. I am sorry that before the debate was concluded, however, I was forced to wonder whether we were not going at this question of peace in a fighting sprit, because my right hon. friend the Prime Minister brought into his speech a great many things which were not germane to the discussion. He did not

seem to be able to refrain from introducing into his speech matters as to which there is at lease a political difference of opinion, and on which there might be even controversy. Why the occasion of a discussion on a motion such as this should be used by the Prime Minister to introduce matters which have been already discussed many times in this house I do not know, unless it was with the idea of hitting a blow at us on this side of the house. For instance, the right hon. gentleman referred to the Chanak incident, about which he read some extracts, among them one from a speech made by a gentleman whom I am proud to say was a friend of mine. I refer to Mr. Bonar Law, and I am glad to know that his son is in this city just now; it is a pleasure to see him here. The Prime Minister quoted Mr. Bonar Law in regard to the Chanak incident; I am sure no higher authority could be found, but what had that to do with this peace motion? Whether or not some members of the British government sent out a despatch without the knowledge of their confreres in the government is beside this question, and I wondered what my right hon. friend would say as to the joint responsibility of the cabinet with regard to all questions, when he drew the line as between certain members of the cabinet and the cabinet as a whole. He took to himself the glory for having stopped this European war. Well, Mr. Speaker, I hope he did, but I do not see the proof of it and I did not see that those quotations proved anything. I am not questioning the action he took at that time; I was not in the house then and I cannot discuss it now, but in his speech the other night I failed to find anyhing to prove his claim that he stopped this European war.

Mr. MACKENZIE KING: I think my hon. friend is crediting me with too much; I quoted from the remarks of one of his own friends.

Sir GEORGE PERLEY: I think if the right hon. gentleman will read his own speech he will find that he took to himself the credit for having stopped this war. At any rate, be that as it may, that question has been discussed many times; it is a past incident, and I fail to see what it has to do with the subject under discussion at present.

Then my right hon. friend made a reference to a matter in connection with which I certainly disagree with him; I refer to his claim that the appointment of a minister to Japan is a step in the direction of peace. He brought that forward as one of his reasons for saying that this is a peaceful government, ready to do everything possible in the direction of peace. Far be it from me to say that this government is not doing everything it can to help the cause of peace; I believe it is, as we all are, but I do not agree with the suggestion that the appointment of a minister to Japan is a step in that direction. That is something which we may discuss on another occasion, and I merely refer to it now to show that the right hon. gentleman might well have left out these matters about which there might be some controversy or difference of opinion, in view of the general tone of this debate. My own feeling is that we should have a joint foreign service for the empire, in which we should have our share. In such an organization Canadian boys would have an opportunity equal to that of boys from England or Scotland; we might have a Canadian in the position of ambassador for the British commonwealth in Japan, representing all parts of this empire. I do not think we can have half a dozen ministers in Tokyo representing the British Empire and still maintain that empire permanently, as I for one want it maintained. I believe that the appointment which has been made by the government is a step in the direction of independence. I am not going to argue that now; I mention it simply because I do not think the Prime Minister should have brought it up.

As one of the results of the war we have to-day that organization known as the League of Nations. All through history men have been trying to find a way to settle all kinds of difficulties without fighting; we know very well that putting a stop to duels and the carrying of side arms by individuals was not brought about in a moment but was the growth of years. To-day we are looking forward to the day when nations will settle all their troubles and problems without fighting, but we must not be in a hurry; we must not become impatient, because we cannot bring this result about by a wave of the hand or a nod of the head. I am not going to spend a lot of time explaining to this house what the League of Nations is or what it has done, because you all know that as well as I do. I have been one of the delegates to the assembly of that league, as have my hon. friend the Minister of Justice (Mr. Lapointe), the Minister of the Interior (Mr. Stewart) and other Canadians. I think they will agree with me when I say that the worst friends of the League of Nations are those persons who believe and say that the league can accomplish everything. The League of Nations has done a great deal; but it cannot

stop all wars now. If it is allowed to develop and if it receives the support, the help and the good will of all nations, some day it may be in a position to stop all wars. To-day it can stop many wars and has already done so, but I am not going to refer to these instances at this time. In addition to that, the League of Nations has considered questions such as slavery, public health and other social problems, and has done a great deal to ameliorate conditions of this kind.

Further than that, the international labour office is a part of its organization and so these questions regarding labour all over the world are discussed from year to year and attempts are made to help the people who work so that they may do so under sanitary conditions, and may receive decent wages for their labour. Now when I went to Geneva as delegate from Canada I must confess that I was very doubtful as to how much the League of Nations could accomplish. I was not very sure whether we were spending money wisely in supporting the league and sending every year our contribution from Canada. However, as a result of what I saw there I am firmly of the opinion that the League of Nations should get our full measure of support, as well as that of every good thinking person and every good-wishing government in this world. I feel that if nothing more were accomplished than the opportunity given the delegates from all parts of the world to sit around a table and discuss the questions that arise, the money that we pay to the support of the league every year is money well spent. We all know how much easier it is to come to an arrangement in business by sitting down face to face with a man and talking things over with him. Half an hour of discussion under these circumstances is better than perhaps a month of correspondence. That applies to the people of the world in the matter of discussions at the League of Nations in exactly the same way.

May I give a further illustration of what I mean? I was a member of the committee which had to decide on the proportion of the expenses of the league to be borne by each country. Now there were forty-five men sitting round that table, each delegate representing a different country, and I do not know that you could suggest any question more knotty, more likely to end in misunderstanding, and as to which there would be greater difficulty in coming to an agreement, than this question of the distribution of the expenses of the league. We met many times and often it looked as though we should never arrive at a settlement. My old friend, Sir Herbert Ames, who was the financial director of the league, was present at every meeting. He was interested in getting this question settled on a fair basis. He was not particularly anxious as to what percentage each country should contribute so long as he got the money he needed. But Sir Herbert sat there and helped us in his suave way by contributing all the information he possibly could. Now as I say, it looked to me sometimes as though we should never arrive at any settlement. At the table where I sat I had on one side of me the delegate from Great Britain, and on the other side a man from Chili. Opposite me there was a man from Bulgaria, and a man from China. Some of us may have had the idea—some of you still may have it—that in the case of the delegates of some of the countries represented, like the Balkans, you might not care to meet them anywhere unarmed. We found that any such idea was completely erroneous. I was not able to exchange much conversation with the delegate from Bulgaria, who sat opposite me, but we passed each other cigarettes and endeavoured to be as friendly as we could. May I say that I found that every man who spoke on the question of the distribution of expenses was acting in good faith, was putting forward and supporting the position of his own country just as I was doing on behalf of Canada; I saw no signs among those delegates of any desire to take advantage of anybody else. After discussing this question at many meetings we at last came to a vote on various items as to which a difference of opinion existed. The decision reached was not unanimous, but the minority accepted the situation, and when we went with our report on the distribution of expenses to the assembly of the league that report was accepted and passed. The plan was only a tentative one, it was only intended to apply for a year or two. Later the matter was again taken up and discussed and a permanent arrangement arrived at. I feel that it is only fair that I should contribute this expression of opinion with respect to the work of the League of Nations.

Now, I wish to say a few words upon the question of action by the people, or endeavour to have them understand better the issues involved. The hon. member for Southeast Grey made one suggestion during her speech that particularly appealed to me. The hon. member, as reported at page 1697 of Hansard, said:

> And how little money it would cost the government to make a gift of books for the promotion of peace. These books could be issued to our public and school libraries. We have Rhodes scholarships in this country. We might

establish peace scholarships on a somewhat similar plan, allotting a scholarship to each province.

I believe, sir, that we should back up the League of Nations. The government places in the estimates every year the amount required to pay our share of the league's expenses, we on this side of the house are happy to support them in so doing. Canadian governments representing both political parties have sent delegates to the assemblies of the League of Nations, and I think I am within the mark in saying that on the whole the men we sent there bore themselves well and created a good impression in the assembly itself and at Geneva. In my opinion something should be done to help the people of this country, and the people of other countries as well, to understand this question. Something should be done to bring before them the objects of the League of Nations and the benefits which it seeks to bring about so that they will thoroughly grasp the questions at issue and stand behind their governments in supporting the league to the utmost. The suggestion of the hon. member for Southeast Grey is very much in line with that idea. The Minister of National Defence (Mr. Ralston) said that we ought to rely a good deal on voluntary organizations in the matter of educational work. May I point out to the Prime Minister and the government that there is in Canada a voluntary organization called the League of Nations Society. This society has been formed for what purpose? For the purpose of augmenting the numbers of those who support the league, of getting new members to join, and of distributing throughout this country information about the league. It is striving to teach the men, women and children of this city and of this country the objects of the league, pointing out what the league has accomplished and what it hopes to be able to carry out in the future. In other words, that is the organization through which we may hope to obtain the peace and understanding to which the motion refers. In Great Britain they have an exactly similar society called the League of Nations Union which has done splendid work and which has been strongly supported by the people of that country. The League of Nations Union had at its head in the first place Lord Robert Cecil, now Lord Cecil, about whom I need not say very much in this house as his name is well-known throughout the world. He was the most living force in the early years after the war in getting the League of Nations well started and the people of Great Britain to understand its usefulness. He was head of the League of Nations Union until he became a member of the government and since then Professor Gilbert Murray has been at its head. Both of these gentlemen were at Geneva the year I was there and both of them are almost crusaders for peace and for the idea of stopping wars between nations. In Great Britain this League of Nations Union has been very successful; it has a very large membership: some important men have been identified with it and have gone about the country speaking on its behalf. The other day one of them, Colonel Carnegie, was here speaking at the Chateau Laurier and the Minister of Justice and I were both present among others listening to him telling about the work of the league and what their hopes for it were.

We have in this country the counterpart of the League of Nations Union in this organization called the League of Nations Society of which Sir Robert Borden was originally the head, and over which Sir George Foster now presides. That organization has been endeavouring to put into force exactly the ideas which the hon. member for Southeast Grey spoke of in this quotation I have read in regard to the schools. It has had prepared a pamphlet without bias, without anything in it to offend any person no matter what his race or religion may be, and it hopes to have this pamphlet distributed through the schools in order that the children may learn about the work of the League of Nations. I may say to the Prime Minister that this society has done everything possible to put, and I believe has succeeded in putting, its endeavours on a basis that no one objects to, so that nobody can criticize or find fault with any of the various pamphlets the society has distributed or the ideas it has promulgated. That being the case, may I ask the hon. member for Southeast Grey whether she does not think the government might use this League of Nations Society, an organization all ready at their hand, for the purpose of bringing about a better distribution of ideas and information which I believe we ought to have spread throughout the country about the league if we are going to be able to support it as strongly as we should?

Mr. MACKENZIE KING: On the representations of that very society the government has included in the estimates for this year a vote of something like $2,250 to aid the society in the work of which he has spoken.

Sir GEORGE PERLEY: I realize this and I am very glad of it. I am prepared to support it when it comes up in the house. I

could not resist the opportunity of giving the house my ideas regarding the distribution throughout the country of information about the work of the league. Governmental action is all very well; the government do and should ask the Governor General to sanction estimates to pay the expenses of the League of Nations; the government do and should send delegates to the assembly and arrange for the gentleman who is a member of the council of the league to attend that body. Now it was said the other day quite truly that the people have the spirit of peace. No one could get up on a platform to-day and argue in favour of war. But although they have the spirit of peace, they require to be informed as to the best way of bringing about peace, and I say that the best instrument for peace that at present exists is the League of Nations. Therefore I feel that the men, women and children of Canada and of every other country supporting the League of Nations should be provided with the fullest information about its activities and the good which it is doing. The action of the government in inserting in the estimates something for the League of Nations Society is to my mind a wise one. I hope they will consider the matter further and do more in that direction.

Just how the idea of the hon. member for Southeast Grey in regard to the schools can be carried out, I am not sure. That is a matter for the provinces. Each province must decide for itself, whether it will distribute any leaflet at all, and if it decides to do so, it has then to determine what leaflet or papers it will distribute. The little leaflet of the League of Nations Society has been prepared in such a way that I believe it is acceptable to all races and all religions. Therefore it is hoped that the different provinces may see their way to distribute the same leaflet to the various schools within their borders. The hon. member for Southeast Grey must remember that the Dominion government has no power in regard to a matter of this kind. It comes entirely within the purview of the provinces. I want to thank the house for the patience with which they have listened to my few remarks on this subject about which I am just as much interested as the hon. member for Southeast Grey, although we may not quite agree as to the best method of bringing about what we want. We want no more wars, we want peace always, but I am afraid we cannot expect to get exactly that for some little time. Therefore let us support the League of Nations and its ideas as strongly as we can as being the only organization of its kind the world has ever seen, or at any rate the only one we have at present, and one that has already done a great deal of good in the way of bringing about that peace among nations which we all desire.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I think the house is to be congratulated on the remarks made by the last speaker (Sir George Perley). His observations on the League of Nations, while perhaps not so spectacular as some of the speeches that have been made during the debate on the resolution, have contained more practical and fruitful suggestions regarding the ideals of the resolution than many of the speeches made the other day on this question. There has been sometimes a little reluctance in this house to pass votes for the expenditure of the League of Nations, and I hope that the remarks of the hon. member for Argenteuil will be borne in mind and will prevent any opposition to that vote when it comes down.

Although I would not like to go to the extent of preventing the motion being dropped, I am opposed to dropping it. We have already spent a great deal of time in discussing it. Either the object of the resolution is desirable and necessary, in which case the resolution should be passed or at least pressed to a vote, or else it is unnecessary and its introduction was useless. I am not at all in favour of bringing up these discussions which last for a long time and which end later on in the resolution being withdrawn. Either resolutions of this kind have a purpose, or they do not have a purpose, and if this resolution has a purpose—

Mr. FORKE: What about the sermon on Sunday? Do we take a vote on that?

Mr. NEILL: The Minister of Immigration asks me about the sermon. I will ask him to direct his attention to answering a question which I asked him six weeks ago, to which I have not got an answer yet.

Mr. FORKE: I will answer it to-morrow.

Mr. NEILL: That is what you said six weeks ago.

Mr. FORKE: That is no answer to my question, however.

Mr. NEILL: If we are to deal only with the academic suggestion that peace is more desirable than war, that is all very well, but it does not get us very far, and it is so absolutely obvious that everyone in this house and in Canada is in favour of peace rather than war that there is no necessity to assert it by means of a resolution in this house. As a matter of fact, the resolution

does not assert that, if you will read it carefully. The discussion has wandered off into abstract phases of the question of peace and war, and entirely departed from the terms of the resolution, to which I would draw the attention of the house.

The resolution asks this house to declare that the time has come for the establishment of a government peace department, with all that that involves—a minister, a deputy minister, an assistant deputy minister, and so on all the way down. That, and only that, is what we are asked to do. We certainly would not grudge the expense of such a department, large as it would be, if it would be effective, but I maintain that it would not really be effective.

What is the object of this department when it is put into operation? It is to "promote peace and international understanding". Very good. Well, it cannot be the promotion of peace in Canada, because we have peace in Canada, and there is no need to talk peace in Canada. It therefore must be confined to the promotion of peace with our international neighbours, more particularly, I presume, those in Europe. Let us picture to ourselves that we have got this department established, and that we have appointed a minister, with a deputy minister and all his following behind him. We will say that the Minister of Immigration is at the head of such a department, and that it is his duty to promote international understanding and friendly relations with countries abroad, and so he goes to London and Paris and Berlin. How would he be treated there? He would be treated with the greatest courtesy and politeness, I know, but the idea that would immediately occur to these governments, and which would be conveyed to him, would be that his efforts would be best carried out through the established machinery for that identical purpose, the machinery named by the hon. member for Argenteuil, the League of Nations. It is proposed that we set up a boy to help do a man's work, when that man is apparently fully qualified, as qualified as we can make him at present at any rate, to do that work. But we are to set up a piffling little department to replace the efforts of our representatives in the League of Nations. Would the head of this department be present at and address the League of Nations? Not necessarily, because we have there our own representatives who engage in discussions, as so well said by the hon. member for Argenteuil, that lead to better understandings among the various nations of the world.

I agree with the hon. member for Argenteuil that this resolution had far better have taken the line of a strong endorsation of Canada's entrance into the League of Nations and a strong endorsation that Canada should remain a member of it, holding up both hands of our representatives there to push forward the objects of peace and international understanding among the nations of the world. That, I think, would have been more effective than to put forward this resolution that we should start, and necessarily in a small way as compared with the League of Nations, a government department of our own to promote peace, with the consequences of sending a man over there to be a sort of fifth wheel to the coach in promoting peace and understanding, when we already have larger and more effective machinery right at our hand in the League of Nations.

Mr. H. C. HOCKEN (Toronto West Centre): Having regard to the hunger of many friends of hon. gentlemen opposite for public office, it is rather surprising, Mr. Speaker, that the government is not ready to create this new department. It would take care of a great many of the faithful, at very excellent salaries, and make one more opening for some aspiring member, like the hon. member for Saskatoon (Mr. Young) perhaps, to become a minister, and then there would be also a deputy minister, with all the usual string down to the stenographer, the messenger, and the office boy. We can catch a beautiful vision of how the government would be able, by creating this department, to satisfy a great many of its friends who are clamouring for more of the sweets of office, and so I think we must give credit to the government for its renunciation of this opportunity to look after so many of its friends. It is not like the government at all, and just why they seek to escape this opportunity I do not know. At the same time it is encouraging to note that a chance to add greatly to the expenditures of the country is resisted.

Mr. CHAPLIN: They may change their minds.

Mr. HOCKEN: That remains to be seen, but after what the Prime Minister (Mr. Mackenzie King) has said I fancy there is not much likelihood of that.

I think every member of the house will give to the hon. member for Southeast Grey (Miss Macphail) credit for sincerity, even though we do not agree with her resolution as being necessary. While many of us may think she is wrong in a great many of her views, I think the impression she has left upon the house ever since she came here has been that she is firmly convinced that her

views are right and should be put into effect. It is a good thing to have independent members like that in the house. I am sometimes one of those, and I think the member for Southeast Grey has contributed materially to the excellent spirit that pervades the parliament of Canada. But at the same time I think the gesture she proposes —because it cannot be anything more than that—is rather a futile one in any attempt to promote peace. I do not know anybody in Canada who wants war. There is no war spirit in Canada; there never has been since I was born. All the wars that we have been engaged in have been those which threatened the empire, and believing that the destruction of the empire is analogous to the destruction of civilization we have felt it our duty on more than one occasion—although the empire was only partly threatened in 1900—to organize contingents and send them abroad to serve with the imperial army for the preservation of the empire. Well, Mr. Speaker, I hope that that will always be the spirit of Canada. I do not say that because I am a subject of the king, although that is one reason; I say it because I firmly believe that the strongest agency for peace in the world to-day is the British Empire. I am quite certain that the imperial statesmen have no desire for another war; they are showing evidence of that almost every day in proposing reductions of armaments. I am equally certain that none of the dominions desire war, least of all Canada. We have never had a war on our own account since 1812. We have lived for over one hundred years in amity beside a great nation with an overwhelming population, and through all these years we have grown to be a peaceable people, desiring peace and ensuing it. So I do not think it is necessary for us as a parliament, or as a people, specifically to go on record as being opposed to war. Our whole history attests that without any necessity of our passing a formal resolution in this house.

But, Mr. Speaker, when I survey our situation as a dominion of the empire, I come to the conclusion that there is no likelihood at all of our becoming involved in war on our own account, that so far as we participate in any war in the future we must take the lead from the imperial government. I can easily imagine Great Britain embarking in a war that would not require the assistance of the dominions, or of the cause being such that the dominions should say: We will not take part in it. But I feel sure that this country as a whole will be sympathetic towards all military operations that may be conducted by Great Britain.

[Mr. Hocken.]

I recall, sir, last year an incident in which my hon. friend took a small part, and the hon member for Winnipeg North Centre (Mr. Woodsworth) took a large part, when the troubles arose in China. The cry then of a certain section of the people of Canada and of practically the whole soviet government of Russia was: Hands off China! I heard my hon. friend from Winnipeg North Centre make a speech in Montreal on that theme in which he was associated with many foreigners of different nationalities. Well, what happened on that occasion? This country stood in line with Great Britain—not to enter into war, but our moral suport was with Britain and against the forces of disruption and agitation then operating in China at the instigation of the soviet government. Their part then in fomenting trouble has since been proved as fully as anything can be proved. But the British government, with a wisdom to be admired by every reasonable, peace-loving person, took certain military precautions to protect their nationals in that country. I need not traverse the whole subject, Mr. Speaker; I merely point out that as a result of the policy laid down and carried out by the imperial statesmen, China has ultimately been brought to a comparatively pacific state. Of course I am not familiar with all the steps that were taken; I base my information on what has appeared in the newspapers, but as the lawyers say, the only thing that counts is the verdict; and the verdict on Britain's maintaining her position in China is all to the good, and the stand she took must be admired by every person who desires peace. Because, what would have happened if Britain had adopted the cry of hands off China? The soviet government would have had a free hand, and might have succeeded in starting—what they undoubtedly attempted there—a revolution that they hoped would spread throughout the world and make the Third Internationale the supreme arbiter of the destinies of mankind. We cannot survey that and other world crises without feeling confident that the men who steered us safely through such trials and perplexities are not going to lead us into disaster. So I say that this Dominion, pacific as it is, and a part of the most pacific power in the world, will be safe in keeping herself from being embroiled in any warlike operations by taking a lead from those men who have such a large experience in statesmanship, and possess facilities for knowing what is happening in every part of the world, the secret as well as the open things.

I am not at all alarmed, Mr. Speaker, at the prospect of the growth of a war spirit

in Canada. As I say, I have been here quite a while; I have never discovered such a spirit. If it is in evidence at all it would be manifest, I suppose, in the size of our active militia. But our militia force has never been very large. It was scarcely large enough to repel the incipient invasion that was attempted in 1866. There is no desire now, and there never was, on the part of the people of Canada to embark upon war. In many Canadian homes another war is feared with all the intensity that arises from the losses that were sustained in the last war. Our taxpayers are carrying a burden that reminds them of the war every time the Minister of Finance, through his subordinates, sends them a tax paper. Surely these are sufficient deterrents.

But there is another and still stronger guarantee of peace—the spirit of our people. We are trying to build up a great country, to develop the immeasurable resources that Providence has bestowed upon us. It is a peaceful task and one that engages all our energies, leaving no room for the development of a war spirit. We have no armament manufacturers in the Dominion; at least, I do not know of any. Not that we are incapable of producing armaments, sir, as the late war disclosed. When occasion required it, this country was able to engage successfully in that work. We have the initiative and the genius to defend ourselves, and we have the spirit, when necessary. But the underlying sentiment of the people of Canada is a desire, aye, a passion for peace, and that is very much better, as I think my hon. friend for Southeast Grey will admit, and much more effective than would be the creation of another department of government. The government of this country properly must submit to public sentiment, and any government returned to power here would hesitate to defy that sentiment. Therefore, while the people desire peace so strongly this or any other government would certainly carry out their wishes in that respect.

After all, it is not a government that makes a nation; it is the man and the woman. The individual man and woman doing his or her part to the best of his or her ability day by day is what makes a nation great, prosperous and respected; and with all that is before us nothing could be more unlikely than that there should develop in this Dominion anything that might be said to approach a warlike spirit. The people of this country are determined to live in peace with all nations if possible. I do not think, however, that as a people we are prepared to accept peace at any price. It is, of course, always possible to have peace. If one surrenders one's convictions politically you will have political peace; if one surrenders one's loyalty or one's convictions as regards self preservation there can be national peace. But peace at any price I regard as an absolute disaster and I am unable to appreciate the spirit of those passive resisters who would take no part in defending their country. I do not think they are numerous in Canada; they are confined to a very small circle. Nor do I say that these people lack courage. But they have a idea that no matter what happens they should turn the other cheek. Now I want to live in harmony with everyone but I am not one of those who turn the other cheek always. I do not think a man is just right unless he is willing to defend his convictions, and a people are not right unless they are willing and able to defend their country. So that peace at any price is not to be thought of. The mother country could have had peace on the occasion of the great war by violating its treaty with Belgium, but that is not the kind of stuff the British people are made of. They entered into an engagement, to which the German kaiser was a party, and when he violated the treaty there was nothing for honourable people to do but to say, "You must observe that treaty or we will assist those whom you threaten." Peace at any price would have saved the British nation something like thirty billions of dollars and a million lives—for a time. But it would ultimately have resulted in the subjection of that nation to the Germans, and that would have been worse both for Great Britain and for Canada, worse than the loss of sixty-five thousand lives we suffered, the million lives lost to Britain, and the vast material treasure wasted in the war. After all, to live your own life and have your own liberty is the greatest thing in the world, that that is what we were fighting for in 1914. We were fighting for that great civilizing agency, the British Empire, in 1900.

I want to pay my compliment to the Prime Minister for his effective reply to this resolution. He pointed out to us, what I think was most convincing, that all departments of government, not only those created specifically for peaceful purposes, like that of the Minister of Labour and the Department of External Affairs, but the whole government, constitute an agency for peace, desiring it, seeking it and willing to have reasonable arbitration in cases of difficulty in order to maintain permanent peace in the country. And that I think is the right policy. That, to my mind, is much better than to have one department set aside

which might have some difficulty in securing cooperation at all times, to do a work which ought to be the work of every minister of the government. It is the joint responsibility of the cabinet to maintain the peace and prosperity of the country; that responsibility rests on every minister and through him upon the individual voter. That being the case, I think the motion is rather futile. I do not intend that statement at all as a reflection on the hon. member for Southeast Grey, but it does not get us anywhere, and I do not think it could.

If I understood the Prime Minister correctly, he suggested that the appointment of an ambassador to Washington was one of the peaceful agencies. I do not believe that the appointment of Mr. Massey to Washington will produce war; I am not at all afraid of that. But we had one hundred years of peace before we had an ambassador at Washington. I do not think we can do much better than that, and I am rather disposed to put less value on the appointment of ambassadors than does the Prime Minister. What I think we should endeavour to avoid is to have our own representatives come in conflict, and create confusion, with the ambassadors of the Imperial government. Our affairs have been well looked after. They may be more intimately looked after now, and as to that time will tell. But I do not think our past history will prove that the appointment of an ambassador to Washington was necessary to maintain peace between the two countries.

I believe, with my hon. friend from Argenteuil (Sir George Perley), that the League of Nations is a very interesting attempt to bring about some method by which arbitration will be adopted and permanent peace finally established. I have not that implicit faith in its possibilities that some people have. At the same time I think a man would be somewhat rash and unwise who attempted to discredit the possibilities that lie within that organization. It is all in the future. There have been instances of disagreement and there probably will be others. While it costs a good deal of money, I presume that is divided up among the different countries, and it is a mere bagatelle compared with the propaganda which is spread throughout the world as a result of the creation of that body. Propaganda for peace is being carried on by the League of Nations perhaps more successfully than it could be carried on by any other agency, and certainly better than could be done by any one nation. Consequently there is a great deal to be hoped for from the work of that organization.

[Mr. Hocken.]

As I have already said, we have had one hundred years of peace with the United States. My explanation of that, sir, is that it is due to the fact that we know each other, to the intimate association of Americans with Canadians, the travel to and fro, the social connection between the two nations, the fraternal and even sporting relations which exist. In all the details of our lives we are associated with the United States in some way or other. We take their money and erect great factories to provide work and subsistence for our people; we welcome delegates to their conventions in this country as brothers. There is a community of interest between the people on the one side and the people on the other side of the boundary line. But there is one other thing which I think contributes to that result, although perhaps hon. gentlemen opposite will not agree with me. I offer my opinion with some hesitation, but I think a common language has had as much to do with the maintenance of peace between these two countries as anything else. It is a common language which has made our commercial and social relationships so intimate. Such a condition could not exist if we had different languages on each side of the border, and I am convinced that as time goes on and the English language is spread throughout the world at the rate it has been spreading for the last fifty years particularly, the possibility of permanent peace will be greatly enhanced. It is not that the English language is any better than any other language; I am not offering that argument, but it has become the language of commerce, and commerce has a great deal to do with peace between nations. If it were possible to organize a United States of Europe, with a common language, many of the jealousies which now exist would disappear. I know I am suggesting something which is impossible, but those jealousies are created by a lack of knowledge of the other countries.

Mr. CAHAN: May I ask a question? Is the English language the language of commerce in America, north and south, at the present time? Certainly it is not.

Mr. HOCKEN: I disagree with my hon. friend, but he may have his opinion while I have mine. I say the 120,000,000 people to our south speak English almost entirely, and I do not think my hon. friend can question that statement.

Mr. CAHAN: Certainly not, but the language of commerce with other nations is the language of the nation with which you deal.

Mr. HOCKEN: And more and more that is becoming the English language.

Mr. CAHAN: Not a bit of it.

Mr. HOCKEN: If you knew as much about commerce as I do you would agree with me.

Mr. CAHAN: If you knew as much about those states as I do you would not make that statement.

Mr. YOUNG (Saskatoon): We certainly need a department of peace here.

Mr. SPEAKER: Order.

Mr. HOCKEN: Let me conclude with this statement: It is the intimate knowledge of each other which is most likely to bring about that era of permanent peace which we all so much desire. I quite agree with my hon. friend from Southeast Grey in her desire and passion for peace, but I am unable to see how that end will be advanced by the creation of a new department of government.

Mr. C. H. CAHAN (St. Lawrence-St. George): Since this question of peace now before the house enables us to air our own idiosyncrasies in the parliament of Canada, I presume I may add a few words to this peaceful discussion. We are all in sympathy with the efforts made to secure peace in this country and thoughout the world, but I entirely agree with the statement of the Prime Minister (Mr. Mackenzie King) that the organization of a special department of government will do and can do little to promote peace in this country or in the world. The object and purport of the resolution, in a general sense, is acceptable to the whole house, but in its present form, calling for the organization of a new department, I certainly could not approve of it and would have to vote against it.

Among my earliest memories are stories which I heard in my childhood, stories of the Indian Mutiny and of Williams of Kars. Then there were the stories concerning my own grandfather, who was the commander of a British ship, and of his only son who was a lieutenant with him fighting in the Crimean war. The later military incidents which interested me were the war pictures in the Illustrated London News and in the newspapers containing from day to day the despatches relating to the Franco-German war; the baptism of fire of the Prince Imperial; the siege of Sedan; the communist occupation and domination of Paris. I later remember going each night to the post office when the mail arrived late, as was often the case in the country village where I lived as a lad, to obtain the latest news of that memorable siege of Plevna, in which every boy of that time took an interest either on one side or the other. Even before that I remember the Canadian boys coming back from the war between the North and the South, in which many of them had enlisted, and from then until the last great war we have had many wars of different kinds. We must recognize the fact that there is an instinct in human nature which insists that men and nations shall fight for the causes which they regard as sacred.

I have had a lot to do with boys; I have brought up two families of boys, yet I have had a perfect contempt for the robust boy who would not fight for his rights at school if those rights were unjustly infringed upon by a neighbour. I find in my experience of life that there are matters of honour and dishonour in connection with which every man in this house would lay down his life rather than sacrifice what he might regard as his own honour, his dignity and his rights as a man. I pray God for peace for Canada, but I pray God that Canada and Canadians may not be so oblivious to their rights as a nation and as a people that in a sacred cause they would refuse to lay down their lives for their country if necessary. Therefore, while we are for peace and while we should exert every effort to maintain peace, I hope the boys and girls of this country will be also taught by their fathers and mothers, as I was taught, that there are sacred causes in which the value of a man's life is as nothing, and that it should be sacrificed, if need be, for the cause of his country, to maintain the rights of his country's government. The maintenance of peace and the preservation of our national life go together, the two principles must be taught together, if we are to become a strong, valiant, self-reliant, Canadian nation, and I think the one element must be emphasized in our teaching as well as the other.

I regret some of the side issues brought in by my hon. friend who has just spoken (Mr. Hocken). I regret that he has brought in the question of language, brought in the idea that the spread of the English language is necessary to promote the cause of peace. I doubt it much. Take the great continent of South America, which is expanding even more rapidly than we are expanding here on the northern half of this continent. Great nations are developing there, nations with courts of law which. I sometimes think, ours do not excel; nations with fine educational institutions and great libraries. In the little city of Bogota, the capital of Colombia, 8,500

feet up in the sky, there is a library with which I do not believe any library in Canada can quite compare. Take their educated men. Whether it be law, whether it be medicine, whether it be literary attainment or commercial endeavour, many of them are superior to us in education and culture—education and culture obtained through a different language and under a southern sky, and with which ours may hardly compare; and we are not likely to wipe out the languages which the peoples of these races learned at their mother's knee and imbibed with their mother's milk.

Mr. HOCKEN: I did not sugest any such thing, if the hon. member will allow me to say so.

Mr. CAHAN: You are not likely to wipe out the Spanish language south of the Rio Grande, or the Portuguese language in Brazil, or the French language in Canada.

Mr. HOCKEN: All right, now you have got that off your chest.

Mr. CAHAN: Well I intend to get it off my chest every time my hon. friend endeavours, as a representative Canadian, as a representative of the Conservative party in this house, to make it appear that his is the idea which should prevail in this country.

Mr. HOCKEN: I made no reflection on the French language. My only statement was that English was becoming the language of commerce, that is all.

Mr. CAHAN: English is becoming the language of internal commerce in America if you call the United States, America.

Mr. HOCKEN: No, I say all over the world.

Mr. CAHAN: All over the world it is not so. The greatest asset this country has in the way of developing trade with South and Central America—to which I firmly believe a great part of our attention should be directed, because the future well being which we may attain in Canada through industrial and commercial endeavour will undoubtedly be attained through commerical intercourse with that southern continent—the greatest asset we have in promoting that trade is the fact that we have 3,000,000 of educated French speaking people in Canada to help to carry it on. Their facility in acquiring other languages is a great asset, and the commercial language of the world is not one language. The commercial company or undertaking that wishes to carry on international trade must be in a position to carry on that trade in the language of the people with whom it seeks to deal. Moreover a knowledge of more than one language—as we experience in this house, and as we must experience in this country—enables us to understand the thought and mentality of other people in a manner otherwise impossible. And if we want peace and unity in this country—which is more desirable for us than peace and unity in Europe—the best way of promoting it is for English Canadians, so far as possible, at least to learn to read the two languages which prevail in this country in order that they may understand the mentality of the French-speaking people who are our confreres and our brother Canadians, and whose cooperation is absolutely necessary if we are to attain the ideals which we all have in common, if we are to develop a great, stable, Canadian nationality.

One other remark—and I may as well use the phrase of my hon. friend and "get it off my chest"—and it is this: The League of Nations is an instrument for promoting the peace of the world. In that respect it should have our cordial cooperation as a parliament, and particularly our cordial cooperation as Canadians. But the League of Nations covenant imposes upon the Canadian government and the Canadian people grave responsibilities that we ought, from time to time, to reconsider and discuss. I wish to suggest to the Prime Minister that with regard to the doings of the League of Nations and the action of the delegates whom we send from time to time, either to Geneva to participate in the assembly or to take part in the council of the league, or to serve upon its various committees and at the conferences which are called by that great body, the government should annually clearly enunciate to us what objects it has in view and how far it cordially assents to the resolutions passed from time to time. There are some resolutions adopted from time to time—I am not going to go into that question now—which impose upon this country grave duties and responsibilities, and which I sometimes fear may impose too great a burden upon the government and the people of this country.

I have expressed myself with more ardour than I intended. Because as you all know I am a most peaceful member of the house in every way. It is only when my hon. friend the Solicitor General (Mr. Cannon) and I—who are the best of friends, and I am sure, drawn together by a bond of mutual respect that could not be shattered—are drawn into personal controversies across the floor of the house that our inherited Irish temper gets the advantage of us. Otherwise I am a most peaceful citizen, as my hon. friend is. But

to resume a rather disjunctive statement, we are in entire sympathy with the member for Southeast Grey. The mentalities of men and women, however, are very divergent; the experiences of life in the case of men and women are very different. I am in cordial sympathy with all the efforts of the member for Southeast Grey, in the way of social reform and have an esteem and respect for her that I do not now care to express. But I was brought up in a different atmosphere, trained in business and public affairs in an entirely different way, schooled by entirely different experiences of life, and I must take rather divergent views on many questions from those which she entertains. We are glad the hon. member has brought forward this resolution. Expressed in the form in which it is I would have to vote against it, although I am entirely in sympathy with the object she has in view.

There is, however, another side to this subject. Twenty centuries of Christian teaching have not wiped out war. Human nature remains to-day very like it was in the days of the Roman and Greek civilizations. The times are coming, although I believe I may not live to see them, when great conflicts will arise on the Pacific, when the commonwealth with which we are associated will again be in danger. There are times coming which will again try men's souls, when the parliament and people of Canada will again be called upon by this country, by the spirit of devotion to country which is born within them, to take part in great conflicts, and we shall undoubtedly take part in them. Therefore do not let us, as members of the parliament of Canada, imagine that wars have been abolished forever. They may be no nearer being abolished to-day than they were two thousand years ago. But let us train our people to a devotion to the cause of peace, a desire to promote peace. Let us impose upon our government, if imposition is necessary, the will to peace. Let us watch our Department of External Affairs, the Department of Trade and Commerce and every other department through which we come into contact with other countries, so that we may make sure that we always maintain high-minded and honourable dealings with the nation to the south of us and with all other nations with which we come into contact. But having done that, when the crisis comes and the vital national interests of Canada are again at stake and can be defended only by war, let us pray God that our children and our children's children will be as prepared to fight for this country as the children of this generation have been prepared to do their full duty for their country and for their king.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, it was not my intention to take part in this debate; but considering the great latitude which it has assumed and the many subjects which have been discussed under the motion, I thought I might say something. After all this is only a theoretical discussion. As nearly every speaker has said, there is in Canada no war party, there never has been and it is not likely there ever will be. Consequently as we hear these discussions with more or less the same speeches delivered year after year on a subject that is of practically no interest to Canada, as there is not and never has been any fear of war abroad, are we not bound to conclude that this is a great deal of waste of time and money? While I was listening to the speech of the hon. member for Winnipeg North Centre (Mr. Woodsworth) in which he pronounced one of his tirades on the people of Canada in general, I could not help wondering whether, after all, if we have to listen to many such speeches, it was really worth while winning the war. I should like to remind him that had it not been for the forces that fought in the allied army in the last war, the hon. member for Winnipeg North Centre would not be able to stand up in this house and deliver such a speech. They fought for his liberty, for his freedom of speech, and for the liberty of the people of this country. Had they not successfully fought, the hon. member for Winnipeg North Centre would be to-day jumping at the command of a German sergeant-major rather than rising to speak at the sanction of the Speaker of the House of Commons.

I agree with the last speaker, the hon. member for St. Lawrence-St. George (Mr. Cahan), that much as we may hope and pray for peace in this country, we cannot change the disposition of the people overnight, as happened to Saul of Tarsus, and create a different heaven and a different earth. Therefore the wise people of this country, the wise people of the world to-day are the people who will pray and work for peace and yet be ready for war if it comes. The hon. member for Labelle (Mr. Bourassa) referred the other night to England's preparation for war before the last disaster of 1914. I wonder if he knows what position and condition England was in at that time. Had England been properly prepared for the last war, do hon. members think it would ever have occurred? All we have to do is to cast our minds back on the records of this very house. What did we listen to in 1913 and 1914 when the naval debate was in progress? Hon. members in this very chamber or the chamber that preceded it, laughed at the

possibility of war, although everybody who knew the inside workings of Germany and the preparations going on in that country knew that war could not be long postponed. What was happening in Germany during those times? She had for years been preparing for war. She had built her strategic railways right up to the very borders of Belgium. She had brought her army in 1912 into a state of perfection. The Kiel canal was to be finished in 1913. France was the only country that, seeming to realize her danger, had reorganized her army, but it would not be at its perfection until 1915, and it is no secret that the military men in England and France predicted that war would come, and that it would come between two definite periods—and it did. Lord Roberts, Sir William Robertson, and many others held that opinion. What was the condition of Great Britain, France and Germany when war broke out? Germany was able to throw into battle 130 divisions inside of sixty days if necessary. France was the next best prepared.

Mr. BROWN: Might we have the discussion confined to the resolution instead of having recited the history of many years ago?

Mr. McGIBBON: France, as I said, was the next best prepared. She had only seventy-five divisions; Russia had only fifty, and Great Britain, that the hon. member for Labelle said had made such great preparations, had only six. That was the condition in which Great Britain found herself at the outbreak of hostilities in 1914. It is a matter of common knowledge in history that had Great Britain, France and Russia at that time had armies equal to meet the emergency which was and had been confronting them for some years, no war would have broken out on that occasion and that great catastrophe would have been averted.

It is always well not to get far away from earth, because heaven is a long way from some of us; we have to stay here and face the practical things of life. As the hon. member for St. Lawrence-St. George stated, human nature is to-day pretty much what it was before and we cannot deny that fact. What is there to-day that will draw the vast crowds and gates that a prize fight will? Is there on earth anything else that will do it? Human nature from the dawn of time has had the same instincts and will continue to have them. People will fight for the preservation of their life and liberty whenever necessary. In making that statement I do not mean to infer that people want to do this; but there is always a class that will override the liberties and rights of others, and there are on the other hand people who have manhood enough about them to defend their liberties and rights when they are so overridden.

I am not just sure of my ground here, but I rather think I am right when I say that when the message came to this country in connection with the Chanak incident, which we all realize now was more or less of a blunder, information was sought as to whether or not Canada was willing to stand by her treaties. Was not that behind it?

Mr. MACKENZIE KING: No, no reference to that.

Mr. McGIBBON: Did we not have a treaty with Turkey?

Mr. MACKENZIE KING: That was not referred to.

Mr. McGIBBON: But was not that behind it? Was not that the spirit of it?

Mr. MACKENZIE KING: I do not think so.

Mr. McGIBBON: Was it not necessarily based on that hypothesis?

Mr. MACKENZIE KING: Not at all.

Mr. McGIBBON: Was not that treaty being violated?

Mr. MACKENZIE KING: No.

Mr. McGIBBON: I take the Prime Minister's word for it because I have not been able to look up the matter although I was inclined to the view that the treaty was being violated and that a request came to this house whether we were willing to abide by the treaty which we had signed. However I accept the correction of the Prime Minister if I am wrong. The Prime Minister said that on that occasion he practically saved the peace of the world or at all events, peace so far as Canada and the empire was concerned. I should like to ask him what he did when a much greater opportunity arose in connection with the treaty of Locarno, a treaty which to my mind surpasses every other effort that has ever been made to preserve the peace of Europe This country stood aside and refused to take any action at all in connection with that pact. I asked the Prime Minister across the floor of the house two sessions ago whether the government were going to take any action in connection with that pact. He gave me an evasive answer, and finally the government did what we knew from the first they would do—they refused to take any action at all.

Mr. LAPOINTE: Hear, hear.

Mr. McGIBBON: The Minister of Justice says, "hear, hear," I agree with him to this extent, that we should not be held responsible for any treaties to which we are not a party and about which we have not been consulted, but for the life of me I cannot see how this country is going to go on as a nation within a nation, so to speak, a nation within the British Empire, and not to some extent at least share the responsibilities of that empire. I think the time is coming, and it must inevitably come, as pointed out by Sir Robert Borden during the war and during the imperial conferences following the war, when we must have joint responsibility as well as joint freedom of action. One must go with the other, and if we are going to work for peace, I agree with those who have said here this afternoon that the greatest agency for peace in the world to-day, or that has ever existed in the world, is the British Empire, and if this country is desirous of securing the peace of the world, there is the channel along which we should work. I say again that in my opinion if the British Empire as a whole had got behind the Locarno pact, that action would have been one of the greatest influences for the peace of Europe and one of the greatest opportunities to work for peace that has ever been presented in my time at least.

The hon. member for Southeast Grey (Miss Macphail) says that she is opposed to force, or at least I inferred that from her remarks. I had in my hand yesterday, although I have not got it at the moment, an extract from one of her speeches delivered in the city of Regina in which she said that the only thing to do with this government was to take it by the throat and hold it up against the wall and make it do things. I wonder if that requires any force, or is this government so weak, metaphorically speaking, that all you have to do is to threaten it and it will collapse.

I have a great deal of sympathy, Mr. Speaker, with the Minister of National Defence (Mr. Ralston). He is a man whom I think we all respect and admire, and those who know him best, I believe, think the most of him. I have a great deal of sympathy with him in the position in which he finds himself. He is administering a responsible department, and he has practically on two or three sides of him a hostile following. Although he is not in the house at the moment, I want to assure him that in any reasonable measures he takes towards perfecting that department and bringing it up to standard, so to speak, so that it will be ready for any emergency that may come—and God forbid that it may come—he will have my support. I believe that as a self-respecting nation we should make adequate preparation for any emergency that may overtake us. I hope that this parliament will never again exhibit the spectacle that it presented before the outbreak of war, when speaker after speaker in this house got up and ridiculed the possibility of this country ever being drawn into a European war.

So far as the participation of Canada is concerned, I do not think there is any danger of this country having to send troops out of Canada without the sanction of parliament. I believe from the facts that it would be absolutely impossible. I think the Prime Minister will agree with me that should any such emergency arise, there would be no money available for the purpose of sending out troops, and consequently parliament would have to be called and the money voted before any such action could be taken. But I do think that this and any other self-respecting country should lay the foundations sufficiently well that around a skeleton of a military defence organization we could build up the forces nececssary for self-protection in time of emergency.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I shall not occupy the time of the house for more than two or three minutes. I merely wish to enter my protest against one or two expressions which have been used by previous speakers. But before doing so, I want to say that I stand where I believe every other member of this house stands, and where I believe every citizen of the Dominion of Canada stands, in absolute unanimity in regard to the spirit which prompted this resolution. I do not think there is any division of opinion in Canada at all on that, and I do not think there ever has been, at least not for one hundred years.

In regard to the establishment of a special government department, with all the usual machinery from minister, deputy minister, and so on down, I do not think that is necessary, and I am confirmed in that view by the fact that our Prime Minister (Mr. Mackenzie King) has succeeded in stopping one or two wars himself. I think, therefore, that instead of a whole new department being created, if the Prime Minister had as his able assistants the hon. member for Southeast Grey (Miss Macphail) and the hon. member for Labelle (Mr. Bourassa), forming a committee of three, they would cause all the crowned heads of all the countries in the world to tremble at the very thought of bringing on a war. So, Mr. Speaker, I do not think that such a department is at all necessary.

I cannot agree with the suggestion made by the hon. member for Toronto West Centre (Mr. Hocken) that if such a department were formed, the hon. member for Saskatoon (Mr. Young) should receive the portfolio as minister of peace. With all due regard and respect for the hon. member for Saskatoon, in my humble opinion he has no qualifications whatsoever for that position, I would suggest —I know he will not take this as disrespectful from me—that if the government, following their usual course of unwisdom, should provide such a department, unquestionably the gentleman who should be appointed as minister of peace, and who well deserves the honour, because he is a recent recruit to that side of the house is the hon. member for Lisgar (Mr. Brown). The hon. member for Lisgar approves that, and by his vociferous applause indicates that in his own mind he is perfectly qualified for the post.

The two points which I wish to deal with are these. In referring to the statement made by the hon. member for Labelle (Mr. Bourassa) I hope no one will misinterpret my attitude towards him. I beg to assure you, Mr. Speaker, and the house that I entertain no feeling of animus or hostility towards the hon. member.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I am glad that that sentiment meets with the approval of my friends opposite. On the contrary, I pity the hon. member. And, Mr. Speaker, as you know, pity is akin to love. I say at once that the grand passion has not up to the present reached an embarrassing stage so far as I am concerned, and I have an idea that it has not yet inconvenienced the hon. member. But I protest against his use of the expression "warmongers". There are no warmongers in Canada, and there never have been. There are no warmongers in England. I would venture to say if there is any difference in the degree of zeal of hon. members for peace, then the palm must be given to those who actually participated in the war—to the hon. Minister of National Defence (Mr. Ralston) and to other hon. gentlemen. None are more determined against war and none are more inclined for peace than they. They know what war means much better than those of us who stayed on this side. There is no sentiment for war in this country. It does seem to me that there is a disposition on the part of some hon. members rather to create an impression throughout the country that there are members in this house and people throughout the Dominion who are trying continually to drive Canada into war, and that those hon. members who are creating that impression should be put upon a pedestal and lauded to the skies as particular and heaven-sent apostles of peace.

The other expression to which I take exception was uttered by the hon. member for Southeast Grey (Miss Macphail). She said the peace tower was erected for the glorification of war. Why, sir, you might just as well say that the statues surrounding this building to Mackenzie, Cartier, McGee, Macdonald and Laurier were for the glorification of politics. Not at all. They were placed there by men of all shades of politics to do just honour to great Canadians who had made sacrifices and given to their country worthy service. Is the statue in yonder entrance to the memory of Baker, once a member of this house, erected there in order that the boys and the girls and the men and women of Canada who come to see the parliament buildings of their country should have a higher regard for war than for peace? Not at all. The memorial was placed there because his fellow-members of parliament were proud of the course he pursued. And so with the peace tower. To suggest that it was erected for the glorification of war is an insult to the country and to parliament. It is intended for no such purpose. It is intended to bring to the minds of visitors to this country that we who are today enjoying certain privileges have not forgotten the great sacrifices which many of our sons and brothers made in that great struggle from 1914 to 1918. That is what it is there for. Sir, I have a son who took part in the war. Fortunately he came back. Had it been otherwise I would still be proud indeed that my country did not forget him, but inscribed his name on the glorious roll of the book of remembrance deposited in that tower.

It strikes me as expressing a very perverted idea, to say the least, to refer to yonder tower and the memorials being erected there in the honour of the boys who gave their lives in the great struggle as the glorification of war. The person who entertained such a view would have to fold up the Union Jack, because it has always been associated with the struggles of Great Britain and the dominions—not merely our struggles in time of war, but also our struggles and achievements in times of peace. Why should we erect memorials to those who have written their names on the book of fame in times of peace for great achievements in science, literature and art, and forget or refuse to recognize those who have given their lives in war time in doing what they conceived to be their duty in defence of their country? Quite

properly we erect such memorials, but in commemorating those who have fallen on the battlefield we do not glorify war. They did not become soldiers because they wanted to slaughter their fellow men; they fought for their country from a high sense of duty and willingly sacrified their lives in its defence.

I object strongly to the hon. member's suggestion that we have erected the peace tower as a glorification of war. It seems to me it is tantamount to imputing to this house and to the country a lack of appreciation of the value of peace. Nay, sir, it goes further than that, it is indirectly an assertion that the men in whose memory it is erected went overseas and engaged in a slaughter that was congenial to them. The assertion can mean nothing else. The marble brought from the battlefields of Belgium and France and the stones brought from the old country. all so beautifully combined, will never, I am sure, in any sense appeal to us as a glorification of human slaughter in war, but will remain for all time to come to tell future generations of Canadians that between 1914 and 1918 Canada had sons who were worthy of their glorious ancestors.

Mr. H. A. STEWART (Leeds): Mr. Speaker, it has been my privilege to occupy a seat in this house for some years. During that time I have heard many resolutions discussed, some at great length and others not so extensively, but I do not think I ever remember a resolution having as its basis such a unity of sentiment as that upon which this resolution is based.

The object of the resolution is the promotion of peace and international understanding. Well, whatever may have been conditions in years gone by, I am sure that at the present time there is but one thought, one desire, one aspiration on the part of the Canadian people, and that is the promotion of peace and international good will. We have in this country, of course, many organizations: we have, for example, the parliament of Canada. Now I venture to say that there cannot be found either in this house or in the senate one member who is not earnestly in favour of the promotion of peace and international good will. We might also go through the nine legislatures of the provinces and I am sure we should find the same condition, the same sentiment actuating the members of those bodies. We might take our municipal councils and all other organizations and find the same spirit prevailing. Take the schools, the thousands of our teachers in Canada: I am sure that not one of them is promoting anything but a desire for peace and international good will.

Assuming, then, that we are all agreed upon the necessity and the desirability of the sentiment embodied in this resolution, it becomes a question of method, a question of how we can best promote and strengthen the sentiment which we all hold in common. As I have said, there is no one I know of who is opposed to this sentiment. Therefore, so far as our internal affairs are concerned, it does not appear that there is necessity for any organization to promote this sentiment in Canada. Nor does there appear to be any danger that Canada is to be involved in the near or in the remote future in any war originating on this continent. If there is any danger from war we are agreed, I think, that it must come from Europe, where there are many divisions, where there are deep-rooted prejudices, where there are misunderstandings —small countries adjoining one another in close rivalry, where there exist old feuds, old quarrels and differences of language and race, which differences are very strong, very keen and sometimes very bitter. A department organized in Canada such as is suggested by this resolution would have very little if any influence upon the situation over there. It would have no influence which we cannot exert through the existing organizations we have in this country. As has been pointed out by the Prime Minister (Mr. Mackenzie King), we have a Department of External Affairs whose very title reminds us that it deals with our international relations; and as far as we know this department is discharging its duty, is working well, is promoting international good will and friendship. And the appointment of ambassadors or representatives in these foreign countries cannot, I submit, but have some effect.

Then, of course, we have over and above all these, as pointed out, the League of Nations, the greatest effort that has ever been made in human history for the establishment of international good will and the making impossible of war. We all wish that organization success. It is young; it is a new experiment; it is perhaps the only partnership in which so many nations are united with one common purpose and one common object. I repeat, therefore, that we wish it well, for it is an organization through which we can exert the greatest measure of influence in our common effort for the promotion of peace and good will. That organization is endeavouring to hold up an ideal to the world. I do not think that its proceedings are well enough known to the people at large, and I quite approve of the suggestion that has been made that they should be studied more carefully by the members of this house, that they should

form the subject of debate, and that there should be a greater dissemination of this information through the schools of the country.

I submit that everything at the present time tends in the direction of peace and international good will. The experience of the recent war has but one lesson for the world, and that is the failure of war, the horror of it, and the desirability of finding some other method for the solution of international difficulties. The nations are engaged in an endeavour to bring about a large measure of disarmament; they are more and more invoking the method of arbitration for the settlement of international disputes. Commerce is more and more becoming world-wide. Our communications by radio, our rapid transportation systems, are all calculated to promote peace, to bring about better understanding and to make for the object expressed in this resolution. It comes back, therefore, to the question of method and whether we shall for the present allow these influences that are undoubtedly at work to develop, to see how far they may be successful. Such an organization as we might set up under the terms of this resolution would, I think, have very little influence in Europe. I do not think it would have any influence whatever beyond the influence we are able to exert through existing institutions. Therefore, while quite agreeing with the spirit of the resolution, I submit that the method suggested is not calculated to promote the high purpose which the hon. member for Southeast Grey (Miss Macphail) has in view.

It is well that from time to time we should have discussions such as this. No matter how firmly we believe anything, it is worth while sometimes to restate our convictions, to reaffirm them, to make them known to the world. It does not appear at present that any practical result can come from such an organization as is proposed by the resolution. I am glad that we have had this discussion; I know members of the house are better informed and that we are more firmly resolved, if that be possible, to do everything in our power for the promotion of peace and international understanding. On this continent we are particularly fortunate in that we have no warlike aspirations; the United States have no such desires, and while we have had many questions which in other countries might have led to acute differences of opinion and perhaps to war, by friendly methods we have been able to settle those disputes. I think we have set an example to the world in this respect, and I think Canada occupies the peculiar position of an interpreter between the conflicting ideas and institutions of the old and new worlds.

We have had a very thorough discussion on this question, Mr. Speaker, and I do not think I can add anything of value to it. I simply wish to state that while I am absolutely in sympathy with the object of the resolution I do not think the establishment of a separate department of this government would contribute anything substantial or really worth while to the purpose of the mover of the resolution.

Mr. SPEAKER: Is it the pleasure of the house that the hon. member shall have leave to withdraw her motion?

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker—

Mr. SPEAKER: Of course this reply will close the debate.

Miss MACPHAIL: I had not thought of carrying on the debate to-day, but since it has been carried on I hope I may be allowed to say a few words before asking the house to permit the withdrawal of the motion. It is apparent that there is peace and peace, because with some of the sentiments which have been expressed to-day I find myself in very strong opposition. If they were peace speeches that is not the sort of peace I am seeking. I was almost alarmed on Monday when all the parties in this house were endorsing almost everything in the resolution; I thought times had changed, but I feel more at home to-day.

While we believe we are always right and while we have a superiority complex that nothing can puncture, there is no use talking peace. Of course that goes to show that we should have a department which will try to teach us the truth with regard to our own position. I respect the mentality and the views, or at least the views, of everyone in this house, but I certainly do not understand how they arrive at some of their conclusions. The hon. member for St. Lawrence-St. George (Mr. Cahan) dragged in the Crimean war, perhaps unhappily. I believe it was Lord Salisbury of England who said long after the Crimean war that England had backed the wrong horse. I suppose a lot of people died because England backed the wrong horse, but if anyone had said so at the time there would have been a great hullabaloo; they would have been unpatriotic. The hon. member also said that on this subject women have different views from men; I hope to heaven he is right. That should be a good argument why the women of his province should be given the franchise. Half the people of

Canada are women and there seems no good reason why the voice of the women in regard to peace and war should not be expressed in this house, and also through the actions of the government. We do believe that women have a different point of view in regard to war; women place human life on a higher plane than men have placed it in the past, because women have suffered more that life may be.

I want to say just a word with regard to the statement made by the hon. member for Frontenac (Mr. Edwards), who dealt with what I thought about the boys who went overseas. I can say what I think; I will not ask the hon. member to interpret my mind for me. I will take second place to no one in the respect, the honour and the love I hold for the boys who willingly sacrificed themselves between 1914 and 1918, and I want the sacrifice they made to be crystallized into such action as will prevent the same thing happening again. I certainly do not intend to reflect upon the men themselves or upon their relatives and friends, whose hearts were torn and bleeding and who naturally sought to do the thing that has always been done when they commemorated in marble and stone the brave acts of the men of this country. If that were all they did I should wholly agree with it, but other than that I cannot qualify the statement which I made the other day. I believe I spoke the truth, although others may not so believe.

Then for a moment I would like to refer to the speech of the Prime Minister (Mr. Mackenzie King). I am wondering to-day how he likes the company he is in. Everyone who spoke to-day considered that the Prime Minister made a very good speech. I have heard him make good speeches, but I did not consider that to be one of them. The statement of the government, through the Minister of National Defence and the Prime Minister, is something like this: "We want security, and we are trying to win it in two ways; through education, which we leave to all the departments, and through military preparedness, which we carefully organize and put under the direction of one of the ablest men, if not the most able man, in the cabinet. But the idea that security can be obtained by wiping out suspicion, fear, and ignorance we leave to everybody, and what is everybody's business will be well done." That was the argument advanced by those gentlemen. The Prime Minister said my view was narrow, that I should not have asked for a department to promote peace because that was a narrow or limited view. The Prime Minister's idea that all the departments will promote peace is so broad that it is flat. The Prime Minister is a sensible and clever man, and he knows as well as I do that what is left to all the departments will not be done by any. He might have said equally well, "Why have a department of Justice?" Surely the Prime Minister is not going to say that all the departments of the government are not striving for law and order. If that is the case, why have a Department of Justice with a minister at its head?

Mr. MACKENZIE KING: I would ask my hon. friend if she would wish a special department for law and order? That is the very point I was making.

Miss MACPHAIL: What is the Department of Justice for? We have a department for law and order. I would say that the spirit of the government is in favour of law and order, so why have that department? All the departments are interested in agriculture, especially at election time, yet we have a department to promote the welfare of agriculture. All the departments are interested in labour, yet we have a Department of Labour. I am afraid that argument does not hold water.

The Prime Minister also stated that I said I would be satisfied if the present Minister of Justice (Mr. Lapointe) were at the head of the department suggested, and he asked if I realized that he would be bound by the solidarity of the government. If the Prime Minister reads my speech he will find that I said I would be satisfied to have the Minister of Justice at the head of this department if he were free of the cabinet; I was not taking a chance in the world.

For military preparedness we will spend $18,000,000 this year; for the League of Nations $2,000 and for the Inter-parliamentary Union about $200, or some such small amount. We will spend a total of $2,200 for peace, the thing which is everybody's business, in support of which 245 members raise their voices while they give their votes and influence for military preparedness and the security obtained in that way. I am going to suggest to the Prime Minister again, and to the government, that they listen to the suggestion made by the member for Winnipeg North Centre (Mr. Woodsworth) that we would be satisfied for the time being if one hundredth part of the amount that is spent for military preparedness this year be expended in promoting international peace and good will. That would give us this year the sum of $18,000. Then if someone were placed in

charge of the expenditure of that sum of money who really believe in the idea of achieving security through better international understanding, very much could be accomplished even during the present year. Some of the statements made in the house to-day, as well as some that were uttered on Monday, make me think that a deep knowledge of the causes of war and of the part the nations of the world have played in bringing about war, is very much needed in Canada. It certainly is not true that our cause is always right. If it were we never could go wrong, and we need never worry. But it is not true, it cannot be true, that an individual is always right. The same is true of some gentlemen to my right who have spoken to-day—they are not always right. Neither can a nation be always right. Why do we not look at this matter in a commonsense sort of way?

I enjoyed the address of the hon. member for Leeds (Mr. Stewart). It was a very kindly address, and in it the hon. member said that the schools are promoting peace. I wish that statement were true. I do not think it could be true unless our schools had most exceptional teachers. The text books at present in use do not tend to promote peace. During the last half dozen years the churches have been awakening to the importance of this matter and I think they are now striving to promote peace. But until we can get the people in the several provinces of Canada to demand from their governments that the text books used in the schools be absolutely fair, I do not believe the cause of peace will advance very far. If only the Dominion government were willing —they are not at the moment, and in the present temper of the house I am not sure that I want them to set up a department—but if they were willing set up a department to promote peace energetically, we could make a great advance in the desired direction. Soon we should have action on the part of the provincial governments to see that the text books used in the schools are absolutely fair and impartial and that the statements they contain are absolutely accurate.

We have had, I believe, a valuable discussion and it has done some good. It has disclosed that we do not all look at the question of peace in the same light and it also denotes that public opinion in this country is pretty strongly in favour of peace. Had this resolution been introduced seven or even five years ago, I fancy it would not have been met in the same kind manner that it has now. I ask to be allowed to withdraw the motion, hoping that in the recess the government may see fit to set up some agency, possibly in the Department of External Affairs, to acquaint the people of Canada with the steps which they have taken to bring about international peace and good will. Even these facts are not known to the Canadian people. If the government do not see fit to do anything in the direction indicated between now and next session, the question can be reintroduced in some other form.

[Miss Macphail.]

Mr. SPEAKER: Is it the pleasure of the house that the hon. member have leave to withdraw the motion?

Motion withdrawn.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter:

Ottawa, March 28, 1928.

Sir,

I have the honour to inform you that the Deputy of His Excellency the Governor General will proceed to the Senate chamber to-morrow, Thursday, 29th of March, at 6 p.m., for the purpose of giving the royal assent to certain bills.

JAMES F. CROWDY,
Assistant Secretary to the
Governor General.

PENALTY OF THE LASH

PROPOSED INFLICTION AT BEGINNING RATHER THAN END OF IMPRISONMENT

Mr. J. L. BROWN (Lisgar) moved:

That, in the opinion of this house, when a judge imposes the penalty of the lash in addition to a term of imprisonment, the full penalty of the lash should be inflicted at the beginning rather than at or near the end of the term of imprisonment.

He said: I think I am entitled to the sympathy of the house—

Mr. EDWARDS (Frontenac): Mr. Speaker, I rise to a point of order. I beg to refer you, sir, to the votes and proceedings of January 30th last in which it will be found that the motion is worded differently from the manner in which it appears here.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): The motion which appears in the votes and proceedings on the date in question reads as follows:

That, in the opinion of this house, when a judge imposes the penalty of the lash in addition to a term of imprisonment, the full penalty and the lash should be inflicted at the beginning rather than at or near the end of the term of imprisonment.

The wording of the present motion has been changed, the word "of" having been substituted for the word "and". I submit that is a material change in the sense of the resolution. As originally worded the motion was utter nonsense; now there is some sense in it. I do not believe that the hon. member for St. Lawrence-St. George could vote for the motion as originally worded, and I do not say that he would do so now. At least the motion is more sensible in form, and it is possible to commend it to the consideration of the Minister of Justice and the Solicitor General who were deeply concerned with changes in the wording of certain resolutions a short time ago. I should also like to commend it to the Minister of Railways, if he were here, and point out to him that it is his duty to get up and speak on behalf of those who have motions lower down on the order paper and see that they are not unfairly superseded. As I say, the resolution has been materially changed. Manifestly it would be utterly impossible to inflict the full penalty and the lash at the beginning of a sentence. If a man were sentenced to three years imprisonment and the lash he could not be given the full penalty and the lash at the beginning of his term; he could not receive the lash and undergo three years' imprisonment at the same time. So far as I am concerned, I should be quite willing not to press the matter if I could divest my mind of any possible thought that the Minister of Justice and the Solicitor General would favour the hon. member for Lisgar even if they were not disposed to favour me.

Mr. BROWN: The hon. member for Frontenac-Addington has correctly stated the facts. This resolution is not exactly in the form in which it first appeared. I put the resolution on the order paper very early in the session, and did not read it until some considerable time afterwards. Then I noticed that the word "and" appeared instead of the word "of" in the document which I had sent to the Clerk of the House. I did not change it for a considerable time. I thought probably the best way would be to wait until the resolution was moved in the house and then make a correction of what was very obviously a printer's error. I suggest, Mr. Speaker, that any member who could not see that that was obviously a printer's error is lacking in ordinary intelligence. The hon. member for Frontenac-Addington either has not that sufficient intelligence, or else he credits me with very little ability to express my thoughts in plain English. The fact that this argument has been raised reminds me of a certain class of people that lived in the east about 1,900 years ago. They were spoken of as "scribes, pharisees and hypocrites." They were people who were supposed—

Mr. EDWARDS (Frontenac): I rise to a point of order.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order, please.

Mr. EDWARDS (Frontenac): I do not think the accusation means anything with respect to this side of the house, but still I had entertained the idea—

Mr. SPEAKER: I did not hear the phrase employed by the hon. gentleman.

Mr. BROWN: I said I was reminded of a class of people who, 1,900 years ago were spoken of as "scribes, pharisees and hypocrites," and their distinguishing characteristic was their regard for the exact letter of the law.

Mr. SPEAKER: Although it is far fetched, yet the hon. gentleman is too familiar with parliamentary rules to use such expressions, Bourinot is very clear on the subject.

As to the point of order, I do not think it is necessary to argue it at any further length. The hon. member for Frontenac-Addington said that he did not press it. There is evidently a misprint; the word "and" should be "of". Now that the word "of" is substituted, we will let the matter stand at that.

Mr. BROWN: At this late stage in the afternoon I would not have thought of proceeding with this motion were it not for the fact that I do not expect to be here when the next private members' day comes, and consequently my motion would go off the order paper altogether, so that I should not have an opportunity of presenting what seems to me to be a most important resolution, because if we were able to have a proper discussion, indeed if I had only half an hour to speak, I think I could show that there is a necessity for taking action and for amending our law in this regard. In the nature of the case I must shorten my speech very materially. I wish it to be understood in the first place that I am not dealing with the question of corporal punishment as such. I am neither supporting nor opposing the idea of inflicting the lash. I want the house to fix their attention entirely upon the one point and that is that when the lash is administered as a part of the penalty, the full penalty of the lash should

be administered at the beginning rather than at the close of the sentence. This was brought to my notice because of an item that appeared in a newspaper last fall. The item reads:

> Convicted of holding up and robbing a branch of the Bank of Nova Scotia at Campbellville, Ontario, last month while under arms, and stealing $1,100, Jack Walker, Arthur Williams and Clarence Thomas were to-day sentenced to 15 years in the Portsmouth penitentiary. For participation in the same crime, William Duncan was given 10 years in the penitentiary.
>
> The men, who are all from Toronto, will, with the exception of Walker, receive 20 lashes. Ten of these will be given one month after they enter the prison, and the other ten one month before the expiration of their sentence. Walker, who has already been sentenced to 40 lashes in connection with another robbery, will not be lashed.

I am not objecting to the idea that is held that society should protect itself from the criminally minded. Society owes it to itself to protect itself from the criminal, but that idea is not inconsistent with the idea tha we should do all that lies in our power to reform the criminal, to make him again a useful member of society. There is one class of effenders against which we have decreed, whether rightly or wrongly, that we can protect ourselves only by taking away the life of the criminal. That is a subject all by itself that I will not deal with. There is another class that it has been thought we can protect ourselves against only by shutting them up for the period of their natural lives. These are important matters to deal with but they are not the subject of our immediate discussion.

If we put aside these classes and those offences for which a monetary fine is deemed adequate penalty, there remains that large class of offences that are punished by a term of imprisonment longer or shorter, with or without hard labour, and with or without corporal punishment. From one point of view it is more important that we should have a proper method of dealing with this class than with the others for the reason that, having paid the penalty for their offences, they are again returned to society. It is a matter of primary importance to us that these men who are again returned to society, if they are to become good citizens, if they are again to occupy useful places in the community, should come back to us in an attitude of mind that will lead them to feel that society is their friend and not their enemy. That is all-important, and therefore I wish to emphasize that aspect of the question—the welfare of society. I am not unmindful of the interests of the individual. I am not unmindful of the tragic consequences to the human being who gives himself to a life of crime. I am not unmindful of the duty of the state to co-operate as far as possible with all those other agencies that are seeking to bring about the reformation of the criminal. But when we look at the matter from the standpoint of society, or of the individual, what folly it is to pursue a course that is calculated to nullify all the influences that are brought to bear upon a man during the time of his imprisonment and turn him out again upon society worse than when he went in!

I have been looking up the Auditor-General's reports, and I find that we spend large sums of money annually on our penitentiaries. We spend money for chaplains, trade instructors, teachers of various kinds. That is a very proper expenditure; but again I ask: Is it not folly for us to spend money in an endeavour to promote the moral and spiritual welfare of the prisoner and then follow a course that is calculated to nullify all those influences? The fact that we spend that money constitutes on our part a recognition that we have obligations to the prisoner and to society. We may be under an obligation to visit retribution on the prisoner, but we are under an obligation to seek to bring about his reform so that he can again become a useful citizen. When a man is sentenced to a long term of imprisonment, with the lash if you like, and when that penalty is inflicted upon him at the beginning of the imprisonment, I can understand there is a possibility of that man coming to a sense of the error of his ways. Yes, Mr. Speaker, with all reverence I can understand such a man saying: "Father, I have sinned against heaven and before Thee", and I can understand the possibility, during his term of imprisonment, of his yielding to the influences that are brought to bear upon him when he knows that he has already endured and suffered the penalty that was imposed upon him. But can anyone who has given a moment's thought to the matter believe that it is possible for a man to respond to any influences for good when he has that sentence hanging over him? He must go out from prison embittered. He feels that his hand is against every man and every man's hand is against him, or that every man's hand is against him and therefore his hand is against every man. It is not long before he comes into contact with criminal associates; he commits a burglarly; he goes armed although he does not intend to commit murder, but he is prepared to commit murder if necessary to accomplish his purpose and the end of the tragedy is the scaffold.

Mr. STEWART (Leeds): Would the hon. member allow me to ask a question?

Mr. BROWN: No. I have only a few minutes to speak. I have had to shorten my speech very much already. I said that such a man must go out embittered in his whole attitude towards society. I have discussed this matter with a number of people who have expressed themselves in hearty sympathy with the proposal I have made. Indeed I have not heard a single dissenting word. I took the matter up with the chaplain of one of our penitentiaries, and he expressed himself as in perfect accord with me, and gave me two other reasons why we should adopt the course that I am now urging. One was that the presence of such a prisoner in a penal institution was a menace to the well-being of the institution; his whole attitude was a menace. He so feared the punishment of the lash that he was prepared to do anything to escape that penalty, and consequently was always looking for a way of escape, with danger to the guards. The other reason he gave me was this. He pointed out to me that by good conduct a prisoner might be granted as much as ten days in a month off his sentence. You see then the absurdity of saying to a prisoner, "If your conduct is good, you will be released sooner, but at the same time that will bring you just that much nearer the time when the remainder of the penalty of the lash will be inflicted on you." I think it is absolutely absurd.

I should like to have quoted from the Winnipeg Tribune, which took notice of my motion when it was first put on the order paper, and in which Mr. Justice Fullerton and Mr. Justice Stubbs expressed themselves as in favour of the principle I am advocating. The particular case that brought this matter to my attention was an appeal in which the judge sustained the sentence of imprisonment, but reversed that part of the sentence that inflicted the lash at the end of the term of imprisonment, and he expressed himself in very strong terms as disapproving of the lash.

I regret, Mr. Speaker, that circumstances have compelled me to omit much that I wished to say. I think that a great many things were said in the previous discussion which might just as well have been left unsaid, but before I sit down I am going to ask the Minister of Justice to consider the matter very seriously, and even at this late date to bring in an amendment to the criminal code that will give effect to the purpose I have in view. I am sorry that under the circumstances I can do no more than I have done. The fault is not mine, but that of a large number of previous speakers who spoke at considerable length.

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

Thursday, March 29, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of the select standing committee on railways, canals and telegraph lines.—Mr. Cahill.

Second and third reports of the select standing committee on banking and commerce.—Mr. Hay.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. C. R. McINTOSH (North Battleford): I move, seconded by the hon. member for St. John-Albert (Mr. Bell), that the second report of the select standing committee on industrial and international relations be concurred in.

Motion agreed to.

ATHABASKA ELECTION

REPORTS OF HON. MR. JUSTICE CLARKE

Mr. E. J. GARLAND (Bow River) moved:

That the interim and final reports respectively of the Hon. Mr. Justice Clarke, commissioner appointed to inquire into the alleged existence of corrupt or illegal practices in the election held in the electoral district of Athabaska, in the province of Alberta, on the 29th of October, 1925, which reports were laid on the table of the house on December 15, 1926, be referred to the select standing committee on privileges and elections.

He said: It may be proper at this stage that I should survey briefly the incidents that have led up to this motion. On March 18, 1926, as the result of a petition from electors in the district of Athabaska, this house passed a motion approving the appointment of a commissioner to conduct an investigation into the alleged fraud, corruption, perjury, forgery, ballot-stuffing and other misdemeanours that took place during that election. The Hon. Mr. Justice Clarke, a reputable and well known member of the bench, was appointed

on July 10, 1926, to undertake the investigation. Mr. Justice Clarke submitted two reports, an interim and a final. The interim report included statements or allegations that corrupt and illegal practices had extensively prevailed, and specifically designated a large number of polls, twelve or more, where stuffing of ballot boxes and the forging of returns and other documents had occurred. The report, however, contained no specific recommendation to the government; it simply presented the finding. This and the final report have never been considered by parliament nor acted upon.

Surely it is the duty of members of this house to protect the rights and privileges of the people of this country during elections. It certainly is not our duty to evade our responsibility in preventing, so far as we can, a recurrence of the sort of thing that prevailed so extensively in Athabaska. I have no hesitation in declaring to you, Mr. Speaker, that in my opinion the very existence of democracy itself and the continuance of responsible government in this country will depend entirely upon our determination to stamp out, at its very inception, any attempt at practices of this nature in elections in Canada.

The purpose of this motion is to have these two reports referred to the committee on privileges and elections in order that after a thorough examination of them provision may be made, either by amendments to the Election Act, by amendments to the criminal code, or by amendments in any other direction that may prevent a recurrence of disgusting performances of the kind that took place in Athabaska.

A motion similar to this passed the house on February 15 of last year, but I regret to say the committee never met. I inquired of the clerk of committees recently and found that, from the moment the committee was appointed on February 15 to the end of the session, they could not secure a quorum. Meetings of the committee were called on March 2, 3, and 8 of last year, and about twelve or thirteen members attended; at that time, however, a quorum of the committee consisted of fifteen. At the request of the members who attended, the chairman introduced a motion into this house on March 8 asking that the quorum be reduced. At first that motion stood over at the request of the then leader of the opposition for further consideration, and no action was taken by the chairman. On March 29, some twenty-one days later, the hon. member for Athabasca (Mr. Kellner) moved that the quorum be reduced, and although the Minister of Justice objected briefly the motion was adopted. I regret to say that although the quorum was reduced to nine members, still the committee could not hold a meeting.

I am not going to impute motives; I am not going to suggest that this was a deliberately engineered business in order to prevent a discussion of this matter. Frankly, I cannot find it within me to believe that any hon. members of this house or of the government would consent for one moment to any such action. Therefore I can only reassure myself by assuming that the reason was the occupation of the members in other committees which were then sitting.

Additional reasons for asking the house to pass the motion will be realized readily when I say that by the report of Mr. Justice Clarke it was found that the returning officer himself could neither write nor read. Think of it, Mr. Speaker; the returning officer for an electoral district of this country unable to write or read. In some cases the registrars refused to send out the voters' lists, and the candidate who contested that constituency from our group had less than 100 of the 235 lists on polling day. Ballots were cast by men who had been long dead; in one case a ballot was cast in the name of a man who had been dead for twelve years, while in another case a ballot was cast in the name of a man who had been dead three years. Many people voted who had never resided in the district, and in other cases people voted who had resided in the district some several years before, but who had left from three to seven years prior to the date of the election. At least three polls were held in a forest reserve, where people were neither living nor permitted to live under the laws of this country. Very briefly, that is a recitation of some of the reasons why I feel satisfied that this house will pass this motion, in justice to itself and to the people of this country.

On February 15 of last year a fairly representative debate took place on a similar motion, and at that time the Minister of Justice used these words:

I am in favour of the motion, and I may also say that if, as a result of this being referred to the committee on privileges and elections, some way may be found to prevent electoral corruption as it seems to have prevailed in that election, I and those who sit with me on this side of the house will be only too glad to associate with my hon. friend in that respect.

The then leader of the opposition (Mr. Guthrie) said:

If this be so, what is the reason? Has the government taken no action in the matter? Has the government quietly taken the position that having referred the matter to the local Attorney General their duty is at an end?

The hon. gentleman was dealing at that time with the question of the punishment of those who had offended against the electoral and criminal laws in respect of that election. Speaking on behalf of the Conservative party, the hon. member accepted the motion. The Solicitor General (Mr. Cannon), who took part in the discussion, said:

A question has been brought before the house by the hon. member for Peace River (Mr. Kennedy), and I have no doubt that every member of this house, no matter to which party he may belong, is of the one opinion, and that is that every man who has been implicated in electoral frauds should be prosecuted without mercy, and that justice should prevail.

Further, he went on to say:

In conclusion, when these two reports are laid before the committee on privileges and elections, I believe that every member sitting on that committee will be moved by one common spirit, and that is to try and devise means of preventing any such things happening in the future as were proved to have happened in that constituency in the election of 1925.

The hon. member for West Calgary (Mr. Bennett), now leader of the opposition, said:

The first matter that should be considered is: What recommendation can the committee make with respect to amending the election laws of this country so as to prevent a repetition of those conditions? The second is also a matter of some importance as it touches the position of the civil servants of this country. Shall a civil servant who has been convicted of a crime or who admits the commission of a crime and has secured immunity by reason of his confession, continue in office?

The reference of the hon. member was to a statement which was made in this house that the government had allowed to continue in office postmasters, land agents and other civil servants who had been found guilty by Mr. Justice Clarke of the most wilful forms of deliberate ballot stuffing, forgery, perjury and fraud in that election. That was the position taken by the hon. member for west Calgary (Mr. Bennett), who went on to say:

Shall the public service acts of this country not be amended so as to provide that by reason of any confession of that character he shall at once vacate his position?

The Prime Minister interjected the remark "surely". The hon. member for West Calgary then continued:

This house should use its every effort to stop that sort of thing because, if we do not prevent it, our very democratic institutions are destroyed and responsible government has indeed become valueless in this country. That is the reason that the motion made this afternoon by the hon. member meets with my approval—

I have nothing further to say, Mr. Speaker, except that I feel satisfied that the members of this house will come to the same decision with the same unanimity of opinion, to see that the matter is cleaned up as far as it can be cleaned up by a committee of this house. I feel that they will be as unanimous this year as was the case last year, and I will leave the matter to the house.

Mr. H. E. SPENCER (Battle River): I wish to say a few words in support of the motion which has been made by the hon. member for Bow River (Mr. Garland). I do so very willingly, because the election in Athabaska took place in the fair province of Alberta, of which I am very proud to be one of the representatives. Since such things have happened in Athabaska and also in Peace River, outsiders might think that the elections in Alberta are conducted on a very questionable basis, but I want to say to this house that I do not know of any province in this wide Dominion where elections are usually conducted more cleanly than in that province. The districts of Athabaska and Peace River happen to be outlying districts, and certain practices entered into those elections which I hope will be checked. It is with the hope of cleaning up conditions in the future that we now ask that this report of Mr. Justice Clarke be sent to the committee on privileges and elections.

I am glad to support this motion, because I think a great wrong was done to an hon. gentleman who now sits in this house, who was a member from 1921 to 1925, who did excellent work for this country and for his constituency, and who was prevented by questionable practices from coming back to parliament in 1925. It has been shown very clearly indeed, through the investigation which took place, that had this gentleman been accorded anything like fair treatment, he would have received a big majority in the election of 1925, and would have been returned again. Instead of that someone else took his place. It was well known at the time that conditions in Athabaska were in a very bad state, and that things had occurred of such a character as to cause any self-respecting citizen to blush at the very thought of them. I should like to point out that the hon. member who did come down in 1925 happened to sit on the government side, and there was no demand for an investigation from hon. gentlemen supporting the govern-

ment. I am fully convinced, however, that had that member been sitting in any other part of the house, the government would have speedily caused an investigation to be held. Under the circumstances it became the duty of hon. members sitting on this side to support the recommendations and petitions forwarded to Ottawa asking that an investigation be made. With these petitions before the house an investigation was in due course ordered and it took place, first of all under Mr. Justice Beck, and later on under Mr. Justice Clarke. In the course of that investigation revelations of a most amazing characater were made, amongst them incidents like the following: Many witnesses, including deputy returning officers, fled the country rather than face justice. Vote plugging became quite general. Cheques were paid on forged endorsations. Some cheques were made out to fictitious officials. A certain poll clerk was appointed who could neither read nor write; and as the hon. member who preceded me said, even the returning officer was in the same extraordinary position. Switching and substitution of ballots was practised. Fictitious polls were held in districts where there were no settlers. Ballot boxes were freely plugged, and so on ad infinitum. In the election of 1926 the hon. member for Athabaska (Mr. Kellner) came back to parliament with a large majority owing to the fact that the investigation had taken place in the meantime. So that there is not the slightest doubt but that the hon. member to whom I refer would not have been kept away previously had there been fair dealing in the constituency of Athabaska.

As the hon. member for Bow River (Mr. Garland) said, a motion was adopted referring the report of Mr. Justice Clarke to the committee on privileges and elections. The report was referred to that committee but a quorum could not be obtained at any of the meetings, so that it was not considered. I for one am not going to make any charges with respect to those members who did not turn up at the meetings of that committee. I take it for granted that every hon. member here wants to wipe out the disgrace of the reprehensible doings which took place in Athabaska in 1925. I do not suppose there is a single hon. member who is satisfied to permit that blemish on our reputation to remain. I can only say, like my hon. friend who preceded me, that there must have been so many committees sitting at the time that a quorum could not be obtained by the committee on privilege and elections. I therefore earnestly hope that not only will the house vote in favour of the committee on privileges and elections considering this report, but that the members who form that committee will make a point of seeing that a quorum is obtained, that the report is duly considered, and such action taken as will wipe out this disgraceful episode in the political life of Canada.

Mr. IRVINE: Who composed the committee?

Mr. SPENCER: The Clerk can tell you that. May I say that if a robbery occurs in the community, the police are not satisfied until the thieves are arrested and punished. But this is a case where the worst kind of robbery was committed, the robbery of their franchise from hundreds and hundreds of people, and yet very little has been done up to the present time to correct the situation and punish the offenders.

I wish to say also that certain civil servants, occupying minor positions it is true, were found guilty in the investigation which took place, but are still holding their positions under the government. I point out also that during the last twelve months some three or four hundred postmasters and mail carriers have been dismissed for alleged political partisanship. But none of these parties have been found guilty of criminal conduct, at least that is my information, for which they could be punished under the law. In the present case individuals were proven guilty before the court of conduct of the most disgraceful character, and yet some of them are still retained in the service of the country. It is not fair to the great rank and file of civil servants who are doing splendid work for Canada, that guilty parties should be retained in their positions just as if nothing had happened.

Mr. STEWART (Edmonton): Would the hon. gentleman tell us to what department these guilty parties belong?

Mr. SPENCER: They are connected with certain post offices in Athabaska.

Mr. STEWART (Edmonton): Not the one at Lac la Biche, for the official there was dismissed.

Mr. SPENCER: The one at Frog Lake.

Mr. STEWART (Edmonton): That was Bowtell, but he is out of the country.

Mr. SPENCER: I believe Mrs. Bowtell is in the post office.

Mr. STEWART (Edmonton): But she was not implicated in wrongdoing.

Mr. SPENCER: Yes.

Mr. STEWART (Edmonton): That is news to me. I know there were some twelve or fifteen officials who were dismissed promptly.

Mr. SPENCER: As to the charge against Mrs. Bowtell, I will leave the hon. member for Athabaska to give full particulars.

Mr. STEWART (Edmonton): I should like to have the names. I can tell the hon. member that some twelve or fifteen of them were dismissed as soon as they were named.

Mr. SPENCER: I believe the hon. minister will find that the employee in question cashed cheques and received money that were not intended for her. Referring to the rules of the house, I find on page 234 of Beauchesne's Parliamentary Rules and Forms, second edition, standing order 79, bribery and elections, which reads:

If it shall appear that any member hath been elected and returned a member of this house, or endeavoured so to be, by bribery, or any other corrupt practices, this house will proceed with the utmost severity against all such persons as shall have been wilfully concerned in such bribery or other corrupt practices.

The note on that reads:

This standing order has nothing to do with the different laws which fully provide for the trial and punishment of corrupt practices at elections, but it reiterates the house's privilege to deal with offences of bribery and corruption after they have been proved before the competent courts. Where there have been special reports concerning bribery or riots at elections, the conduct of returning officers; undue influence and intimidation; the alteration of the poll, the absence, misconduct or perjury of witnesses; defects or uncertainty in the law; the propriety of suspending the writ; or any other exceptional circumstances—the house has taken such measures as were required by law or usage or as appeared suitable to the occasion. It has been usual in such cases to order a copy of the judgment delivered by the judge and the minutes of evidence to be laid before the house.

Not only following out that rule, but calling upon what has often been referred to as the highest court of justice, namely, this house, I think it is within our power to pass the report to the committee on privileges and elections and to have the matter thoroughly threshed out.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, the story of the Athabaska election of 1925 is amazing; it is almost incredible in its details of corrupt practices. We are all accustomed to the story of elections being conducted more or less crookedly, with some buying and selling of votes, some infractions of the Dominion Elections Act, and that sort of thing; with that I do not for the moment propose to deal. There are those in every party who do that sort of thing and I am not saying at the moment that the party to which I belong is any better or any worse than any other. My purpose in addressing the house at this moment is not to deal with that phase of the subject. These matters, peccadilloes, if you like to call them, minor bits of corruption, can be dealt with under the existing machinery. But the questions that arise from a consideration of the report of the commissioner, Mr. Justice Clarke, are far wider than that.

Briefly, there are two matters which I think we should touch upon. One of them which has already been dealt with by the hon. member for Battle River (Mr. Spencer), is the question of retaining civil servants in the government employ when they have been reported on as having been guilty of corrupt practices during an election, no matter whether they have been by the judge granted immunity or not. The Minister of the Interior seems to believe that there was no such case in connection with this election.

Mr. STEWART (Edmonton): If there was, I am not aware of it. I know that in every case that came to my notice the employee was promptly dismissed.

Mr. GEARY: If he does become aware of such a case I am sure he will exercise the proper function and have that man or woman got rid of. There is, however, a larger question than that which arises and that is the question of the organization and control of the machinery which has to do with the conduct of elections generally in this country. I cannot forbear from quoting just a line here and there from the report of Mr. Justice Clarke which deals not with the ordinary things that we hear of in elections, such as the buying and selling of votes, or impersonation which I am sure the officers of the law do their best on all occasions to stamp out, but with the larger question of the organization and control of the machinery in connection with elections. He says in regard to Reita lake poll:

I find that what purports to be the voters' list for this poll and to be signed by Thomas J. Cardinal as registrar, and returned with the election papers, contains 73 names, and that not more than ten persons were entitled to vote in this division.

He says further:

I find that the poll book is a forgery as no votes were polled.

Still there was a large majority given in favour of the candidate, Cross, who was declared elected. He says in regard to Bates poll:

> The voters' list for this poll certified by Peter Peterson as registrar contains two hundred names. Less than ten voters resided in the polling division, which is a reserve.

In regard to Cushing poll, this is what he says:

> No voters' list for this poll can be found.

But an election was carried on and a large majority returned in favour of Mr. Cross, the successful candidate. In regard to this poll he states further:

> The poll book indicates that there were 194 names on the voters' list but there appear to have been only four qualified voters in the polling division.

He also states:

> In fact no poll was held and no person voted.

In regard to Prairie Lake poll, he says:

> There are no qualified voters in this polling division but a voters' list was prepared containing 59 names.

Mr. Cross again got the great majority of these. In regard to Parenteau poll, he says:

> The voters' list for this poll was manufactured at Harry Bowtell's house and signed as registered by Mrs. Rose A. Preece, a sister of Mrs. Harry Bowtell.

It never went through the proper proceedings for its initiation and completion. So, as one goes through the list, one finds that all these matters have to do not with the ordinary political corruption as one understands it in reference to an election, but with the organization and preparation by government officials of the preliminaries for an election. There was a stamp which must never leave the registrar's hands, but the registrar was a hundred miles away from where the stamp was. The registrar was at Lac la Biche and the ballots were printed in Edmonton, more than one hundred miles distant. The stamp was sent to Edmonton where somebody used it to stamp the ballots. The commissioner says in regard to Margu poll:

> Harris prepared a voters' list the night before the election from the names furnished by Lawler and that constituted the list for this division. It contained 35 names.

At Lac la Biche poll the same thing happened, and so with the others. I will not go through the list, but my point in reciting what the house has already heard is that those are matters which have to do with the functions of the chief electoral officers in getting ready for the holding of an election and preparing the machinery for holding it. The hon. member who now sits for Athabaska (Mr. Kellner) was robbed of his seat. He stayed at home during that winter and there came down in his place a man who sat here and voted as a representative of the people of this country whereas he really represented nobody at all. The constituency of Athabaska was not represented during the session of 1926. As the hon. member for Bow River (Mr. Garland) has said, you rob this country of the very essence of responsible government if you allow people to sit on the benches of parliament who do not represent anybody but who, by something that has been allowed to be done perhaps through a fault in the act, are sitting here in fact.

Last year this report was before the government; it was laid on the table of the house. If I remember rightly it came to the Solicitor General on the 19th October and, as was his duty, he sent it forward to the Secretary of State with an intimation that the provincial attorney general be communicated with, with a view to punishing those found guilty. He added at the bottom of his communication in effect: Make haste in the matter because my letter being dated the 19th instant, the period of one year allowed by the statute for the prosecution of these offences will expire in ten days. That had to go through the hands of the Secretary of State and out to the government of Alberta, to be acted on within ten days. The delay was not the fault of the Solicitor General; I have no doubt he dealt with the matter as expeditiously as possible; but the government could not have rested with the conviction that it was doing its full duty in forwarding within ten days of the expiration of the time for prosecution of these offences a communication to the attorney general requesting him to take action. If I make complaint at all of the government in reference to this matter it is this, that it had before it all this material, that it had before it the motion my hon. friend from Bow River has cited which was passed last year referring the matter to the privileges and elections committee, that it had before it the fact that the committee had not met and discussed the matter referred to them, and still, so far as I can learn, the government has not thought it its duty to take the place, so to speak, of the committee, to take into consideration all the facts brought out in the report of Mr. Justice Clarke, and to bring down to this house some initial action of its own in regard to the matter.

If we cannot in some way or other do better in the matter of the control and operation of elections than we did in Athabaska, then the lookout is pretty poor for any one of us, particularly if you do not happen to be a candidate of a government that is in power, with some opportunity to get close to the election machinery, if any one would do such a thing. We have no right to assume that a similar election may not be carried on when this house next goes to the country, and it may be done in, say, ten or twenty constituencies instead of just one. Now is the time, with this instance before us, to take action to prevent the recurrence of practices of this kind. It is not enough merely to punish those who are caught at their evil work, although that is very well, and the more stiffly we punish those who are guilty, the better for all of us and the better for the country. Let them learn once for all that practices of that kind will not be tolerated, and that swift and sure punishment will follow anything of that sort. But these examples lose their effect if they are allowed to sink too far into the past, and the farther away we get from the election and the dimmer the memory of the evil practices in the Athabaska election, the less effect any action taken in regard to it will have. Let us have action taken now. It has been long enough coming, and let us act while the memory of these things is still fresh in the minds particularly of my hon. friends from Alberta. Let us see to it, having this example before us, that some means are devised to bring the election act into harmony with the desire of everybody, that this sort of thing shall not be tolerated any longer in this country.

I entirely agree with the motion, Mr. Speaker. I support it and trust that the government will take so much interest in the committee on privileges and elections that they will with their powers, so to speak, of whip and spur and whatever else they may have in the way of organization or control of committees, not neglect, to see that this matter receive consideration and be properly dealt with, and a report brought in early enough to enable the house to take action upon it during this session.

Hon. ERNEST LAPOINTE (Minister of Justice): I may say immediately, Mr. Speaker, that I have no objection to the motion of my hon. friend from Bow River (Mr. Garland), and that we on this side of the house will certainly support the reference of this report to the privileges and elections committee, and if as a result of the work of that committee any amendments may be suggested that will have for their effect the improvement of our electoral law, and that will make it more difficult for people who are liable to commit illegal practices at elections to do so, we shall be only too pleased to support any amendments which might be proposed in that regard.

With regard to this particular case, I think it is well that I should state what has actually happened. By chapter 51 of the revised statutes of Canada, parliament adopted an address asking the governor in council to appoint a commissioner to inquire into the existence of any corrupt or illegal practices which might have taken place in that election. Mr. Justice Clarke was finally appointed, and he made the investigation which the statute required him to carry out. He made two reports, an interim report and a final report. Under the law he had to report to the Governor General the evidence taken, and what he had found concerning the matter referred to him, and he did so. He had to report the names of all persons whom he found to have been guilty of any corrupt or illegal practices at the election, with the particulars thereof, and he did so. The law, section 30 of chapter 51, provides that:

> Every such report shall be submitted to parliament: (a) within fourteen days after such report is made, if parliament is sitting at the expiration of the said period of fourteen days; or (b) if parliament is not then sitting, within fourteen days from the time of the next meeting of parliament after such report is made.

The two reports were submitted to parliament according to law.

There is a duty placed upon the Attorney General of Canada under the statutes. Section 31 of chapter 51 provides:

> Whenever it appears by the report of the commissioners under this act that any person named by them has been guilty of a corrupt or illegal practice and has not been furnished by them with a certificate of indemnity, such report with the evidence taken by the commissioners, shall be laid before the Attorney General of Canada, who shall, if in his opinion there is sufficient evidence available for a prosecution, certify such opinion to the Secretary of State, who shall thereupon communicate the report with the evidence to the lieutenant governor of the province in which the election was held.

And section 32 says:

> The Attorney General of Canada shall instruct counsel to assist in any prosecution which is thereon instituted by the local authorities charged with the administration of justice.

The interim report, the first report, submitted by Mr. Justice Clarke, was received by my hon. friend the Solicitor General (Mr.

Cannon), who was then acting Attorney General of Canada, during my absence, I believe, at the Imperial conference. Having read the evidence, the officers of the department, because, after all, it is a departmental affair, made their report to him, and he signed the following certificate:

> The undersigned has the honour to inform you that the Hon. Mr. Justice Clarke, the commissioner appointed to inquire into the alleged existence of corrupt or illegal practices in the elections holden in the electoral district of Athabaska, in the province of Alberta, on the 29th of October, 1925, has laid before him his interim report, together with the evidence taken by the commissioners upon which such report is based.
>
> The undersigned is of opinion that there is sufficient evidence available for prosecution against William A. Deyl, William (Bill) Lawler, H. M. Barton, and Harry Bowtell, named in the said report, and he hereby certifies such opinion to you accordingly in accordance with the provisions of section 31 of the Corrupt Practices Enquiries Act, revised statutes of Canada, 1906, chapter 8.
>
> It is to be observed that the matter is of some urgency in view of the fact that the time for prosecution expires at the end of one year from the 29th October, 1925. Report and evidence herewith.
>
> Dated at Ottawa, this nineteenth day of October, 1926.
>
> (Sgd.) LUCIEN CANNON,
> Acting Attorney General of Canada.

This was sent to the Secretary of State, as the law provides, and the Secretary of State acknowledged its receipt, and informed my hon. friend that the necessary action had been taken in reference thereto. I find in the record the letter of the secretary to the Lieutenant Governor of Alberta acknowledging receipt of a letter from the attorney general stating that he had taken action and that warrants had been issued against those parties who had not received a certificate of indemnity from the investigating judge. After the final report was received I, as Attorney General of Canada, issued another certificate to the Secretary of State in these terms:

> The undersigned is of opinion that there is sufficient evidence available for prosecution against Isaac Gagnon, William A. Deyl, William (Bill) Lawler, H. M. Barton, W. R. Jex and W. E. Proctor, named in the said final report, and he hereby certifies such opinion to you accordingly.

This was sent to the Secretary of State, and he forwarded it with the evidence and other papers which the law requires to the authorities in Alberta.

Now my friend from Battle River (Mr. Spencer) cited Beauchesne's Parliamentary Rules and Forms to the effect that the house has the right and authority to proceed against men who have committed illegal practices at an election. There is no doubt of that. But parliament in its wisdom has decided that the provincial authorities can more effectively deal with such a matter, and it is their duty to do so. I have not the slightest doubt that the local authorities of Alberta have done everything which they could do to prosecute those who were guilty of any illegal practices at that election.

My hon. friend from South Toronto (Mr. Geary) has just said that if the committee on privileges and elections did not do anything it was the duty of the government to take action. I beg respectfully to say to him that usually the government is charged with doing too much, with trespassing upon the jurisdiction of parliament, and that in this particular instance the law makes it the work of parliament altogether. It is parliament that directs investigation to be made, and the law says the report shall be submitted to parliament. If there is anything to do it is for parliament to decide; and as far as we are concerned, I repeat, we shall be only too pleased to do anything which the committee recommends in that respect. I do not know whether my friend from South Toronto is not himself a member of the privileges and elections committee. Surely he would not suggest that we should do what the law says he himself ought to do in that respect.

Mr. GEARY: If I may interrupt the hon. Minister of Justice—I merely suggested that failing action by the committee, with all the information contained in this report before the government, they might very well consider it with a view to taking such steps to revise the Elections Act as might seem necessary and wise in the circumstances.

Mr. LAPOINTE: I have no doubt that, although the Elections Act has been revised many times, it may be still further improved, and I for one think that prior to the next general election something might be done in this direction; all the wisdom of parliament might be conscripted for the purpose of devising such amendments as would improve and strengthen the present act in this respect.

Mr. CAMPBELL: Is not this a question of administration rather than of law?

Mr. LAPOINTE: It is really a question for parliament to decide what would be the best electoral law to prevent frauds.

Mr. CAMPBELL: But at the present time it is a matter of enforcing the law which you have.

Mr. LAPOINTE: Absolutely. But what had to be done has been done. I do not know what has been the result of the prosecutions instituted by the province of Alberta. My friends may know better than I do in that respect. We have received no report.

Mr. CAHAN: Was the department of the Minister of Justice represented?

Mr. LAPOINTE: I stated in parliament that we should be only too pleased to appoint counsel to help in any proceedings which might be instituted against those who were charged with fraud and other illegal practices at the election. We never were requested to help and, as I have stated already, it is for the local authorities to take proceedings. We were advised that they had actually issued warrants against the guilty parties.

Sir HENRY DRAYTON: Will my hon. friend kindly tell the house in how many prosecutions which he initiated in this way he was successful; what were the convictions, and against whom?

Mr. LAPOINTE: I never initiated any proceedings in that respect.

Sir HENRY DRAYTON: My hon. friend asserted that certain prosecutions had taken place.

Mr. LAPOINTE: Yes.

Sir HENRY DRAYTON: I assume they took place.

Mr. LAPOINTE: I do not know.

Sir HENRY DRAYTON: I was going to ask my hon. friend if he knew how many convictions had been secured.

Mr. LAPOINTE: I do not know.

Sir HENRY DRAYTON: My hon. friend does not know. Can he tell the house how many of those convicted have been let out?

Mr. LAPOINTE: I do not know.

Mr. McGIBBON: What about Baldy Robb?

Mr. LAPOINTE: We have done what the law stated we should do. As Attorney General of Canada I have certified to the Secretary of State the names of those persons whom I thought should be prosecuted. It was not either for me or the Secretary of State to issue warrants; the law provides that those warrants shall be issued by the provincial authorities. The provincial authorities have acknowledged receipt of our certificate and told us that they were issuing warrants.

Sir HENRY DRAYTON: Mr. Speaker, my hon. friend is not giving the house a very good—

Mr. SPEAKER: Order.

Mr. LAPOINTE: Is it a question?

Sir HENRY DRAYTON: I beg my hon. friend's pardon; I thought he was through.

Mr. SPEAKER: I do not wish to deprive the hon. gentleman of his privilege of asking a question, but I do not think the hon. Minister of Justice has concluded his remarks.

Sir HENRY DRAYTON: I beg my hon. friend's pardon, Mr. Speaker.

Mr. LAPOINTE: I shall not deprive the house any longer of the pleasure of listening to my hon. friend, whom we are all so pleased to welcome back. May I add once again that I will support the motion of my hon. friend. I am prepared to help him in any way which might improve the election methods of Canada.

Sir HENRY DRAYTON (West York): Mr. Speaker, in the first instance may I thank my hon. friend for his very kindly reference to myself. He is always delightfully amiable and it always affords me great pleasure to have anything to do with him. But, sir, I want to direct the attention of the house to one or two things. Some way and somehow we have had delay in punishing election crimes that have never yet, so far as I know, been equalled in iniquity in this country. That delay in the first instance was brought about by my hon. friends opposite. The Minister of Justice said: This is not a matter for the house, it is a matter for the commissioner to deal with. Why? Because when this house wanted to become seized of this iniquity, when we wanted to see that the right thing was done, and done at once, the government with its supporters saw to it that it was not done, they saw to it that action was held up. The government, through its chief officer, is so much interested in seeing that the right thing is done that it does not know to-day who is being prosecuted, who is being convicted, or whether anybody has been convicted at all. That is where the matter rests. In answer to my question the Minister of Justice says, "I do not know who was convicted". I asked him explicitly whether anybody was convicted, and if so whether that person was still confined or had been let out; but he does not know. Why, the government knows less about the matter than any man on the street knows, because everyone is aware that Baldy Robb was sent out with the government's blessing.

An hon. MEMBER: That was another matter.

Sir HENRY DRAYTON: It is the same election.

Mr. LAPOINTE: My hon. friend seems to know all about Baldy Robb. Does he think that Baldy Robb was connected with this particular election?

Sir HENRY DRAYTON: No, but it is of the same stripe.

Mr. LAPOINTE: It is another election.

Sir HENRY DRAYTON: It is the same general election, absolutely. Now is there no duty on the part of the government to see that the laws of this Dominion are carried out?

Mr. CANNON: Before my hon. friend leaves Baldy Robb I would suggest, if he wants to know the reason, that he had better inquire of his own leader.

Sir HENRY DRAYTON: That is a suggestion the hon. gentleman can safely make in the absence of my hon. leader.

Mr. CANNON: I give you warning.

Sir HENRY DRAYTON: I have no doubt my leader will look after himself very well if my hon. friend puts the question to him. But is there no responsibility on the government to see to it that the laws, not of the provinces but of the Dominion, are respected? I submit there is. The Minister of Justice says that no counsel was retained by the Dominion in this prosecution; he declares it was not asked for. But the statute does not imply that he should wait to be asked. Section 32 reads:

> The Attorney General of Canada shall instruct counsel to assist in any prosecution which is thereon instituted by the local authorities charged with the administration of justice.

The Attorney General was not to wait until he was asked; he was then and there to instruct counsel. Why? Simply to ensure that a proper procedure should be followed and that the matter should be properly pressed. It was his duty to see to it that the laws of parliament were observed. It is idle to say that the government have done all that they could or ought to do in connection with this whole question. If they say they have then they admit that they are indeed impotent to do anything that should be done to punish election frauds. I got up merely for the purpose of pointing this out. My hon. friends were under an obligation to take steps to see that misdemeanour was punished, and not to throw the whole responsibility on the local authorities. Section 32 of our own act declares that counsel must be appointed.

Mr. LAPOINTE: When there are proceedings.

Sir HENRY DRAYTON: But my hon. friend does not know whether there were any proceedings.

Mr. LAPOINTE: Has my hon. friend read the report?

Sir HENRY DRAYTON: I have just quoted the section. It is a question for my hon. friend to ascertain whether there were proceedings or not.

Mr. LAPOINTE: No.

Sir HENRY DRAYTON: My hon. friend does not know about any proceedings having been taken, and he appointed no counsel. If he is content to leave it there, I am.

Sir GEORGE PERLEY (Argenteuil): I regret exceedingly that my leader is not here to-day. This is a question which he has studied closely and he is much interested to see that justice is done and that parliament shall do something to remedy the iniquities of the election in question. It is all very well for the Minister of Justice (Mr. Lapointe), to say that this is a matter for parliament. Of course it is a matter for parliament. But hon. gentlemen opposite have a very nice way of shedding their responsibility on to parliament when they want to, and at other times doing things and then bringing them to parliament for ratification afterwards. Who are in the majority on the committee on privileges and elections?

Mr. LAPOINTE: We are blamed if we do and we are blamed if we don't.

Sir GEORGE PERLEY: The government have a majority on this committee. The Minister of Justice and the Solicitor General (Mr. Cannon) are both members of the committee and therefore, by reason of their position in this house, they have a greater responsibility in relation to the work of the committee on privileges and elections than any other single member could have. I submit, therefore, that it is a most extraordinary thing that in a matter of this sort the privileges and elections committee could not get a meeting together last year, and it seems to me that the responsibility rests on the government, with a majority in the house, to see that there shall be a meeting of the committee to consider the question.

I want to say a few words regarding another matter which is associated with this question. One of the candidates in the election, Mr. Geauvreau, was not returned his deposit. According to the figures given by the returning officer he did not receive half as many votes as the man who was elected, but I submit that this is a case where some consideration ought to be given to this man by reason of the extraordinary circumstances of the election. Who knows how many votes were cast in the election? I say, no one knows.

Mr. LAPOINTE: Was he a third candidate?

Sir GEORGE PERLEY: Yes, he was a third candidate. But I say no one knows how many votes were cast at the election. I want to read a few extracts from the report of Mr. Justice Clarke, and I could read many others of a similar kind. I took the statement with reference to Cold Lake poll No. 212a, at page 2 of the report:

> The list contains 402 names, which is more than double the number of persons qualified to vote.

Then poll No. 212(a) (2), another section of the foregoing poll:

> The poll book and statement of the poll show 73 to have voted, as follows: 54 for Cross, 3 for Geauvreau 16 for Kellner. I find that approximately 27 of the persons named in the poll book as having voted did not vote, and most of them are unknown.

At page 3 of the report, in connection with Reita Lake poll No. 220, there appears the following:

> I find that what purports to be the voter's list for this poll and to be signed by Thomas J. Cardinal as registrar, and returned with the election papers contains 73 names, and that not more than ten persons were entitled to vote in this division; that no such person as Thomas J. Cardinal is known in the neighbourhood.

And further down on the same page:

> I find that the poll book is a forgery as no votes were polled and no poll was held.

Under these circumstances it is rather unfair that any one of the candidates in that election should lose his deposit. I understand that Mr. Geauvreau has made a claim to the Auditor General for the return of his deposit. On the face of the return, in accordance with the law, the Auditor General could not very well return him his deposit, but I submit to the government that this is a matter which they might very well consider from another point of view altogether.

Mr. LAPOINTE: How many votes did he poll?

Sir GEORGE PERLEY: We do not know. Who knows? Do you know? I submit that is a very unfair question.

Mr. LAPOINTE: I mean, on the return as it is.

Sir GEORGE PERLEY: The Minister of Justice is well aware that no one knows.

Mr. LAPOINTE: I mean, on the return as made.

Sir GEORGE PERLEY: He polled only 643, according to the return. From the evidence given before Mr. Justice Clarke is that any proof as to how many votes he polled? I submit there is no proof whatever, and I suggest to the Minister of Justice that he consider this matter.

Mr. LAPOINTE: I admit that is a fair argument for my hon. friend to make.

Sir GEORGE PERLEY: I think in all fairness, under these circumstances, something should be done. I do not think the Auditor General can do it, but I think this parliament and this government should see that an amount is placed in the estimates to provide for the return of his deposit to this man, because there was really no election actually held in that constituency.

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, in rising to speak I wish to support the suggestion made by the hon. gentleman who has just taken his seat (Sir George Perley). I also agree that no one could tell in any way how many votes were polled in this election, and I might also point out that if it were so very easy to poll votes which did not exist it might be equally easy to destroy some of the legitimate votes which were polled. While my opponent in that election, Mr. Geauvreau, only polled some 645 votes, it is quite reasonable to suppose that some of the other votes might have been polled close to a river, and that the ballot box containing perhaps some further votes for him disappeared therein. Therefore I think in all fairness that his application for the return of his deposit should be considered.

I want to join with some of the statements which have been made in regard to an investigation by the committee to see if something cannot be done in connection with the plugging of lists, the holding of polls in districts where no one lives and the return of supposed votes in districts and in polls where no votes were cast, and beyond that I wish to introduce a few other matters which none of the previous speakers has brought

up for consideration. In the first place, if you refer to section 50, sub-section 4, of the Dominion Elections Act, you will see that it provides that the printer shall file an affidavit giving the number of ballot papers printed, and also containing the statement that no other ballot papers were printed. In this particular election an affidavit was filed by the printer giving the number of ballots printed, but a peculiar thing which happened in that election was that there were two sets of ballots. On some of the ballots my own name was incorrectly spelled, as was the name of the Conservative candidate, while on the remainder of the ballots our names were spelled correctly. No reference to that was made in the affidavit. I think it reasonable to say that if you can make a slight error in the spelling of a candidate's name there is no limit to the distance you can go in that direction. For instance, if during an election it is presumed to be correct to mis-spell the name of a candidate, why could you not transpose all the letters of his name so that no one would know who was meant? As an example, supposing you transposed the first and last letters of the name of the Prime Minister.

We must also recall that the printer is required to make an affidavit stating the number of ballots printed, the amount of paper used and the disposition which was made of the balance of the paper. If some 15,000 or 20,000 ballots were printed on which the names were incorrectly spelled; if these ballots were sent out for general use in the election and were not included in the affidavit, how could an affidavit be made giving the amount of the paper used and the disposition made of the balance?

Then I pass from that question to the requirement that the returning officer stamp the ballots. That section of the act is very clear and very drastic; it provides that the returning officer must stamp each and every ballot used, and that anyone not being a returning officer, having in his possession any stamp, imitation or counterfeit, is guilty of an indictable offence. In this particular case, as was stated by a previous speaker, the returning officer lived in Lac la Biche, while the ballots were stamped by a man in Edmonton; they were never sent to Lac la Biche, and the returning officer did not even know who printed them. Is that in conformity with the requirements of the act, or is that something for a committee of this house to deal with?

Provision is also made with regard to the distribution of the ballot. In this particular case it was shown that the ballots were sent out by automobile, by mail and I presume by every other conceivable method which could be made use of. For instance, we are prepared to prove, if it has not been done already and I am not sure whether it came up in the investigation, that two or three men in automobiles went from poll to poll asking the returning officer if he had all the ballots he required, and if he had not they gave him some. I am sure the Minister of Justice is reasonably familiar with the provisions of the act, and I wonder if he thinks that is carrying out the provisions of that act or whether it is an additional reason for referring this question to the committee, with the understanding that these various sections will be definitely decided upon, so that in the future we may have some sort of ruling or authority to follow? I just wish to read a part of what Judge Clarke says with regard to that particular matter, which will be found at page 8 of his report:

> The office of the returning officer was at Lac la Biche and the ballots were printed in Edmonton, more than one hundred miles distant. Instead of coming to Edmonton with the stamp or having the ballots sent to Lac la Biche to be stamped before they were bound up in pads suitable for delivery the stamp was sent to William R. Wilson of Edmonton, for the purpose of having him stamp the ballots on behalf of the returning officer, which he did, and then returned the stamp to the returning officer. There is nothing to indicate any wrong doing in connection with the printing, stamping or distribution of the ballots except that the stamping was done by Wilson and not by the returning officer.
>
> Section 51 (f) of the act makes it an offence punishable with severe penalties for anyone not being a returning officer to have the stamp in his possession, and I am asked to find Wilson guilty of that offence. With some doubt I have come to the conclusion that I should not do so. It is true that Wilson did, in a sense, have possession of the stamp, but he held it for the returning officer, in whose possession I think it could be fairly said to be, and having regard to the different senses in which the word "possession" is used, and the severe penalties attached to the offence I think it is not the intention of the act that such possession as Wilson had was an offence.

I presume that if another case is brought up under this act this judgment by Mr. Justice Clarke will be cited as a precedent, and this is what it amounts to: Supposing in the Peace River country you had a returning officer living up in the Pouce Coupe country. He could send that stamp down to Baldy Robb and say, "You stamp all the ballots you require and send them out as you please." Or the returning officer might live up in the Athabaska constituency say at Lac la Biche; he could send the stamp down to that mutual friend of the Minister of the Interior (Mr. Stewart) and myself, Mr. Bowtell, and say,

"Harry, you stamp them and send them out." As far as I can see there is no way of keeping any track of the number of ballots sent out or where they are sent, and I am sure the election act never anticipated anything of that kind.

I might refer to another clause in the act which provides that in the event of any civil servant, or anyone else for that matter, being proven guilty, or pleading guilty to an offence under this act, in addition to other penalties, he shall not be permitted to hold any office within the nomination of the crown. When that was mentioned a minute ago the Minister of the Interior stated that some fifteen government officials had been discharged following the discussion of this matter in the house last year. I am afraid that he would have a hard time trying to find that number of officials that had been discharged. I believe the services of one were dispensed with; I believe the Minister of the Interior did discharge the land agent at Lac la Biche. Outside of that I do not think there were any. I am pretty sure I would know it if what the Minister of the Interior states is correct. I repeat, there was but a single civil servant discharged in the constituency.

Mr. STEWART (Edmonton): May I ask my hon. friend who were the government employees who were before Judge Clarke or who were in any way implicated? I am really interested in getting this information because any of those in my department who were proved guilty are certainly not in the employ of the department to-day.

Mr. KELLNER: I could not give the minister that information offhand. I do not think it would be a difficult matter to find out, and if I were getting the information I should have to have assistance of the department. However, I am quite sure there is quite a number of them.

Mr. STEWART (Edmonton): It is hardly fair for my hon. friend to make assertions of that kind unless he is prepared to back them up with evidence. In acting as I did I acted according to the evidence taken by Mr. Justice Clarke. If there are any guilty parties in my department—and I do not know of any—they will be dismissed forthwith.

Mr. KELLNER: I can give the names of some and what disposition was made of their cases, and will do so in a moment. First of all I should like to offer a few comments on the assertions which various ministers made last year, to the effect that they were in favour of cleaning up this matter. If we are to take the statements of the ministers, they are very much in favour of getting rid of those civil servants who were guilty of the offences in question, and I suppose they will go further and say that they are not in favour of employing any of the others who were implicated. The Minister of the Interior said that the postmaster at Lac la Biche had been discharged. Now I want to deal in some detail with the post office at that place, and show what took place there. I am glad that the Postmaster General (Mr. Veniot) is here because he will be able to correct me if I err in any statement I may make. The postmaster at Lac la Biche was not discharged. There was, however, a case against him of having incited one of the witnesses in the investigation to perjury, and we felt quite sure that we could convict him on that charge. I was probably a little indiscreet because at a meeting I said that if he were left in the office I was going to see whether we could not persuade the government to proceed against him on the charge referred to. Almost immediately he resigned. I do not know whether his resignation was because of that statement or whether it was merely a coincidence. Anyway he resigned.

Mr. VENIOT: That was at Lac la Biche?

Mr. KELLNER: Yes, Lac la Biche.

Mr. VENIOT: That postmaster resigned on request after investigation was made.

Mr. KELLNER: I was citing the information which I think I obtained from the Civil Service Commission. If he was fired, so much the better.

Mr. VENIOT: The Civil Service Commission had nothing whatever to do with his resignation.

Mr. KELLNER: The Postmaster General is evidently trying to get me to say something I have no intention of saying. I did not say they had anything to do with the investigation. I said the Civil Service Commission advertised the position and they did. There were three applicants. One was ruled out as ineligible because he did not reside within the district. That cut the number down to two. One of these was Clovis Hamel, son of the former postmaster, P. D. Hamel. The other was a man by the name of J. L. Lavoie. The latter had been a bank teller for three or four years, and had considerable business experience. At the time the Civil Service Commission had the position under review, I submitted the evidence which had been given in the case of the Lac la Biche polls. That covered both polls. Clovis Hamel, who was making application for the position

of postmaster, was the deputy returning officer in one poll. When we started to investigate the happenings at the Lac la Biche polls we hoped to prove that a large number of voters, after voting in one poll, had gone over and polled their votes at the other booth. Unfortunately when we got the election returns the poll book for one of the Lac la Biche polls was missing. Now the responsibility for destroying that book was sought to be placed on Isaac Gagnon who had been returning officer, the man whose name has already been mentioned here as being unable to read or write. I consider the attempt to fasten this charge on the late Mr. Gagnon was the most despicable thing I have ever seen in my life. I do not for a moment believe that Mr. Gagnon destroyed that poll book; I think that some persons who are now occupying positions under the government destroyed it. However, that is only my personal opinion. Mr. Lavoie made application for this position, and after the Civil Service Commission had given due consideration to the application, he was appointed. A little later on the Post Office Department refused to accept the appointment, and then there was only one applicant left, namely, Clovis Hamel, the son of P. D. Hamel who had been fired. The result was that Clovis Hamel was made postmaster. Clovis also got the appointment of land agent, and P. D. was never relieved of his position as telegraph operator. So here is what the government accomplished in that case: They took the post office and the land office away from the father and gave them to the son. As regards the position of telegraph operator, P. D. Hamel had the position before and he still holds it.

Mr. STEWART (Edmonton): Does my hon. friend now say that Clovis Hamel had been proven guilty of any misconduct?

Mr. KELLNER: No, I do not say that.

Mr. STEWART (Edmonton): That is what I want to get from my hon. friend. You do not say that?

Mr. KELLNER: I will make it very plain to the minister. Here is what took place: We submitted—perhaps I had better say I submitted—the evidence to the Civil Service Commission covering the investigation, but we could not prove what we started out to prove owing to one poll book at Lac la Biche having disappeared. In the case of the other poll we did prove that they had taken ballots for quite a number of persons, sixteen or eighteen people, that never voted. In the poll, where Clovis Hamel was deputy returning officer, we did prove that one man, who was in the town of Waterways on election day, was recorded as having voted. Of course he could not have voted in Lac la Biche when he was in Waterways. The minister will know that well enough. Another man who operates a store—he is a Serbian, I think, and I am satisfied is not a citizen of Canada—voted although his name was not on the voters' list. He was not challenged and did not have someone to verify his identity as the act requires. There were two charges against Clovis Hamel which the evidence will prove at any time. Now Judge Clarke makes no comment on them in the report. I think the minister will admit that where there were such offences, an infraction of the law covering merely two or three votes would be hardly worth mentioning.

Mr. STEWART (Edmonton): That is just what I want to bring out. My hon. friend has mentioned what I have contended all the time, that not a word was said about it in Judge Clarke's report. My statement is now, and has been all the time, that every one of the cases mentioned in Judge Clarke's report has been dealt with. And may I say further: If my hon. friend will prove his contention when this investigation goes on—as I hope it will; no one hopes it more than I do—every one of the people who have been found guilty of offences will be punished. I want to say this with reference to my hon. friend—

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): All right. I will make a statement later.

Mr. KELLNER: The Speaker will give me extra time for this interruption. I was just thinking that the Minister of the Interior should have directed his remarks to the Minister of Public Works in regard to Mr. P. D. Hamel, in connection with his occupying the position of telegraph operator there. He is not arguing that he was discharged from that position.

Mr. STEWART (Edmonton): I am speaking of my own department.

Mr. KELLNER: That, however, is what took place. You have the post office, the sub-land agency and the telegraph office in the same building they were always in, and you have the same officers operating them with the exception that now the father is working for the son instead of the son working for the father.

I will pass from that to the case of the Heinsburg post office and I want to read a little extract in connection with that from

Mr. Justice Clarke's report. On page 6 of the report Mr. Justice Clarke has this to say:

I find that the said William Robertson and W. L. Crook by reason of each aiding in the commission of the offence and each having an intention in common with the other to prosecute an unlawful purpose are both guilty of forging 66 ballots and the poll book.

Let us remember that the poll clerk in that poll is W. L. Crook. He was an official at the poll known as Parenteau during that election. Tributary to his home is a post office known as the Heinsburg post office of which a Mr. L. Coombe was the postmaster. He was a returned man who had spent about four years in the war and had been discharged. This is a small post office and the income is very little, but it was certainly a position valued by that man. He had been running the office for several years and last summer he was notified that the office was to be taken from him and that the new appointee would be Mrs. W. L. Crook, wife of this poll clerk. The matter was brought to my attention along with a petition signed, I am told, by every patron of that office with the exception of the Crook family, requesting that Coombe be retained as postmaster. Here you have the position. Every single patron of the post office, with the exception of W. L. Crook and his family, were satisfied with the man who was in charge of it. I thought this was something that must have been put over without the knowledge of the government so I wrote to the Postmaster General giving him all the details. The Postmaster General wrote me back saying: Yes, Mrs. Crook is the wife of W. L. Crook; but do you think that is any reason why she should be disqualified from taking this office? That is the answer of the Postmaster General. I thought surely the government are not all of that opinion, so I wrote to the Prime Minister and told him about the matter. The Prime Minister replied saying: Yes, I have investigated this case, but the petition was largely a protest against the office being moved. Regardless of whether it was a protest against the office being moved or whether she is qualified or not, is the government going to excuse things like that by giving a postmastership to the wife of a man to whom they cannot give it, and taking it away from a returned soldier, a man who has gone out and defended this country, in order to give it to a woman by the name of Crook and, I presume, crooked by nature, if we are to judge from the evidence we have before us? That is the whole question.

I pass from that to Frog Lake poll. The Minister of the Interior said a minute ago that Harry Bowtell was not in the country at the moment. If he is not, that is news to me, because I am sure he was a short time ago. He may have left the country now, but if so his wife is still running the post office. Harry Bowtell has the honour of being mentioned in this report just a little more frequently than anyone else who is mentioned in it. I will read a few of the comments that Mr. Justice Clarke makes. On page 3 of the report I find this:

I find that the said Martin Grasdal, Harry Bowtell, Ernest Vasey and Peter Peterson are guilty of a conspiracy to commit an indictable offence in respect of the matters aforesaid.

Turning over to the next page I find this:

Harry Bowtell is guilty of abetting in the commission of the said offences in violation of section 51.

On the next page we have this:

The deputy returning officer, Peter Peterson, says that he was also registrar for this polling division, and got a voters' list with the ballot box on the morning of election day from Harry Bowtell, which he signed as registrar. The poll book indicates that there were 194 names on the voters' list, but there appear to have been only four qualified voters in the polling division.

A little further on the commissioner says:

In fact no poll was held and no person voted; the ballots were marked and put in the box by the said Peter Peterson at the instance of the said Harry Bowtell.

Turning over to another page I find that he again speaks of Harry Bowtell in these words:

--and that Harry Bowtell was guilty of abetting in the commission of such offences by reason whereof both of them became disqualified from voting at any election of a member to serve in the House of Commons for a term of seven years.

There are two other references to him, but I want to present the one in connection with Mrs. Bowtell. I find this on page 13 of the report:

In connection with this poll, a cheque was issued by the Auditor General to Thomas J. Cardinal for $24.26 for his services as registrar. No such person existed. The cheque was obtained by Emma A. Bowtell, wife of Harry Bowtell, the postmaster at Frog Lake, and she endorsed on it the name of Thomas J. Cardinal and obtained payment and appropriated the proceeds to her own use, and I find her guilty of forgery in respect thereof.

I should like to stop there long enough to ask the Minister of Justice if that is one of the cases the provincial government would have to prosecute?

Mr. LAPOINTE: He was given a certificate of indemnity by the judge. Nothing could be done against him.

Mr. KELLNER: That remark from the Minister of Justice is not in keeping with the high position he occupies. How could a judge give anyone a certificate to preclude a prosecution against that person for forgery? It cannot be done.

Mr. STEWART (Edmonton): My hon. friend's question was misunderstood by the Minister of Justice. He was answering in regard to Mr. Harry Bowtell. The hon. member was asking a question about Mrs. Bowtell.

Mr. KELLNER: The minister made a remark a little earlier in the afternoon that these prosecutions should be carried on by the provincial government and in his remarks I thought I detected a little complaint, or possibly something stronger, that the provincial government had not taken any action. My suggestion is this: Whose responsibility is it to prosecute in connection with this offence? Surely the Minister of Justice will not say that the provincial government should prosecute in connection with such an offence.

Mr. LAPOINTE: My hon. friend is altogether wrong. The matter is one for the provincial authorities.

Mr. KELLNER: Let me quote further. Speaking of the Cushing poll the Commissioner says:

> In connection with this poll, a cheque was issued by the Auditor General to P. A. Patterson, for $40, for his services as registrar. No such person existed. The cheque was obtained by Emma A. Bowtell, already mentioned, and by her direction the name of P. A. Patterson was endorsed upon the cheque by her thirteen year old daughter, by means of which Emma A. Bowtell obtained payment and appropriated the proceeds to her own use, and I find her guilty of forgery in respect thereof.

She is the postmistress of the Frog Lake post office, or Harry Bowtell is the postmaster, and she is the postmistress—I do not know which.

Mr. CAMPBELL: I have looked up the post office guide, and I find that Harry Bowtell is still the postmaster of Frog Lake.

Mr. KELLNER: It is in the family anyway. They also have the telegraph office at that point. I am sure the Minister of Public Works (Mr. Elliott) will be glad to know that there are still a few of these people in the employ of the government. Summing up these three cases, in Lac la Biche, the son gets the post office, and other appointments. The post office stays in the same building, it is kept by the same bunch of officials, and I am satisfied that no one could go in there to-day and detect one particle of difference from what it was before. In the case of the Heinsburg post office, you discharged a returned man who had fought for this country for several years during the war, a disabled veteran who required this little bit of support, and you give the post office to the wife of one of these ginks who was convicted. Then in the case of Frog Lake, you had both the wife and the husband. The children were not old enough, but the eldest was also convicted, and you leave them plumb alone. That is what you do, and nothing more.

Let me go a little further. I think anyone will realize that in order to submit the volume of evidence which we did submit in this investigation, it was going to cost us, and did cost us, a considerable amount of money, so I think any fair-minded person will give us credit for not being remiss in our duty if we neglected to bring in a few who should have been brought in or whose names might have been linked up with these others. I think it is fair to say that in a good many of these cases there is a preponderance of evidence, whether it was submitted before a judge or not, that should be taken into consideration. What I would like to ask the Minister of the Interior (Mr. Stewart), is this: Does he think that Charlie Cross's campaign manager could go through that election without being a party to what took place? And he is appointed a land agent at Bonnyville.

Mr. STEWART (Edmonton): Who was his election agent? I thought it was Mr. Deyl.

Mr. KELLNER: Joe Deschene was his campaign manager.

Mr. STEWART (Edmonton): I think my hon. friend is taking some chances in laying an accusation against Mr. Deschene.

Mr. KELLNER: I have made a statement that in cases where there is a preponderance of evidence that should be considered. How could anyone be closely associated with that campaign and not know something about what was going on? Regardless of whether I am taking a chance or not, that is what took place.

Mr. STEWART (Edmonton): My hon. friend will not suggest that all the men in Athabaska who were associated with Mr. Cross—I hold no brief for Mr. Cross, as my hon. friend well knows—would be guilty of wrongdoing.

Mr. KELLNER: No, I am not making any such suggestion as that at all, and I do not for the life of me see how the minister can imagine that I am. I am trying to be fair in this, and I am arguing that anybody who was actively associated with that election, either as a candidate, or as taking part in the organization of the machine that put this deal over, could hardly be considered as knowing nothing about what was going on.

Mr. STEWART (Edmonton): I am always loath to believe wrong of anyone until it is proven. I have known Mr. Deschene for a considerable number of years, and I have yet to know of him doing anything wrong.

Mr. KELLNER: I would not make any suggestion about anyone that I did not think was merited, but I cannot for the life of me conceive of any person going through that campaign as manager for the candidate and know nothing about what was going on.

Mr. STEWART (Edmonton): Is my hon. friend correct in saying that Mr. Deschene was the campaign manager? We all know that he was in that election and that he spoke in the election, but this is the first intimation that I have had that he was campaign manager.

Mr. KELLNER: I will put it this way. If the Minister of the Interior has good reasons for thinking he was not, possibly he will submit his reasons to the house, and we will decide the matter.

Mr. STEWART (Edmonton): That is all very fine, but my hon. friend is making an accusation, and I am not going to be put in that position.

Mr. KELLNER: I do not really know what you are going to do about it.

Mr. STEWART (Edmonton): My hon. friend can do what he likes about it. If he has an accusation to make against Mr. Deschene, let him make it.

Mr. MANION: He is making it on his authority as a sitting member of this house.

Mr. KELLNER: My accusation, if that is what you choose to call it, has been repeated two or three times already, and there can be no doubt as to the statement I made, and outside of the Minister of the Interior, I venture to say that no one in this house will call my statement an unfair one. Seeing that our friends over there are getting so "het up" over this matter, I think I will just give them a few.

This Liberal party which we have in Canada has sunk, so far as Alberta is concerned, to possibly as low a level as any political party could sink. I have here one of the booklets which were sent all through my constituency, and I expect all over Canada, called, "Hints on Organization and Work on Polling Day". This is sent out by the National Liberal Committee, 115 Sparks street, Ottawa. I want to quote some of the instructions it gives. At page twelve, it says:

> If a friendly voter spoils his ballot, see that he gets a new one, and that the spoiled one is marked and cancelled.

Mr. CANNON: What is wrong with that? He is entitled to a ballot.

Mr. KELLNER: Is it fair to ask what would happen to the unfriendly voter? I quote again:

> Once a voter gets a ballot he has a right to use it, whether he has been sworn or not. When a friendly voter therefore gets a ballot, he should at once mark it and have it deposited into the box.

In case somebody heads him off, I suppose. It continues:

> He cannot be sworn after he gets the ballot paper. Remember this, each ballot is counted, no matter by whom cast.

I ask the Solicitor General, what is the matter with that?

Mr. CANNON: That is absolutely fair. There is nothing wrong about that.

Mr. McGIBBON: What about the suggestion contained in it?

Mr. CANNON: There is no suggestion contained in it. That is perfectly all right.

Mr. KELLNER: If these things appear to be all right to the members of this government, then certainly it is beyond my powers to point out anything that they would consider irregular, but in spite of that, I am going to give one more quotation:

> Only two agents for each candidate are entitled to be present. If possible, arrange to have all objected ballots laid aside before you argue for their rejection or validity, so that you may see how the ballots will affect the count. Examine carefully back and front, each ballot marked for an opposite candidate.

What is the inference there? Is it not this? You take the unfriendly ballots and you put them over here; you take the friendly ballots and you put them over here. Then you size up the two piles, and if the friendly ballots make the biggest pile, argue for the inclusion of the whole thing, but if the unfriendy ballots make the biggest pile, then argue that they should all be rejected. There can be no other interpretation.

Now, Mr. Speaker, let me address these serious words to the government. Out through that district a very large percentage of the young people are just developing into womanhood and manhood. When I was there last summer the only topic universally discussed was the fact that those who had been proved guilty of illegal practices in the Athabasca election were appointed to these positions. It seems to me that this is what the government is doing. You are saying to the young people of that country: If you go out and forge cheques to help out your party on election day, to put this stuff over, you are all right, you can get a government job; you can forge cheques, you can beat the Dominion of Canada out of money which you should not have, and nobody will say a word to you; but, on the other hand, if you do not do anything like that, even though you helped your country to fight its wars, your post office will be taken away from you and you will get no consideration at all. Now, sir, is that the impression this government wants to make on the people in that constituency?

Hon. R. J. MANION (Fort William): Mr. Speaker, I had not intended to take part in this debate, but a few minutes ago when the member for West York (Sir Henry Drayton) was speaking, the Solicitor General (Mr. Cannon) interjected a couple of remarks which to my mind, if they are to be permitted to go out to this country unchallenged, cast a more or less shameful reflection upon my hon. leader (Mr. Bennett), and I intend to ask the Solicitor General to explain them. The incident occurred when the member for West York was speaking to the effect that Baldy Robb had been sentenced to imprisonment for crooked election practices and had been shown clemency. The Solicitor General interjected these words—I took them down at the time and have since had them typed:

Mr. Cannon: Before my hon. friend leaves Baldy Robb, I would say that if he wants to know the reason he had better inquire of his own leader.

Then the member for West York replied to the effect that his leader could look after himself, and the Solicitor General retorted:

I give you warning.

Now, sir, only one possible conclusion can be drawn from those remarks of the Solicitor General, and as my hon. leader is sick in bed I feel that this shameful implication should be retracted or explained. Either the Solicitor General has said too much or he has said too little. In justice to my hon. leader I wish to ask the Solicitor General to explain what he referred to in those interjections.

Mr. CANNON: In answer to my hon. friend, I regret as much as he does the absence of the leader of the Conservative party when my friend from West York was addressing the house. If my hon. friend for West Calgary, the leader of the Conservative party, had been present I am quite sure that no reference would have been made to the case of Baldy Robb, for two obvious reasons. First, because the case of Baldy Robb has absolutely nothing whatsoever to do with the present motion. Baldy Robb was connected with the election in the constituency of Peace River, and was in no way connected with the election in the constituency of Athabaska. It goes to show that my hon. friend from West York when addressing the house should have taken more time to examine the motion, its object and its meaning. The second reason why no reference would have been made to the case of Baldy Robb is that that case was dealt with in such a manner and under such circumstances as are well known to the leader of the opposition, and he would have been the first to keep the hon. gentleman from mentioning it in the house.

As to my intention in interjecting what I did interject, I may say that I did not want to cast any shameful reflection on the character of the leader of the Conservative party. I had no such intention. Members of this house know me sufficiently well to be assured that I would have waited for the leader of the Conservative party to be present if I wanted to attack him. I have never had the habit of attacking people in their absence, but on account of the very peculiar circumstances of the case referred to by the member for West York, I thought it was just as well that I should say enough for the incident to close immediately, as it did close, and I may assure—

An hon. MEMBER: You have not said enough yet.

Mr. CANNON: —and I assure my hon. friend from Fort William that I attach no shameful interpretation in any way to the conduct of the leader of the opposition in that matter; but if he will discuss it with his own leader he will reach the same conclusion as I have, that we should not discuss it in the house.

Mr. CAHAN: Why not?

Mr. McQUARRIE: Tell us.

Mr. CANNON: My hon. friend from St. Lawrence-St. George (Mr. Cahan) wishes to know the reason. Suffice it to say that in all cases of remission of sentence the crown exercises the royal prerogative.

Mr. CAHAN: Quite so.

Mr. CANNON: That exercise of the royal prerogative is not to be debated.

Mr. CAHAN: Quite so.

Mr. CANNON: Therefore when the royal prerogative was exercised in the case of Baldy Robb it was exercised for reasons that I cannot discuss here.

Mr. CAHAN: Quite so; but why not explain?

Mr. CANNON: When the member for West York introduced the matter he was placing me in a position as the minister who advised in the matter of being—I would not say accused, but of being suspected of having taken a decision which I should not have taken, when as a matter of fact I acted after consulting many people and inquiring in many quarters. I cannot say any further, but in fairness to the minister in charge—

Mr. BOYS: Why did you give the warning?

Mr. CANNON: In view of the special prerogative which is exercised in such matters, in view of the parliamentary practice in similar cases, and in view of the fact that the motion before the house is in no way connected with the case of Baldy Robb, I think that incident should not have been introduced here at all.

Mr. CAHAN: If the Solicitor General will allow a question—in reference to the explanations which have been made, and which are highly honourable to the hon. gentleman, does he still make any aspersions on the leader of the opposition?

Mr. CANNON: I never made any. I want to make that very plain—I never made any.

Mr. BOYS: What was the warning for?

Mr. CANNON: The warning that I gave to my hon. friend from West York was that he should not discuss that matter at all because apparently he was not familiar with it, and I am quite sure he was not.

Mr. BOYS: Cheap.

Mr. CANNON: My hon. friend may consider it cheap, but I think that what I said was said in fairness to everyone. I have no intention of casting aspersions on the leader of the opposition (Mr. Bennett), and if my hon. friends opposite think so they are entirely under a false impression.

Mr. CAHAN: I am glad you say that.

Mr. CANNON: If I wanted to attack the leader of the opposition I certainly would not do so when he was away. I never attack any man in his absence.

Mr. MANION: The hon. gentleman has answered the question to his own satisfaction, but when he says that he meant to make no attack on the leader of the opposition, I wish to say that he thinks too late, because he made the attack in these very statements. And immediately upon hearing these statements from the hon. gentleman I said to myself, "Either Mr. Bennett has done something shameful or the Solicitor General has no right to make any such statements."

Mr. CANNON: Has my hon. friend concluded his remarks?

Mr. MANION: No; I am going to conclude them now.

Mr. CANNON: Well, what was I doing?

Mr. MANION: You were answering my question.

Mr. CANNON: In that case I will allow my hon. friend to conclude his remarks and then I will speak.

Mr. MANION: I will conclude very quickly. The point I am making is this: that had I not asked the Solicitor General the question I did, there would without a doubt have gone out to the whole country through the press, and rightly, the suggestion from the Solicitor General that the hon. member for West Calgary, the leader of the opposition (Mr. Bennett), had done something shameful or disgraceful in connection with the clemency shown Baldy Robb. This certainly was the only possible inference that anyone could have drawn from the Solicitor General's remarks —that if the hon. member for West York (Sir Henry Drayton) did not bring to a close his observations in reference to the clemency shown Baldy Robb, he, the Solicitor General, wanted to warn him that he was going to show up the leader of the opposition. That is the only possible sense which could be read into the statement of the Solicitor General. What other conclusion could one draw from it? The hon. member for West York had

been speaking of the clemency shown Baldy Robb, and he made some remark to the effect that the government had been very kind to him, or something of that sort. I do not remember the exact words. The Solicitor General then interjects the remark: "Before my hon. friend leaves Baldy Robb I would suggest, if he wants to know the reason, that he had better inquire of his own leader."

Mr. EDWARDS (Frontenac): No royal prerogative against insinuation.

Mr. MANION: And later on the Solicitor General adds: "I give you warning." In other words—and this is the only inference—he was giving warning to the hon. member for West York that if he persisted in his remarks regarding Baldy Robb he, the Solicitor General, would show up the leader of the opposition as having been in some shameful way connected with Baldy Robb. I accept completely the Solicitor General's withdrawal but I certainly find it difficult to understand his explanation.

Hon. LUCIEN CANNON (Solicitor General): I wish to say first of all that I do not withdraw anything I said.

Mr. MANION: My hon. friend withdrew his implication; he did so three or four times —the implication of guilt.

Mr. CANNON: I cannot withdraw anything I did not advance; I cannot withdraw anything I have not said. And now, as to continuing the discussion with my hon. friend from Fort William (Mr. Manion), I do not think I can do so because my hon. friend is evidently slipping on the ground of partisanship, and these are the very last matters that should be discussed in a partisan spirit.

Mr. MANION: You should have thought of that sooner.

Mr. CANNON: I will warn my hon. friend—

Mr. MANION: Go ahead.

Mr. CANNON: I will warn my hon. friend—

Mr. MANION: A very popular pastime.

Mr. CANNON: —that when he does speak in this house I make it a rule to listen to him attentively. I do not interrupt the hon. gentleman and I ask him to accord me the same privilege.

Mr. MANION: I will not interrupt the hon. gentleman if he will be careful in his remarks about warning us in regard to our leader.

[Mr. Manion.]

Mr. CANNON: My hon. friend is afraid that the words which I uttered will result in having the whole of the people of Canada think that the leader of the opposition has possibly done something shameful. I do not think my words will have any such effect. The leader of the opposition has a standing in this country—

Mr. MANION: Hear, hear.

Mr. CANNON: —as a public man and as a lawyer, and I have greater confidence, I think, in the reputation of the leader of the Tory party than my hon. friend from Fort William seems to have. Now, coming to the motion which is before the house, I may say this to my hon. friend who has just resumed his seat: The government has absolutely no objection whatsoever to the motion. Every member in this house, whether he sits on this side or on the other, will co-operate with him in order to obtain as satisfactory a result as possible from an investigation by the committee on privileges and elections into the report which has been submitted by Mr. Justice Clarke. We are at one on this question. The government does not oppose the motion; the government is willing to participate in the investigation before the committee on privileges and elections in order to assist my hon. friend in securing results. But, Mr. Speaker, there is a distinction to be drawn between the responsibility which may attach to the government in this matter and the responsibility which rests with parliament as such. The Minister of Justice is not responsible for the administration of the criminal law in Canada. This is a well known fact.

Mr. BOYS: Who is?

Mr. CANNON: I will tell my hon. friend. If an investigation is held under chapter 51, the judge having reported that offences have been committed, the prosecutions are to be instituted, not by the federal government, not by the Minister of Justice, but by the provincial government, by the attorney general.

Mr. CAHAN: Where do you find that provision?

Mr. KELLNER: Will the Solicitor General say that, cheques having been paid in the federal government's money, and it having been established that these election officials never existed, the provincial government should prosecute?

Mr. CANNON: Certainly. I have no doubt my hon. friend asks the question in perfect good faith, and I am more surprised

that legal gentlemen should express a doubt on the point, as does my hon. friend from St. Lawrence-St. George (Mr. Cahan), for instance, or my hon. friend from North Simcoe (Mr. Boys).

Mr. CAHAN: Doubt as to what?

Mr. CANNON: The attorney general of the province is the officer who administers justice within the province and who sees to it that prosecutions are taken. Every indictment laid before a criminal court is signed by the attorney general of the province. The attorney general of Alberta is the man who in this instance was supposed to take the prosecutions in connection with offences disclosed when the investigation was held. I do not blame the attorney general of Alberta; he probably did his duty. As a matter of fact, as appears on the file, when he received from Ottawa the documents which he was supposed to receive, the attorney general of Alberta did not complain that we had not done our duty. The attorney general of Alberta did not say to the Acting Minister of Justice, "You have not performed your duty under the act". The attorney general of Alberta reported that he was instituting proceedings, as it was his duty to do. Why should we be blamed as a government? It is altogether outside of our competence.

Some hon. MEMBERS: No, no.

Mr. CANNON: It is.

Mr. BOYS: Does the hon. member contend that the Criminal Code of Canada cannot be set in motion by the Department of Justice? He has mentioned my name, and that is why I rise. I do not suggest that the administration cannot be properly carried on by the province, but does the Solicitor General suggest for a moment that the enforcement of the criminal law cannot be set in motion by the Department of Justice of Canada?

Mr. CANNON: My hon. friend knows that should a murder be committed in the House of Commons the murderer would be prosecuted not by the Minister of Justice but by the attorney general for the province of Ontario.

Mr. CAHAN: Would my hon. friend allow a question?

Mr. CANNON: That is the practice, and has been so since 1867. Criminal prosecutions are instituted by provincial authorities.

Mr. McQUARRIE: But cannot anyone lay an information?

Mr. CANNON: Certainly, but if my hon. friend went to the police station in the city of Ottawa to lay a complaint of an infringement of the criminal code, his complaint would be received and if the judge deemed fit a warrant would be issued. If that were an indictable offence, however, the case could not be brought before the criminal court without that indictment being signed by the attorney general for the province of Ontario.

Mr. BOYS: Nobody disputes that.

Mr. CANNON: Then if no one disputes that my argument is perfectly correct.

Mr. BOYS: You could set the law in motion.

Mr. CANNON: Certainly; we set the law in motion according to the act the moment the report was received. My hon. friends must be fair in this matter, as I am quite sure every hon. member wishes to be fair. This is not a partisan matter but a question of law.

Mr. McQUARRIE: The Dominion police are doing it every day.

Mr. CANNON: Certainly, but this whole matter must be considered in a spirit of fairness. We had a right to appoint a commissioner. Will my hon. friend who sits for that constituency deny that the moment he asked for a royal commission the government appointed a commissioner? We appointed one of the most distinguished jurists in the west, and placed at his disposal every posible convenience to assist him in arriving at the truth.

Mr. KELLNER: Will the minister permit me to reply to his question? The government did appoint a commisisoner, in the person of Mr. Justice Beck. I think he held the appointment until some time in June, but made no effort to hold any inquiry. That appointment was later changed to Mr. Justice Clarke, who was held up for some little time because he had no money. Mr. Justice Beck refused to go on with the inquiry because he said the government had not supplied him with funds.

Mr. CANNON: I hold no brief to defend Mr. Justice Beck; I simply state to my hon. friend that his name was mentioned in the petition addresed to this parliament. For some reason or other he was later replaced by Mr. Justice Clarke, and I am sure no one will ever say anything against Mr. Justice Clarke. The government even appointed the counsel who represented the interests of my hon. friend, and paid $3,000

for their services. Could we do more than that? The report was sent in; what did we do? There had been some delay in forwarding the report, but surely we cannot be held responsible for that. The moment the report was received we hurried the proceedings in order to be within the period set by law; we sent the documents to the proper authorities in Alberta.

Mr. KELLNER: Will my hon. friend permit a question?

Mr. CANNON: Yes.

Mr. SPEAKER: The hon. gentleman has already spoken several times. If he desires to put a question, well and good, but he may not make a further statement.

Mr. KELLNER: I was interrupted quite frequently, and I think I should have a little leeway in this matter. Of course I submit with all grace to your ruling, but I wish to ask the Solicitor General a question. If Mr. Justice Beck had proceeded with the investigation shortly after his appointment—and his reason for not doing so was that the government had not provided him with money—that report might have been submitted earlier, and more time would have been given to those looking after the prosecutions. Is that not so?

Mr. CANNON: As far as that feature of the matter is concerned, certainly I am not going to discuss before this house whether or not Mr. Justice Beck did not act because he had no money. I doubt very much whether that was the reason, but if my hon. friend has an accusation of that kind to make against Mr. Justice Beck he can do so. I simply say that when the report was received by this government we did what we had to do; we forwarded the documents to the attorney general of Alberta, who acted as he should have acted. If my hon. friend has any complaint as to how the prosecutions were conducted he should not address them to the Minister of Justice or to this government but to the provincial government of Alberta—if any such complaints can be laid, which I doubt very much.

Mr. CAHAN: I intend to address them to this government if I am given an opportunity.

Mr. CANNON: The question was raised why certain prosecutions were not taken against people who had evidently committed infractions of the law. Again I say the responsibility for that matter lies with the attorney general of Alberta, but in fairness to him—and I wish to be fair to everyone in this matter—I must remind the house that prosecutions could not be instituted if certificates of immunity were given. That is the law. Section 27 of the Corrupt Practices Inquiries Act states:

> If any information, indictment or penal action is at any time after an inquiry pending in any court against such witness in respect of any corrupt or illegal practices committed by him previously to the time of his giving his evidence, at any election concerning which he has been so examined, the court shall, on production and proof of such certificate, stay such proceedings, and may, in its discretion, award to him any costs to which he has been put.

My hon. friend knows that certificates of immunity were granted to most of the people connected with the electoral frauds practised during that election.

Mr. ARTHURS: Why not to all the electorates?

Mr. CANNON: It was for the judge to decide; he has to exercise his discretion. Are my hon. friends going to discuss in this house the exercise of judicial discretion?

Mr. KELLNER: Such a certificate could not be issued for the offence which I cited a moment ago.

Mr. CAHAN: Was a certificate of immunity given to Mrs. Bowtell for forging a Dominion cheque, which resulted in a defalcation of Dominion funds?

Mr. CANNON: I do not think such a certificate was granted.

Mr. CAHAN: That was the issue raised by my hon. friend, which you are avoiding.

Mr. CANNON: That issue was not raised, but let us examine that case. If Mrs. Bowtell could be prosecuted, and if my hon. friend really wanted her punished, why did he not exercise his right as a citizen and lay a complaint? He could have done so.

Mr. CAHAN: Are you going to leave to private citizens the duty of prosecuting those who have been found guilty of defalcations against the Dominion government?

Mr. CANNON: The hon. member for St. Lawrence-St. George, with his usual ability, is evidently trying to shift the ground of discussion.

Mr. CAHAN: I am not; I was protesting against the implication which I thought underlay the remarks of my hon. friend.

Mr. CANNON: The hon. member for Athabaska brought up the question of certain people who had been found guilty of infractions of the election law. In answering that I say, first, that the prosecution should be instituted by the attorney general of the province according to the law; and secondly, that in cases where certificates of immunity had been granted by the judge, in the exercise of his discretion, no prosecutions could take place.

Mr. CAHAN: With respect to corrupt electoral acts.

Mr. CANNON: As to the case of Mrs. Bowtell, or any other person, I am not sufficiently conversant with the situation to discuss it on its merits. May I add that in so far as the government is concerned we stated two years ago, we stated again last year, and we make the statement this year, that my hon. friend from Athabaska can appear before the committee on privileges and elections, and any suggestions which he can make to improve our system will be received with gratitude. We have no intention whatsoever of protecting those who may have been guilty of corrupt practices during that election. Again I repeat that this matter must be discussed in the light of the law as it exists, not in the light of what my hon. friend, or any other gentleman opposite, would like it to be. If the law is not as it should be, it becomes a matter of making the necessary amendments. I do not think any member in the house can accuse the Minister of Justice of having been derelict in his duty when he followed every clause of the Corrupt Practices Inquiries Act.

Mr. C. H. CAHAN (St. Lawrence-St. George): I think the house is very glad indeed that the Solicitor General (Mr. Cannon), if he did not withdraw the implication contained in his remark, as we understood it, at least assures us that he had not intended any such implication. Certainly when I heard him I felt he was making some reflection on the honour of the leader of the opposition (Mr. Bennett) and I am glad to know that is not the case. Among other points raised by the hon. member for Athabaska, he called attention to—

Mr. CANNON: If my hon. friend will permit me, in order that we may argue the case with the facts before us. The Minister of Justice informs me that Mrs. Bowtell was granted a certificate of immunity.

Mr. BOYS: Not for forgery.

Mr. CAHAN: With respect to those found guilty of illegal and corrupt practices under the Elections Act the commissioner could grant a certificate of indemnity, but the hon. member for Athabaska has pointed out that in addition to those there was the case of Mrs. Bowtell who forged the endorsements on cheques issued by the government and received and applied the proceeds to her own use. Now I say to the hon. gentleman that in the case of the forgery of a Dominion cheque and the defalcation of Dominion funds the Department of Justice has, from time immemorial, undertaken the prosecution of its own officials who have forged such cheques and forged such endorsements. I know of at least ten or fifteen cases in the last thirty years where such prosecutions have been undertaken by the Department of Justice. That is the point which my hon. friend the Solicitor General is entirely avoiding. Now supposing the commissioner did hold an inquiry in connection with corrupt practices and did give a certificate of indemnity to Mrs. Bowtell. That indemnity would be no defence to the prosecution of Mrs. Bowtell for the forgery of Dominion cheques and the misappropriation of Dominion funds. I think there is no doubt about that. However, I am not going to stress the point further; I simply give that as my clear opinion.

Now chapter 51 of the revised statutes of Canada, 1927, provides that the commissioners shall report with respect to each election the names of all persons whom they find to have been guilty of corrupt or illegal practices therein. May I point out that "corrupt or illegal practices" has a special definition, and I do not think that the forgery of Dominion cheques and wrongful appropriation of Dominion funds comes within it. The commissioners are required to report the names. To whom are they required to report? Section 28 says that the commissioners shall from time to time report to the Governor General the evidence taken and what they find concerning the premises. The report is made to the Governor General, in reality to the government of the country, in order that such action as may be deemed necessary in the premises may be taken. The report which is made to parliament is rather a subsidiary matter, because the act proceeds to state in section 30 that every such report which has been made to the Governor General shall be submitted to parliament within fourteen days after such report is made if parliament is sitting, or if parliament is not then sitting, within fourteen days from the next meeting. So not only is the government to receive a report for its in-

formation, but parliament is also to receive the report for the same reason. The report when it is received by the government shall be laid before the Attorney General of Canada, the Minister of Justice. Now the Minister of Justice has a special duty to perform in the premises. It is his duty to examine the evidence, and if he finds sufficient evidence available for a prosecution he must certify such information to the Secretary of State, who in turn must communicate the report, with the evidence, to the lieutenant governor of the province in which the election was held. But in addition to that, the statute places a duty upon the Attorney General of Canada in respect of his office, and his official duty in the premises is expressed in section 32, which says that:

> The Attorney General of Canada shall instruct counsel to assist in any prosecution which is thereon instituted by the local authorities charged with the administration of justice.

The word "shall" is used. The Attorney General of Canada "shall" instruct counsel. It is not within his discretion to refrain from making the appointment of counsel. It is a duty incumbent upon him under the statute so to act in this matter, therefore it is his duty to ascertain the result of the transmission of this report to the lieutenant governor of the province. It is his duty to ascertain whether the attorney general or crown prosecutor or other authority in the province has undertaken to prosecute for these offences. He must keep himself informed in regard to these matters. When a prosecution is undertaken, section 32 states that the Attorney General of Canada shall instruct counsel to assist in any prosecution.

I am the last one to endeavour to impose upon the Minister of Justice any duties which do not properly belong to him. I know he often has to be and has been absent from his office performing very high and onerous duties as representative of Canada in other countries. I do not know whether or not he was absent on this occasion; I do not know who was fulfilling his functions as the acting attorney general during his absence; but I say that under the statutes the Attorney General of Canada, or whoever was acting as Attorney General of Canada, has been utterly negligent and faithless in the performance of his duties in the premises. I say that, because we have had the admission to-day that no counsel was instructed by the Department of the Attorney General of Canada. I am not making any suggestions in regard to the present incumbent; I do not know who was acting at the time; but this is a case in which the Attorney General, or the acting Attorney General of Canada for the time being, has not performed his duties under the statute. If he had performed his duties under the statute we would not have had the Solicitor General or the Attorney General, the Minister of Justice, suggesting to-day to the house that they were unaware of the results of the various prosecutions which were undertaken by the crown prosecutor in the province in question. That is my point, and I think that should have been met more fully than it has been.

Just one other point. I think we all as members of this house must recognize that a duty is placed upon the house and especially upon the government with regard to the reconsideration of the provisions of the Corrupt Practices Act, the Elections Act and the registration of voters thereunder. It is impossible, as will be admitted, for any private member to procure with any facility amendments to the public acts of Canada, especially public acts such as the Corrupt Practices Act, the Elections Act, and all the rest. But certain kinds of illegal acts which were so prevalent in the constituency of Athabaska are prevalent in our city of Montreal to an enormous extent. I drew the attention of the house to this once before when this matter came up. I pointed out that in the electoral district of St. Lawrence-St. George before my first election I found on the list more than two thousand fictitious names. At the last election at which I was a candidate I found more than two thousand fictitious names on the list, and at the present time, although I have not counted them, I am sure that coming in from the provincial registration and otherwise there are already on the list which would form the basis of a new revision, many hundreds of fictitious names. We all know that at elections certain gangs of men are hired in the city and men are even imported from outside to do impersonating. We know there are hundreds of impersonations of registered electors. We know that gentlemen who are late going down town after breakfast find that others have voted in their names.

Mr. HEAPS: Why have there been no prosecutions in those cases?

Mr. CAHAN: Because no individual alone has the funds or the means to prosecute a thousand people. I am not saying whether this is due to the efforts of the Liberal party or of the Conservative party; but in any

of our constituencies in Montreal, in the municipal elections, largely in the provincial elections and still more largely in the federal elections, there are impersonations not by the hundred but by the thousand.

Mr. HEAPS: Is it not a fact that these men when caught have been let off with neither fine nor imprisonment? Have they not been dealt with in the most lenient fashion?

Mr. CAHAN: I think so, but perhaps I have been so much concerned with the conviction of some of them that I may not be able to give an impartial opinion. You get together an executive committee of the most honourable and honest men you can find in your constituency, men whose reputations are above reproach, men who assist, on election day in the ordinary election work of the constituency, even those who represent you at the poll. Then there are issued in the city of Montreal blanket warrants purporting to be signed by judges; in fact I have seen some myself purporting to be signed by a judge of the court of sessions. I do not know whether they are forgeries or not, but these blanket warrants have been issued by the hundred and put into the hands of police constables for the purpose of arresting early in the morning the most reputable men of the city so as to prevent them from taking part in the election. I am not accusing anybody. The Minister of Justice, I know, is as anxious as I am to put an end to that sort of thing and I believe the other members of the government are equally anxious.

But when the provincial lists in Montreal are prepared, it is impossible for me in the constituency of St. Lawrence-St. George to ascertain whether proper names are going on the list. Under the provincial law people can register for St. Lawrence-St. George at Lachine; they can register ten miles out of my district on the other side of the river; they can register at Pointe aux Trembles. It would take more than my personal revenue in a year to keep track of the registration of the names of voters in my constituency on the provincial list which go automatically on the Dominion list, so that it is impossible to have any effective supervision of the list until it forms the basis of the Dominion list. In my constituency at the last revision I found more than two thousand fictitious names. That meant that I had to have two thousand individual affidavits made as to whether or not on a certain day those people were residing at the places of residence stated in the list. That meant that I had to hire men by the hundred to go out and make inquiries at those residences on that day and then make individual affidavits. That expense is placed upon me; I have to bear it myself. I am not wealthy; but that expense, which applies also to other city constituencies, is so high that at the present time in the city of Montreal no honest, respectable citizen of moderate means can afford to run a federal election and to pay his own election expenses. Those two thousand affidavits were put in, and what I did was quite fair and frank. I gave a list of the whole two thousand applications to the representative of the gentleman who was opposing me. I do not presume that he knew anything about the matter, but someone knew about it. I said to them: send out to those addresses and if you can find one of them that represents anybody who by chance is not living at that address but is living in any other part of the constituency or anywhere where under the law he has a right to vote, I will not press the objection. After a complete search, I believe there were found out of over two thousand names some fifty residents who had moved from one house in one part of the constituency to another. We sent our agents out, two and two together, to deal with these fifty or sixty residents, and we dealt with them in a satisfactory manner. But the expense of all that, and the expense of revision in my constituency, with over two thousand fictitious names and thousands more coming in at the time of revision, is so great that it costs from four to five thousand dollars at the time of the federal revision simply to supervise this nefarious work and to prevent it having full effect. I know there are members on the other side of the house who complain of exactly the same conditions. When we make prosecutions before the court of sessions, the prosecutions are delayed and delayed and delayed and finally result in nothing. Members cannot initiate one thousand or two thousand prosecutions and then employ a sufficient number of lawyers to appear at the court of sessions day after day, and week after week, and even month after month. It is a scandal that must be prevented in the future. I ask the government, through the Minister of Justice, either through this committee or some other committee, to initiate as a government undertaking, because you need the force and power of will of government to put it through, a reconsideration of our electoral law with a view to making such amendments in the law governing the revision of

the electoral lists in the city of Montreal—and conditions, I have no doubt, are the same in other cities—as will give us fair and honest lists that will preclude impersonation and perjury, and enable our committees of honest and representative men to do their electoral work on election day, without being subject to arrest on false and fraudulent warrants and to confinement in the police station under the control of the police until election day is past. It is a scandal. My hon. friend from the west said that conditions out there imperilled responsible democratic government. Democratic government in the city of Montreal in federal elections is at an end, democratic representation is at an end—

Mr. LAPOINTE: Did such a state of things exist when we were using the provincial lists for federal elections? Is not the condition my hon. friend speaks of the result of that change in the method of making up the lists?

Mr. CAHAN: I daresay it is, to a very considerable extent; and remember, I am not charging the Minister of Justice, or the government with which he is associated, or even the party with which he is associated in the province of Quebec, as being responsible for the iniquities which are perpetrated. I am not charging that, but I say it is a matter in respect of which we ought, on both sides of the house, to come to some reasonable understanding, and we ought to adopt and carry through such measures as may be calculated to put an end to it. To me personally it does not matter. The greatest kindness the Minister of Justice could do to me, as he suggested the other day he should do in the public interest, would be to prevent my representing a Montreal district in this house. But I come in contact with many young men in that city—young men not only of my own race, because my race is in a minority in Montreal, but the best young men who are coming out of the Montreal universities, Liberals as well as Conservatives, and they truthfully say that in view of the conditions which now exist, it is impossible for young men to attain any eminence in the political life of this country unless they are prepared to become a part of the party machine, on one side or the other, take party funds by thousands and tens of thousands of dollars, and participate in the iniquities which are prevalent, not only one side but on both sides in that city.

Hon. E. B. RYCKMAN (East Toronto): Mr. Speaker, I think the time will not be lost that is devoted to a further consideration of this case. So important is it that I do not think that any matters which are extraneous or are related only indirectly to it should be considered by this house in this connection. The facts are that this election was the most shocking and the most astounding one ever held in the Dominion of Canada, so far as we have any information. The Baldy Robb election in Peace River was held at the same time. It is true that the man who occupied front stage in that election does not come into the inquiry which I am sure will follow this resolution; nevertheless, the fact that the things he did, and kindred things, were repeated in the Athabaska election makes it all the more necessary that we should look to the dignity of this house and our own personal honour, because that is what the question involves.

This report was laid on the table of the house on the 15th day of December, 1926. Who is in control of parliament? The Prime Minister and his cabinet. Who has to deal with a matter of this kind? The Minister of Justice (Mr. Lapointe). We come down to this very day and we find that nothing was done or even suggested during the last session of parliament in regard to this report. To-day we find that the Minister of Justice says: Oh, I am in favour of the resolution. The Minister of the Interior (Mr. Stewart) says: There will be no one who will be more pleased than I if this resolution carries; and the very words of the Solicitor General (Mr. Cannon) were, "I have absolutely no objection whatsoever to the motion." Has it come to this, Mr. Speaker, in this parliament, that where the honour of all members is concerned it must devolve upon a private member to bring forward a resolution which will be passed unanimously by the house? There is not a member of this house who will dare to vote against this resolution.

THE ROYAL ASSENT

SUSPENSION OF SITTING

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

Mr. Speaker, His Honour, the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the senate.

Accordingly, the house went up to the senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor

General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Supreme Court Act.

An Act to authorize an extension of time for the completion of the Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.

An Act to amend the Public Printing and Stationery Act.

An Act to amend the Railway Belt Water Act.

An Act respecting the Royal Military College of Canada.

An Act to confirm a certain agreement made between the Canadian Pacific Railway Company and the Canadian National Railway Company.

An Act to amend The Patent Act.

An Act to amend the Trade Mark and Design Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1929.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1928.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

ATHABASKA ELECTION

The house resumed consideration of the motion of Mr. Garland (Bow River) that the final reports of Mr. Justice Clarke with reference to the Athabaska election be referred to the select standing committee on privileges and elections.

Mr. RYCKMAN: At six o'clock I was stating that ministers without exception were now unanimously in favour of the reference of this report to the committee and action thereon. This report, as I have stated, was tabled on December 15, 1926. Ministers have taken credit for tabling the report. The report is required under the statute to be tabled. No action was taken thereon and I submit to this house that it was the manifest duty of the government in power, represented especially in a matter of this kind by the Minister of Justice, to have this report examined and action taken on it in order to maintain the honour and dignity of the crown ad especially the purity of the fountain of justice. That action was not taken, but the ministers are all ready to take it now upon the resolution of a private member, and I say that the thanks of this house and of this country are due to that private member. Why was not action taken? Simply because an examination of this report would have disclosed that the Liberal party had out-Heroded Herod in election frauds and crimes. The government of the Hon. George Ross was turned out of power in the province of Ontario by election crime, but the post-graduate work in election crimes has been done by friends of this government, Baldy Robb and Cross, who, I understand, was himself at one time an attorney general of one of the provinces. Action was not taken because the Liberal party would have been exposed and there would have been brought to the notice of the people of this country, as I say, election crimes such as had never been heard of before. Further, there was this reason why the Liberal party, the government, were anxious to avoid an investigation of these crimes: they were maintained in power at the time—so narrow was the division—by just such votes as Cross could give. No one can tell me that after this had occurred the Prime Minister did not know every candidate in the Dominion of Canada who was carrying his banner. And after all this had occurred the man who was put forward by the Liberal party as worthy of the suffrages of the people of Canada was the same man Cross.

Mr. MACKENZIE KING: Perhaps I may tell my hon. friend that the Liberal party did not countenance Mr. Cross as its candidate at the last election.

Mr. McGIBBON: They never repudiated him.

Mr. RYCKMAN: The Prime Minister's answer is a ready one.

Mr. MACKENZIE KING: I myself wrote to Mr. Cross to tell him that we would not countenance him.

Mr. RYCKMAN: We may put a question on the order paper, asking for the production of the letter. But there is no doubt that if he had been elected he would have come here and the Prime Minister would have taken the avails of his election as a good Liberal.

What amuses me is the excuses offered by the Department of Justice through its two representatives for not proceeding with this matter. Let me deal with the Minister of Justice (Mr. Lapointe) first. The excuse he gives to this house is this: We did all that the law required us to do. That is the expression, verbatim, that he used. I say that in a matter of this kind he has a right to assert the inherent authority which he has of protecting the fountain of justice and the honour and dignity of this parliament and of the members thereof. But he did not do so. The excuse of the Solicitor General (Mr. Cannon), is more naive; he says that the

administration of justice is with the provinces. There is no legal infant who does not know that. But what we do know is that action in any matter that relates to justice in this Dominion has its inspiration and its control in the Minister of Justice of Canada. There is no question about that. He cannot tell me that there ever was a case of a major offence where the Dominion asked for action on the part of a province when the province did not act. There is no case that he can cite where a crime has been committed and the Dominion has asked for action and the province has failed to act. The provinces so understand; it is the unwritten law. It is as though the Solicitor General wanted an errand boy to do a message: he sends for the errand boy; he does not do the errand himself, but the boy does it. How ridiculous, therefore, it is for the Solicitor General to come here and say—and this is his argument—that because the administration is with the provinces the Dominion is functus in this matter, that it had nothing to do and could not even put in a request to prosecute, so that, as he puts it, the government did all that was required by law. The Minister of Justice is not required by law to remit any penalty. A man is in penitentiary, and the grace of the crown, represented by the Minister of Justice, is extended in the matter. It is therefore a thing unheard in this country, until announced in this house to-day, that the Minister of Justice cannot get action on the part of the administration in any of the provinces in connection with any criminal matter.

Just a word in conclusion. I am glad this committee is going to meet and I hope it will make a thorough investigation of this matter. They must not allow a red herring to be drawn across the trail by the statement from the other side of the house that there is some new limitation pronounced against prosecutions for forgery in this country; there is not. If this committee finds that forgery has been committed, that a criminal conspiracy has been set up or that perjury has been committed, it is open to the committee to vindicate the justice of this land and to require that the offenders be prosecuted unless there is a certificate of immunity. One must admit that exception, but even that does not go all the way. In that case the matter would be decided by the court, but no one can tell me that where such widespread crime and fraud has been committed by men of the Liberal party in an endeavour to win an election and a supporter for the present Prime Minister, it will not be found that all through the piece the criminal law of this country has been broken, and I say the offenders should be punished. I hope that out of this investigation by the committee there will come an improvement in the law, and above all an assertion by this parliament that no one can commit a crime against the sacredness of the vote without being called speedily to justice. If anyone dares oppose this resolution now I think he should rise and attempt to give his reasons, because the people of Canada are not going to allow the value which we place on the honest vote of the honest citizen to be traduced or destroyed by men such as Baldy Robb and Cross.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, it is interesting to speculate on what would be said on the other side of the house if Baldy Robb had been operating as an official of this party. I think there would be a somewhat different attitude over there, because there is scarcely a parallel in the political history of Canada to what took place in the constituency of Athabaska. I thought, however, I could make a little contribution which would be of interest on this question by relating some of my own experiences in an election under the direction of the present government.

It will be remembered that in 1925 the election machinery was in the hands of this government. I do not represent a bush constituency; my riding is about one mile square and contains from 65,000 to 70,000 people. One would think that under the scrutiny of so many people, with 600,000 more surrounding them, we would get an honest election.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would remind the hon. gentleman that the motion before the house is to refer a report by Mr. Justice Clarke, who was appointed to inquire into the alleged existence of corrupt or illegal practices in the electorial district of Athabaska, to the committee on privileges and elections. I hope the remarks which the hon. gentleman intends to make are relevant to the subject matter.

Mr. HOCKEN: I submit to your judgment, Mr. Speaker, but you allowed the hon. member for St. Lawrence-St. George to describe at some length the conditions existing in his own riding and his own city.

Mr. CAHILL: That was all out of order also.

Mr. HOCKEN: I was going to speak about the conditions in my own riding during the same election, and to point out that what occurred in Athabaska was not an isolated case.

Mr. EDWARDS (Frontenac): All the more reason for an investigation.

Mr. HOCKEN: Exactly. For my opponent in that election I had a man who stated that on his advice the limits of the riding were changed. He said, "I have cut the riding to my liking; I have appointed all the officials, and if I cannot win this election now I never can." I want to show the house how he used the election machinery at that time to secure his ambition.

Mr. DUNNING: Order.

Mr. SPEAKER: So far the hon. gentleman is not out of order.

Mr. HOCKEN: This is what I observed: This man protested 6,400 names on the voters lists in that one riding. His method of procedure was to send canvassers around in the month of August, when many people were on their holidays; he had a force of about fifty canvassers, who would go to a house and knock on the door. If their knock was not answered the people living in that house were struck off the list as having moved away. The reports of those canvassers were taken to his headquarters and four people swore to the affidavits striking off these 6,400 names. By no possibility could those four people know anything about it of their own knowledge. I proceeded against two or three of them; I took them into the police court on the charge of perjury, but they escaped conviction on the ground that they were swearing to the best of their knowledge and belief. They had no knowledge or belief, and they made no attempt to get the facts themselves. They simply took the word of the canvassers and swore to statements made by these men.

Mr. DUNNING: On a point of order, Mr. Speaker: If the hon. member now speaking is in order, will it not be in order also for other hon. members to relate what occurred under the War Time Elections Act, for instance? Are we to have a wholesale discussion on election matters on this motion to refer a certain report to a committee?

Mr. SPEAKER: The motion is that a report on corrupt practices and illegal acts which took place in one constituency be referred to the committee on privileges and elections. Some hon. gentlemen speaking to the motion stated what their experiences had been in their own constituencies, and endeavoured to establish that the practices complained of were not confined to Athabaska but extended to other counties, in order to strengthen the views that they were expressing. This is another instance of that, and I cannot see that the hon. gentleman is out of order.

Mr. HOCKEN: Well, I will proceed with the story.

Mr. SPEAKER: I suppose the hon. gentleman will come around to Athabaska.

Mr. HOCKEN: Yes, Mr. Speaker. Now the result of my opponent's actions, as I said, was to strike off 6,400 names, a fact which I did not discover until the completion of the registration. Of course I immediately endeavoured to get those names back on the list I will assume that about 2,000 of those names were properly stricken off; people had moved probably to that extent. But I was denied 4,500 votes by the tactics of my opponent. Now the expense of getting those 2,000 names, and the physical effort it called for on my part and that of my supporters, was something I never want to experience again, although it was confined to narrow geographical limits. The only redress I had, sir, was publicity. I sent my agents around the riding to examine the homes where the people whose names had been struck off lived, and I was able to discover hundreds in the course of a few days. I made it my business then to write the facts for the newspapers of our city, and proved to the people of that riding that very discreditable tactics were being employed against me. The result was a happy one for me, for notwithstanding that my opponent was a Jew, and that there are 25,000 Jews in the riding, I succeeded in getting a majority of 3,000. I may say for my Jewish constituents that they are, perhaps, the most difficult class of people to round up under a boss that I have ever discovered. They are individualists, they think for themselves; and usually, Mr. Speaker, they think right because the majority of them voted for me. I submit, however, that the tactics that were employed, and which were supported by party funds, constitute a great miscarriage of proper procedure in an election in this country.

Now as for the Athabaska election, the proceedings employed there were easier than they would be in a big city. These men went into the bush. They were not watched by the police, they could not be watched by the opposing candidate, and they had everything pretty much their own way. But the fact that the same tactics were employed in the most

populous districts of the country, and in a riding which is a mile square with scarcely a vacant lot in its whole area, would indicate that the electoral methods employed by the opposite party are in need of very great and very close scrutiny. That is all the contribution I want to make. I simple desire to point out that somewhat similar tactics to those employed in Athabaska were employed even in the cities.

Mr. CAHILL: You were lucky to be able to get away with it, under the rules.

Mr. SPEAKER: The point upon which I ruled a moment ago is very clear. Bourinot employs almost the same language. At page 340 I find the following with respect to the relevancy of speeches:

> The freedom of debate requires that every member should have full liberty to state, for the information of the house, whatever he honestly thinks may aid it in forming a judgment upon any question under its consideration. But it is nevertheless the duty of the Speaker of the House (or chairman of committee), to interfere when he finds that the member's remarks are not relevant to the question before the house. On such occasions, he may very properly suppose "that the member will bring his observations to bear upon the motion before the house"; or "that he will conclude with something that will bring him within order".

Further, Bourinot says:

> The precise relevancy of an argument is not always perceptible.

In the present instance it was to be seen that the hon. member's remarks were not quite relevant, and I told him to come to the question of the Athabaska election, which he did.

Mr. W. G. McQUARRIE (New Westminster): I endeavoured to get the permission of the Solicitor General (Mr. Cannon), when he was addressing the house, to ask him a question. The minister is usually extremely courteous, but possibly to-day he was a little bit excited, for which no doubt there was good reason. The question I wished to ask him was this: How would he differentiate between the cases under discussion and the fruit combine cases in 1925? I remember very well in that year, when the Hon. Mr. Murdock was Minister of Labour, a report was tabled from a Mr. Duncan, who had been appointed a commissioner to investigate certain alleged combines in connection with the fruit business. The same difficulty then arose that we hear of to-day, namely, that although Mr. Duncan in his report had found that certain crimes had been committed and recommended prosecutions, no prosecutions had taken place. The then Minister of Labour argued that those prosecutions should be brought by the provincial authorities, and that the Dominion government had nothing to do with the matter. The question was discussed many times, and from our side of the house we urged upon Mr. Murdock that he was entirely wrong and that it was incumbent upon the government to take some action in view of the Duncan report. Later on, due to the agitation from this side of the house and from the public generally, something was done. I have looked up in Hansard certain references to the matter. I am not going to quote them all because there are a great many, but on page 3230 of Hansard of 1925 I find the following:

> Alleged Fruit Combine
>
> On the orders of the day:
>
> Mr. L. J. Ladner (Vancouver South): There has appeared in the Vancouver Daily Province a headline article announcing that the government has determined to start prosecutions under the Lewis Duncan report against the alleged fruit combine. There has been no announcement in the house that I know of and I would ask the government whether there is any official authority for the statement.
>
> Hon. Ernest Lapointe (Minister of Justice): I am sorry the Minister of Labour (Mr. Murdock) is not here; he is dealing with the matter. I may inform my hon. friend however that counsel has been instructed to institute proceedings.
>
> Mr. Ladner: Is the prosecution co-operating with the provincial governments, or is it entirely on the part of the federal authorities?
>
> Mr. Lapointe: Counsel is instructed to communicate with the various attorneys general interested in the matter, but I do not know whether they will take part in the proceedings independently or not.

Prosecutions were instituted; I think they were carried on by counsel appointed by the Dominion government, and some very large fines were imposed and I believe collected. It seems to me that we are faced with the same situation to-day. The Dominion government says: No; we do not have to do anything about this report; that is for the provincial authorities. The Solicitor General contended that there should be an indictment by the attorney general. The Solicitor General must know that not one out of every thousand criminal prosecutions in Canada is issued by the attorney general or on his instructions. In the first place an information is laid and the matter is investigated before a magistrate. If the accused is committed for trial an indictment is preferred by the attorney general and the attorney general carries on the prosecution.

Surely in this case the Dominion government does not have to wait until the attorney general does something. The Dominion gov-

ernment has police stationed all over this country. Prosecutions are taking place every day for breaches of the Revenue Act, the Narcotic Drugs Act and other matters, for instance, escapes from penitentiaries. It will always be found that such proceedings are initiated in the first place by Dominion authorities and in some cases that I know of counsel for the Dominion has appeared with counsel for the province in the conduct of the trials. In this particular case the Minister of Justice says: Oh, but many of these men and women received certificates of indemnity and they cannot be prosecuted. One case that was brought to the attention of the house is that of a certain woman who had committed forgery. The Minister of Justice would suggest that in a case like that a certificate of indemnity would protect her from being prosecuted for forgery. He might as well argue that a person who committed murder during the election, if he afterwards appeared and gave evidence on an investigation, could not be prosecuted for murder. The thing is absurd. Forgery is a crime under the criminal code; it does not come under the category set out in section 27 of the Corrupt Practices Inquiries Act. That section refers to corrupt and illegal practices and that is quite a different matter from the offence of forgery. It is most extraordinary that in a matter concerning a Dominion election where a report was brought down showing that forgery was committed, no prosecution was had and the Minister of Justice could say: Well, we wash our hands of the whole matter; we have brought this report to the attention of the provincial authorities; we are finished with it, and I do not know whether or not anything was done about the prosecution of this woman for the crime of forgery. It would be an outrageous condition of affairs if that were so, and I would remind the Minister of Justice that that is not at all his policy in connection with other matters.

Mr. LESLIE G. BELL (St. Antoine): Mr. Speaker, the only excuse that I can make for rising to speak to the motion before the house is that, being one of the younger members of parliament, one who has suffered through some of the irregularities committed under the present Dominion Elections Act, having been forced to go to the Supreme Court of Canada to defend my election in the last contest, and also as having the honour of representing one of the oldest divisions in Canada, namely, Montreal West, when certain questions are brought to the attention of the house regarding irregularities in the Athabaska election and when those irregularities cover the question of fictitious names on lists, dead men voting and other practices which are very common in the province of Quebec, I feel that I can add a few words to the question under discussion. In doing so I assume no "holier than thou" attitude. Although my last election was protested, I will give due credit to the members who occupy the front line benches opposite that this was through no action on their part.

But there exist under the present Dominion Elections Act certain practices in regard to which they are quite as well aware as other hon. members that, if we are to have honest elections in this country, some radical changes must be made. I refer particularly to the common practice in Quebec to-day of impersonation. In my last election I endeavoured to take every precaution by police protection and otherwise so that honest electors would be able to signify the way in which they wished to vote, but I found that the obstacles we had to face in my particular constituency were such as to call for immediate remedy. When the question under discussion is referred to the committee on privileges and elections, it should be dealt with immediately; a report should be brought down to the house and amendments should be made to the act. Certainly the practice which exists is not confined to the constituency of Athabaska. I have every reason to believe that my hon. friends opposite are as sincere in this matter as those who sit on this side of the house; but why is it that when a general election takes place we should have gangs of men going around, paid through some mysterious agency, so that an election in the city of Montreal costs thousands of dollars simply on account of our trying to protect ourselves against crooks—because that is the only name that can be applied to them —and to give honest electors an opportunity to register an honest vote. If the ballot is supposed to be what we consider it is, namely, an honest expression of the views of the people regarding the return of an honest government, the Dominion Elections Act must be radically amended.

When an election is called, what do we experience? The practice has been that on the day of the election certain gangs line up and they telegraph—that is the common expression used in my particular division—from one division to another. They take one particular division in the morning; in the afternoon they come over and raid another. We employ police protection to keep those men away from the polls, but how often do we succeed? That is one of the reasons why I

bring this to the attention of the house; I should be remiss in my duty if I did not do so. I know it may be offered as an excuse that, though the law is there, it cannot be enforced. I disagree with the Minister of Justice (Mr. Lapointe) when he says that this is a matter that concerns the provincial authorities. He knows as well as I do that when men are arrested for impersonation at election time, in some unaccountable way they get an order from the judge and they are released almost as soon as they are put in. It is this class of men that we have to deal with, and surely we can find some way of seeing that men arrested for these nefarious practices shall be shut up for election day at least. Surely we can find some way of stopping this gang warfare against the honest voters of this Dominion. I am sure the Prime Minister (Mr. Mackenzie King) is deeply interested in this matter, and wishes the people of Canada to retain their confidence in our election system. He must realize that as our cities grow and population increases, unless we put a stop to these illegal practices, it will mean that whenever an election is held the party with the most money will get their candidate elected. Surely we can find some remedy for the conditions that have been pointed out to the house by the hon. member for Bow River (Mr. Garland). I am glad that he has brought this question before the house, because something must be done to remedy present conditions, so that we may know, when we are elected to parliament, that we are elected by the honest votes of the citizens of Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I did not intend to take any part in this debate, but as my hon. friend from St. Antoine (Mr. Bell) has made a reference in the nature of a special appeal to myself, possibly I ought to give the house certain facts relevant to the Elections Act which may help to disclose the matter in its true bearing.

My hon. friend has referred to the last general election. He will recall that the last election was conducted by hon. gentlemen opposite, by his own party, and that they were acting under the Elections Act which they themselves placed upon the statutes. The Elections Act as it is in Canada to-day is the act which was brought into this house by hon. gentlemen opposite, I think, in 1920.

Mr. McGIBBON: Was not that act first submitted to the approval of the hon. gentleman?

[Mr. L. G. Bell.]

Mr. MACKENZIE KING: Not that I am aware of, no. There was a committee of the house which considered the act, but it was a government of which the hon. gentleman was a supporter that introduced that act into parliament; and it was passed while they were in office. My hon. friend says that the act needs amendment. I agree with him in that. The act of 1920 made certain provisions which it was hoped would have the effect of remedying some of the abuses that had prevailed at election time; among other features that I recall was a clause that made the returning officers more or less permanent in their positions. But when hon. gentlemen opposite came in for the short time they were in office, a few months, they removed practically every officer and put friends of their own into those positions. So it was under their own act, administered by returning officers whom they themselves appointed, and in an election which they themselves were conducting, that the alleged deficiencies of the act were exposed.

Mr. BELL (St. Antoine): I would say that the same charges that I make would refer with equal force to the previous general election. I am not trying to imply that the government is any more responsible for these practices than is our party.

Mr. MACKENZIE KING: I think my hon. friend is quite fair in his statement. I agree with the point he has put forward, namely that the Elections Act is capable of distinct improvement, and I may say that it is the intention of the government, at the next session of parliament, to propose improvements in the nature of amendments to the Elections Act. I hope that my hon. friend's objections will be among the number that will then be considered. All I wish to make plain now are the circumstances under which these difficulties that have been mentioned have arisen. Anyone coming into the house during the course of this debate would have imagined as he listened that all the saints were on the other side of the house and that all the sinners were on this side.

Mr. MANION: Was not the Athabaska election, which was really the point of discussion this afternoon, held in 1925, when my hon. friend was in power?

Mr. LAPOINTE: That is too clever. Everybody knows that.

Mr. MANION: The Prime Minister implied differently.

Mr. GEORGE BLACK (Yukon): Like the Prime Minister, I had not intended to say anything in regard to the subject under discussion, but as it is evidently the intention of the house to occupy the greater part of this sitting in discussing this resolution, perhaps I may add a little to the information which hsa already been given to the house by the various speakers.

It is true that this is only the seventh session of parliament that it has been my privilege to attend, but during those sessions I must say that I have been generally filled with admiration for the ability of the present Solicitor General, (Mr. Cannon) to take care of himself in debate. I am sure that other members who have been in the house for the time I have must have been enlivened this afternoon at the unsuccessful attempt of the Solicitor General to extricate himself from the dilemma in which he found himself, due to his unfortunate remark in regard to the leader of the opposition (Mr. Bennett). The task was too great even for the adroit Solicitor General. It was as transparent as the smoke screen which he undertook to throw around the inaction of the government in dealing with the matters referred to in this house in connection with the resolution of the hon. member for Bow River (Mr. Garland).

I was somewhat surprised that hon. members who have advanced information in regard to what happened in the constituency of Athabaska, Peace River, Montreal and other constituencies, should speak as if that were something new in the history of elections in this country. I can remember as far back as twenty-three years ago when the first federal election was held at which a member was elected to this house from the constituency of Yukon. Up in that territory we had a great conglomerate population. No party lines had been drawn. It was the first occasion on which we had been permitted to send a member here. Feeling ran high. The government was popular in some quarters, and unpopular in others. It was never anticipated that violations of the act such as have been described here this afternoon as happening in the Athabaska constituency would appear in the Yukon in those days, and no particular precautions were taken to guard the polls or to safeguard the interest of the opposition. What happened? From a situation which seemed hopeless from the government standpoint, the government candidate was elected with hundreds of a majority to spare. How was it done? By the most unblushing stuffing of ballot boxes. At polls where there were not thirty people entitled to vote, ballot boxes were opened showing two hundred ballots marked for the government candidate, and in some of these boxes there was not even to be found a voters' list. The voters' lists were made up of fictitious names to tally with the number of marked ballots found in the boxes after they arrived in the town of Dawson. At one poll where there were not over forty residents entitled to vote a special train was run in from the Alaskan town of Skagway, filled with longshoremen and gamblers, men who had no right to vote in Canada, and they were voted and revoted until hundreds of ballots had been polled for the government candidate. That was our first experience of a Dominion election in the constituency of Yukon in 1902.

Two years went by and the general election of 1904 came on. Under the Elections Act of that day there was no provision whereby the enumerators who prepared the voters' lists were obliged to give to anyone but the deputy returning officers copies of the lists. So it was impossible for an elector to know until he went into the polling station on election day whether or not his name was on the list of voters. If it was not there he was out of luck; he had to leave without voting. These enumerators were undertaking to exercise their legal right in witholding copies of the lists, but having in mind their experience of two years before, the electors were not in a mood to leave anything to chance. So they formed committees and waited on those enumerators. Law or no law, they demanded copies of the lists, and in several instances those enumerators were induced, by proper persuasion, to produce certified copies. What happened then in the case of the great majority of enumerators?

Mr. LETELLIER: Mr. Speaker, I rise to a point of order. I submit the hon. gentleman is not speaking to the motion before the house. Everyone of us on this side could say a lot about what happened in our constituencies on previous elections.

Some hon. MEMBERS: Go to it.

Mr. BLACK (Yukon): The balance of those enumerators, in view of what had happened to their fellows, ran for protection to the barracks of the Northwest Mounted Police at Dawson, seeking protection, as they said, from violence. The only violence that was sought to be done to them was to demand that they should give the opposition copies of the voters' lists. The officer commanding the Northwest Mounted Police, being entirely impartial and desiring only to keep the peace, was in an awkward predica-

ment. A committee consisting of about one hundred citizens of Dawson waited on him. The committee was composed of men of both shades of politics, Liberal and Conservative, and from all walks of life, clergymen, professional men, labourers, artisans and miners. They made it quite clear to the commanding officer that they required copies of these voters' lists the election being only two days away, and they made it manifest to him that they were going to have these copies. I remember very well—

Mr. SPEAKER: I hope that the hon. member will bring his argument to bear on the motion before the house. It has reference to the Athabaska election.

Mr. BLACK (Yukon): I hope so, Mr. Speaker. I am stating those occurrences simply to show how necessary it has been, and is now, that the government give serious attention to the amendment and improvement of the Elections Act. I say I remember very well the words of an eminent Presbyterian divine who was a member of the committee that waited on the officer commanding the mounted police. He explained that he was not there threatening violence, that he was a man of peace, but he pointed out how necessary it was that the public should have copies of the voters' lists in view of what had occurred two years before, and he said:

> When I came into this country I did as most men, I brought with me a Winchester rifle, and I have it to-day hanging on the wall of my study. I have plenty of ammunition, and if it becomes necessary in order to get these voters' lists, I am prepared to take that rifle off the wall and use it.

The officer asked the committee to withdraw and to return later in lesser numbers. During their absence he communicated with the government candidate and made it known to him that in his opinion the lists should be produced otherwise he could not be responsible for the lives of certain people in that territory. The upshot was that the lists were produced. It was found that hundreds of opposition names had been deliberately struck off and there and then under the eyes of that committee they were put back on the lists.

To show you, sir, how far some people will go in violation of the election law, at that very same election a poll was established at a point on the Pelly river, some four hundred miles away from Dawson. Nobody lived there. It was made a polling division and a poll was supposed to be held there on election day. What was done? In anticipation of electing the government candidate, a deputy returning officer, a poll clerk and a messenger were sent off from Dawson City with ballot boxes and a supply of four hundred ballots. They went up the main trail, thence up the Pelly river for a couple of miles, and camped in a tent a few miles from the telegraph station. What were they to do? They were to wait there until election night, then come down to the telegraph station and find out how many ballots were needed to elect the government candidate; then they were to go back to their camp, make up their list, mark the necessary ballots, come into town with them, and the government candidate would be elected. But their plan did not come off. The people had been warned and two days before the election warrants were sworn out for those men charging them with conspiracy under the criminal code, and they were brought into town under arrest before they could mark their fraudulent ballots. In that way ballot box stuffing was prevented and the opposition candidate was elected. What happened then? Hon. members have expressed surprise that persons involved in the election scandal in Athabaska were not punished, but were allowed to remain in government positions. Well, in Yukon the government candidate himself, who was chiefly responsible for the scandals in those two elections, defeated in 1904, was immediately appointed by the then government to a position of responsibility and substantial remuneration as a reward for his services, as were others. Charges were laid against a large number of officials engaged in that election, and no less than fourteen were sent up for tial on charges of conspiracy. What happened to them? On orders from Ottawa the crown prosecutor nolle prosequi'd in each case and dropped the prosecution.

Though the law needs amendment yet, we do not have election scandals in Yukon any more. Why? Not because of the law, but because public opinion precludes their recurrence, and would-be crooked election officials know what would happen to them if they undertook to repeat their operations of 1902 and 1904. Public opinion is the best remedy for the situation which faces the Dominion to-day.

Motion agreed to.

BANKING AND COMMERCE COMMITTEE

On motion of Mr. Hay the second and third reports of the select standing committee on banking and commerce were concurred in.

PRIVATE BILLS

FIRST READINGS

Bill No. 157, for the relief of Sydney Franklin Lankin—Mr. Geary.

Bill No. 158, for the relief of William James Wall—Mr. Jelliff.

Bill No. 159, for the relief of George Rubin Sanderowich, otherwise known as Rubin Sanders—Mr. Geary.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

REPRESENTATION OF PROVINCES—DECENNIAL READJUSTMENT

Mr. SMITH (Cumberland):

Will the government refer to the Supreme Court of Canada the question whether in making the decennial readjustment of the representation of each of the several provinces in this house, under the provisions of section 51, of the British North America Act, 1867, the population of the province of Quebec, which should be taken as the basis of such readjustment, is the population of the territorial area of said province as it existed on July 1st, 1867, or the population of the territorial area of said province as it may exist at the time at which such readjustment is made by the parliament of Canada?

Mr. LAPOINTE: In the opinion of the government no practical purpose would be served by such a reference.

MR. WILLIAM P. MANZEROLLE

Mr. HANSON:

1. Has William P. Manzerolle of Shippigan, New Brunswick, been dismissed from the position of subcollector of customs at Shippigan, New Brunswick?
2. If so, for what reason?
3. Were any charges laid against Mr. Manzerolle, and was any investigation held? If so, by whom?
4. Who asked for his dismissal?
5. Who has been apointed to his position, and who recommended his appointment?

Mr. EULER: This question was answered yesterday.

MILITIA PENSION ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (for the Minister of National Defence) moved that the house go into committee at the next sitting to consider the following proposed resolution:

In regard to reservations from an officer's salary while in the public service of Canada; to the payment of a gratuity to a widow or children in case of death before pension may be granted; and to the payment of pensions to militiamen of His Majesty's army reserve who enlisted in the permanent force; and for additions to apply the Militia Pension Act to the Royal Canadian Navy and to that portion of the Royal Canadian Air Force comprising solely the permanent active air force of Canada.

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

Motion agreed to.

REPARATIONS COMMISSION REPORT

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): Is it the intention of the government to table the Friel report, and if so, when?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should prefer to have the Secretary of State (Mr. Rinfret) answer the question. I think he wishes to make a brief statement to the house on the subject.

Mr. GEARY: Did I understand the Prime Minister to say that the Secretary of State would submit a detailed statement with regard to the claims of Canadians for reparations?

Mr. MACKENZIE KING: The question of reparations is many sided and there are some rather important considerations which have come before the government in connection with possible legislation which might be necessary at this session. I know the Secretary of State is anxious to proceed with the matter in a manner that will meet with the approval of the house. He does not wish to be unduly pressed; it is his intention to make a statement to the house of the present position and the intention of the government, but I should prefer to have that statement come from him rather than from myself.

CHICAGO DRAINAGE CANAL

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): May I ask the Minister of the Interior (Mr. Stewart) whether it is possible, before the adjournment for the Easter recess, to table the documents in respect of the diversion of water at Chicago?

Hon. CHARLES STEWART (Minister of the Interior): I was about to inform the house that we find it will not be possible to have the documents in shape for tabling before the recess. A day or two ago I thought it would be possible but I find that it cannot be done.

BRITISH COLUMBIA LANDS

LEGISLATION TO GIVE EFFECT TO REPORT OF MR. JUSTICE MARTIN

On the orders of the day:

Hon. CHARLES STEWART (Minister of the Interior): I may answer an inquiry of the hon. member for Victoria (Mr. Tolmie), directed the other day to the government, with respect to the return of lands in British Columbia. It is the intention of the government to enter into negotiations with the British Columbia government during the recess, looking towards an agreement regarding the return of crown and railways lands to that province, and at the next session to submit that agreement for ratification if it can be consummated.

BRITISH IMMIGRANTS—MEDICAL EXAMINATION

On the orders of the day:

Hon. R. J. MANION (Fort William): In the absence of the Minister of Immigration (Mr. Forke), perhaps the Prime Minister will answer a question regarding the medical examination of British immigrants. In British despatches there is a good deal of criticism on this score. I am not asking this question by way of criticism but merely to bring the matter to the attention of the government. Is the government considering any change in this respect? If the Prime Minister is not ready to answer the question now, will he ask the Minister of Immigration to be ready to make a statement when the estimates of that department are under consideration?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am surprised to gather from my hon. friend's question that the special committee appointed by the house to look into immigration matters has not already taken up that question. My impression was that it was receiving attention. It certainly is one of the matters which the government wishes to have investigated by the committee, and if this has not already been done it will be.

Mr. MANION: I did not know it was being considered, otherwise I would not have asked the question.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Has any decision been arrived at in regard to further relief to Home Bank depositors?

[Mr. C. A. Stewart.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): The question is under consideration. If it is decided to give further relief, the fact will appear in the supplementary estimates when they are brought down.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): In connection with the Easter adjournment it has been suggested that it might meet the convenience of members if to-morrow the house adjourned at six o'clock instead of sitting in the evening. It has been my experience that on the Friday evening before such an adjournment few members are present either in the city or in the house. Has the Prime Minister considered the question of adjourning at six o'clock?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It will depend upon the progress we make between now and eleven o'clock to-night. There is some legislation we desire to complete before the Easter recess, particularly in relation to the budget. We are near the conclusion of it and if we can make reasonable progress the disposition of the government certainly will be to meet the convenience of hon. members.

THE GOVERNMENT'S LEGISLATIVE PROGRAM

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): A few days ago the leader of the opposition inquired from the Prime Minister as to when the government would be able to announce the further legislation which they might expect to bring down this session. At that time I understood the Prime Minister to say that he would be able to make such an announcement in a few days, and as our leader is not very well and is not in the house to-day, I thought I would ask my right hon. friend when he would be able to make that announcement.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I first say to my hon. friend that personally, and speaking for this side of the house, I regret the reason of the absence of the hon. the leader of the opposition. I hope his present indisposition will speedily disappear.

In regard to the business of the session I am happy to tell my hon. friend that mention of all the legislation which the government intends to bring down this session now appears on the order paper or will appear in

the votes and proceedings of to-day. I do not think it will be necessary to announce any other legislation. Of course I should like it understood that this does not apply to legislation arising out of reports of committees of this house; there will, for example, probably be some legislation arising out of the recommendations of the committee which is considering soldiers' pensions and from other committees. That is always understood. There may also be further supplementary estimates. I would not like to say that there may not arise some legislation which at present cannot be foreseen but the need for which may later on appear. Apart from these reservations I think hon. members will be able to find the remainder of the legislative program in its entirety in print in the morning.

MEDICAL TREATMENT FOR RETURNED SOLDIERS

On the orders of the day:

Hon. S. F. TOLMIE (Victoria, B.C.): I wish to ask the government if they have received copies of a resolution passed unanimously at the last session of the legislature of British Columbia asking that free medical treatment, medicine and hospitalization be provided by the government for all returned soldiers who are in need of the same, and if any action is being taken thereon.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry I am unable to answer at the moment my hon. friend's question, but I will direct it to the attention of the Minister of Health (Mr. King), and doubtless he will give my hon. friend an answer after the Easter recess.

HOLLINGER MINE DISASTER

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, with regard to the thirty-nine men killed in the Hollinger mine disaster, the jury found that the fire was due to gross negligence on the part of the Hollinger management and the operating executive. I should like to ask the Minister of Justice (Mr. Lapointe) whether he would consider amending the criminal code in order that its provisions and penalties might more adequately cover this class of crime.

Mr. SPEAKER: I think this question is of too serious a character to be answered immediately. This could serve as a notice, and the Minister of Justice might answer it to-morrow.

Hon. ERNEST LAPOINTE (Minister of Justice): I have no objection to saying that the suggestion of my hon. friend will be considered.

CANADIAN NATIONAL RAILWAYS

RATIFICATION OF ARRANGEMENT WITH HOLDERS OF CANADIAN NORTHERN DEBENTURE STOCK

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 153, respecting the Canadian National Railways and respecting the Canadian Northern Railway Company five per cent income charge convertible debenture stock.

Motion agreed to, bill read the second time, and the house went into committee, thereon, Mr. Johnston in the chair.

Sections 1 to 5 agreed to.

On section 6—Lost or destroyed certificates.

Sir GEORGE PERLEY: What happens in this instance if the certificates do not come in within the year?

Mr. DUNNING: The usual provision with regard to furnishing indemnity for a lost certificate is included between lines 30 and 35 of the section.

Sir GEORGE PERLEY: But if some of the certificates do not come in I see it is provided that the money deposited with the trustee shall be paid to the issuing company. That is the Canadian National Railways, I take it?

Mr. DUNNING: Yes.

Sir GEORGE PERLEY: Are the rights of these people lost then, or can they obtain redress and have the matter straightened up afterwards?

Mr. DUNNING: The trustees are discharged, and of course the claim of the holders would be against the issuing company. This is the usual provision in England and is quite satisfactory to the holders of the bonds.

Sir GEORGE PERLEY: Is this bill satisfactory to the holders of the bonds?

Mr. DUNNING: Yes, they have accepted it.

Section agreed to.

Sections 7 to 9 agreed to

On section 10—Limit to the amount of the new securities.

Sir GEORGE PERLEY: This amount to be raised is 94 per cent of the present face value of the old securities?

Mr. DUNNING: Yes.

Section agreed to.

Section 11 agreed to.

On section 12—Proceeds of new securities to be deposited to credit of Minister of Finance in trust; accounts to be closed after three months.

Mr. CAHAN: Will the Minister of Railways explain why only three months is allowed?

Mr. DUNNING: The point involved there with respect to the moneys which may not be taken up by the holders of the shares within three months after the arrangement is completed and authorized. In other sections of the act provision is made for the discharge of the trustees, and claims of the holders from that time forward, of course, would be against the issuing company and not against the trustees.

Mr. CAHAN: That is understood, is it?

Mr. DUNNING: Yes, that is understood.

Sir GEORGE PERLEY: I notice in another clause the trustees are discharged on the expiration of a year. In this instance the money is to be paid to the issuing company at the end of three months.

Mr. DUNNING: I am sorry that I made a mistake in answering my hon. friend from St. Lawrence-St. George. These bonds are of Canadian registry and also of British registry. We have only in each case an approximate idea of the amount required at each place where, according to the terms of the bonds, this payment may be made. This provision is merely in order to enable that to be adjusted. There is a limitation under the previous section on the amount of money which may be raised. This section, I may say, is quite satisfactory, as the whole settlement is, to the holders of the bonds.

Section agreed to.

Section 13 agreed to.

On section 14—Agreements for purchase, lease or amalgamation.

Sir GEORGE PERLEY: What is the object of this clause?

[Mr. Dunning.]

Mr. DUNNING: It has been the objective of both the management and the government to reduce the number of companies comprised within the Canadian National system as fast as it may be practicable to do so. I do not know if it is generally known, but the Canadian National railway system comprises at the present time between ninety and one hundred companies; and whenever we are dealing with an issue of securities which has a relationship to one of the companies comprised in that system, the legal officers make a practice of examining the relationship of that company to the whole system and making the necessary legal provision to enable such forward steps as may be practicable to be taken or bring about amalgamation as time goes on.

Sir GEORGE PERLEY: I can quite understand that object, it seems to be quite a proper thing to do. But surely that is covered by the general act. I doubt the wisdom of inserting a clause like this in a bill of this kind for the specific purpose of arranging with the holders of these particular securities. This last clause does not seem to have anything to do with the remainder of the bill. Have the Canadian National Railways not got the power now to do this very thing? Is there no general act which gives them the power? Does not the Canadian National Railway Act give it to them?

Mr. DUNNING: Yes, but the relationship to this particular trust deed is a legal one. There is an amalgamation arrangement contemplated by the trust deed in connection with this particular issue of securities for this particular company. That is why, I am advised, the legal officers thought it as well to insert here the clause of which my hon. friend has spoken and which, as he says, gives a power similar to that which the company has under the general act. The section starts with the words which relate to this particular issue of bonds:

> After payment is made to the trustees under the provisions of clause 5 of the scheme of arrangement, the National Company, the Northern Company—

And so on. The reason is that this particular trust deed which will be eliminated by this arrangement does contain provision for the amalgamation of the companies which comprise the Canadian Northern system into one company. I am sorry that I cannot elucidate the legal point any better than that.

Mr. CAHAN: It is not intended under this clause to effect any general consolidation of these lines?

Mr. DUNNING: Not any more than is provided elsewhere.

Mr. CAHAN: It is intended to keep them segregated as they were previously segregated before this financial transaction was carried through?

Mr. DUNNING: Yes.

Mr. CAHAN: That is satisfactory to me.

On the schedule.

Sir GEORGE PERLEY: I should like to ask in what way the holders of this stock gave their assent to this legislation.

Mr. DUNNING: I have here, Mr. Chairman, a copy of the proceedings at a meeting of the holders of the bonds held in London on the 15th day of November last under the chairmanship of Sir Gilbert Garnsey, chairman of the stockholders' committee: There is complete record of the transactions of that meeting, and resolutions were passed specifically approving of the scheme of arrangement. I may say that we have been scrupulously careful—I am speaking now for the railway company rather than for the Department of Finance; this is of course a Department of Finance matter—but so far as the railway company is concerned, we have been scrupulously careful to keep the London committee of the bondholders advised of every step that has been taken, including the contents of this bill, because we have thought it was wholly desirable that no misunderstanding should arise which would tend to impair the credit of Canada in the old land.

Mr. CAHAN: I presume that the scheme of arrangement which is being carried out is by virtue of the provisions contained in the original trust deed under which the stock was issued.

Mr. DUNNING: I would not say that.

Mr. CAHAN: Well then, in the proceedings at London did an authorized majority confirm these proceedings?—I will put it in that way.

Mr. DUNNING: Yes, I will give the exact proportion in a moment, but it was in excess of the necessary proportion, I can assure my hon. friend friend of that.

Sir GEORGE PERLEY: Section 3 says the arrangement was passed unanimously at that meeting.

Mr. DUNNING: It was passed unanimously at the meeting. Let me quote from the proceedings of the meeting of stockholders:

Under the terms of the deed, holders of a clear majority in value of the stock for the time being outstanding must be present, in person or by proxy, in order to form a quorum at this meeting for the passing of the necessary resolutions. I am pleased to announce that the resolutions have met with the approval of the stockholders, as proxies representing a total of over £4,000,000 of stock, or over 80 per cent of the total stock outstanding, have been received in London and Montreal in support of the resolutions. In addition I have to report that a proxy for £22,000 has been received appointing a proxy other than those appointed in the forms of proxy issued by the Canadian Northern Railway Company. All these proxies are laid on the table.

My information was that between 80 and 90 per cent approved.

Mr. CAHAN: I think it is clear then that in accordance with the terms of the trust deed under which this debenture stock was issued the assent of the required majority was given to this financial arrangement?

Mr. DUNNING: Yes.

Mr. CAHAN: And I presume that the attorneys of the national railways have carefully inspected those proceedings and approved of them?

Mr. DUNNING: Yes.

Mr. CAHAN: On its face it shows that the course of procedure was regular.

Mr. DUNNING: Yes.

Schedule agreed to.

Bill reported, read the third time and passed.

INCOME WAR TAX ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the second reading of Bill No. 156, to amend the Income War Tax Act.

Sir GEORGE PERLEY: May I say, Mr. Speaker, before you put the motion, that the next thing I think we ought to do is to take steps to reduce the temperature of this chamber? The place is too warm.

Mr. SPEAKER: I will ask the Deputy Sergeant-at-Arms to take note of that. The hon. member expresses, I think the general feeling of the members, because for days the same condition has prevailed. I will see that proper instructions are given in the matter.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to take a few minutes of the time of the house in order to make a statement in regard to the second reading of this bill. The members in this corner of the house believe in the principle of income taxation and we feel that at the present time the govern-

ment is going a little too far in reducing the personal income tax to the extent that is proposed in this bill. In 1926, some three years ago, there was a general reduction in the income tax; the schedule was materially reduced all round and certain further exemptions were given. Last year another reduction was made and additional exemption granted. This year it is proposed still further to reduce the income tax and also to allow further exemptions. We in this corner of the house, remembering the fact that this is a war tax act and that the different war tax acts now in existence do not produce enough revenue to take care of the expenses incidental to the war, are of opinion that the government is going, as I stated before, a little too fast in the matter. We believe the government could well give consideration to reductions in taxation in other forms which would enure to the benefit of the consumer generally. The organized farmers of Canada believe in the income tax as a fair measure of taxation. I should like to read to the house a resolution passed by the Canadian Council of Agriculture at their session of April 4, 5 and 6 of last year, dealing with the income tax. The resolution reads:

> Resolved that this council recognizing the continuing need for the maintenance of strict economy in public expenditure and for reduction in the national debt, with its heavy burden of interest, urges the Dominion government to do everything possible to serve these ends, and
>
> Be it further resolved that reductions in taxation, as they become possible, should take place by the reduction and removal of protective duties on imports in preference to the reduction of other indirect taxes but that the income tax ought to be maintained as one of the chief sources of public revenue. The council is of opinion that the reductions successively made in the income tax and the increase in exemptions have tended seriously to impair its equity and productivity whereas it ought to be rendered both more equitable in its incidence and more general in its application by progressive improvements in the assessment and collection of the tax. The council suggests that inquiry into the methods and machinery of income taxation in Canada and elsewhere should be conducted by the Advisory Board on Tariff and Taxation with a view to the adoption of such improvements.

So far as I am aware the question of taxation has not been referred to the Advisory Board on Tariff and Taxation, but I wish to state in a few words the position we are going to take on this bill. It is quite possible that the government may propose some amendments when the bill gets into committee. If those amendments are acceptable to us, we shall be delighted. If they are not acceptable to us, we desire to inform the house that while it is usual to accept the principle of a bill on the second reading, we wish to reserve our right to see what further proposals the government may make, and if they make no further proposals, then we intend to vote against the bill on the third reading.

[Mr. Gardiner.]

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Corporations and joint stock companies. Rate reduced.

Sir GEORGE PERLEY: I want to take this opportunity of saying a few words again about the present system of taxing incomes of corporations, making the corporation pay a tax and then making the individual receiving dividends from the same corporation pay another tax. I am not referring to the super taxes; I am referring only to the normal taxes. We had this question up for discussion last year, but we could not make any impression on the minister. As a matter of fact, my own idea is that the present system is very bad for business in this country, because if a man makes an investment in a business corporation he knows that not only will the profits of the company be taxed, but that afterwards any dividends he may receive from the company will also be taxed. The argument has been made that an investor receiving an income from one of the large prosperous corporations like the Canadian Pacific Railway Company, for instance, ought to pay income tax on his dividends even though the railroad company has already paid a tax on its profits. But consider how it works out in the case of a new company. We will say that a number of people are considering getting together and putting up their money for the purpose of starting a new business. They are met at once with this difficulty, that if the business is not a success they lose their money; if it is a success, then the joint stock company, under section two of this bill, will be called upon to pay income tax upon its profits, and afterwards the individual stockholder will also have to pay income tax on the dividends he receives. Considering the application of this tax in connection with an old established company rather beclouds the issue, but I want to submit that double taxation is a vicious principle, and it can never be defended. It prevents many people from going into new enterprises, because if the enterprise is not a success they lose their money, and if it is a success the government steps in and taxes them twice, once on the profits of the company and again on the dividends the stockholders receive. It is too late, I sup-

pose, to have any change made this year, but I want to reiterate what I said last year, that I am sure it is a bad principle. All I suggest is that the individual holder of company stocks should be exempt from the normal tax on the dividends he receives from companies which themselves are paying a tax on their profits.

Mr. CAHAN: In the United States I understand that there is no double taxation of this kind. There, I am instructed, the business tax is charged. It is somewhat higher than in this country, but the individual stockholder is not charged income tax a second time upon the revenues of the company. That, I understand, is correct, is it not? That being the case, I think it is wise, as the hon. member for Argenteuil has pointed out, that we should carefully consider whether we are not in that respect doing an injustice to the Canadian stockholder. It means that in many cases the foreign resident can invest in and control Canadian enterprises simply because he is not paying in Canada a second tax upon the income of that Canadian corporation which is exacted from the Canadian resident who is also a stockholder in the company. Foreign residents are obtaining control of a large proportion of the natural resources of this country. When the democratic party in the United States had their last convention they passed a resolution, a copy of which I have in my office, urging that as a national policy the financial men of the United States should obtain control in the neighbouring foreign countries of all those sources of supply of natural products which are necessary to the promotion of industry in the United States. The United States Department of Commerce, through its present very able secretary, Mr. Hoover, has time and time again urged upon the financial interests of that country that they should go out into the world, and particularly into Canada and Mexico, and obtain control of the sources of supply of those natural products which are necessarily imported into the United States for the promotion of American industry. They have done so in this country to a very large extent. At the present time the Americans control the great bulk of our asbestos production, in which, except for South Africa, we have practically a monopoly. They have control of our nickel production. They have control of the chief industries on this Ottawa river. They control the pulp and paper industry, and they control what is one of the great natural products of this country, hydro electric power along the river. They are acquiring control of hydro electric powers in other sections of Canada, and they are using the control they exercise over companies in Canada for the purpose of preventing the carrying of the raw products of Canada through the various processes of manufacture in Canada, inasmuch as they control those raw products from their sources. They export them to the United States and use them there in the manufacture of goods which they send back into Canada for consumption. It is not a question of a protective tariff. I do not know just how we could meet it by an export tax without retaliation from the United States, but we should not encourage that process by taxing the Canadian stockholder in such industries twice while the American, who is carrying our raw products across the border to supply American industry, is free from double taxation in Canada. If the government will obtain the statistics which are available to them of the gradually increasing control which the Americans are obtaining of our raw products for manufacture, they will see that some advantage should be given by reducing the double tax on Canadians, which will induce the Canadian investor to invest more of his money in the stock of Canadian companies which are producing the raw materials in Canada. I do not know whether I have made myself clear, but the matter is really a serious one.

I know that some hon. gentlemen smile when I refer to some eight or nine years experience in Mexico, but the control by American financiers of the sources of raw material in Mexico has resulted in Mexico becoming a source of supply for other countries, and nearly the whole population of Mexico, dealing with the people generally, are simply receiving ordinary labourers' wages, while the people of other countries are enriched by converting those raw materials into manufactured articles. And that is going on in Canada, Mr. Chairman. I do not wish to deal with it now, perhaps next session I may do so, but I regard it as a matter most prejudicial to the interests of this country, and one that must be considered and met. Our financial men are buying back from foreign countries Canadian bonds which we might well sell abroad, and they are taking their money out of Canadian companies because of the double taxation which we exact from Canadian stockholders.

Sir GEORGE PERLEY: Perhaps the Minister of National Revenue will give us his idea on the subject, he having had a lot to do with the collection of this taxation.

Mr. EULER: I appreciate very fully the arguments advanced by the hon. member for St. Lawrence-St. George (Mr. Cahan). But I should like to make a correction. He is not entirely right with regard to the exemption of the American shareholder from double taxation. I am informed that in the case of incomes of $5,000 and over the dividends of the American shareholder are taxable just the same as in Canada; in fact more so, because in Canada as a result of protests that were made against double taxation, we did establish what is known as the family corporation, which I think has given a good deal of relief.

Sir GEORGE PERLEY: That is correct.

Mr. EULER: On the other hand, the American corporation is taxed 13½ per cent against our 8 per cent.

Mr. CAHAN: I admit that.

Mr. EULER: Perhaps a change should be made later on, but I do not like to speak definitely in the absence of the Minister of Finance. However, so far as this taxation is concerned, it is not very much to the disadvantage of the Canadian taxpayer.

Mr. CAHAN: I admit that the corporation tax in the United States is slightly higher than ours.

Mr. EULER: Five and a half per cent higher.

Mr. CAHAN: There is a measure before congress now I believe to reduce it, but still it will be in excess of our own. But that is an inducement to the American company to reincorporate a branch in Canada. That is the advantage which induces them to do so. Then, having established their business as a Canadian corporation, the American shareholders of Canadian companies are placed in a much better position than the Canadian stockholders of similar companies. I do not wish to be dogmatic or assertive, but I regard this matter as one which must be considered in view of the fact that year by year the sources of supply of our mineral, pulp, and timber and other raw products are coming under American control. The Americans control the product from the time it is produced in Canada in the rawest form until they send it right across the border into their own factories and by various processes of manufacture enhance its value ten, twenty, even one hundred times; then they send the manufactured products back to us, having given employment in the meantime to American labour at the expense of Canadian labour. I am not discussing this in a party sense, I am not discussing the tariff, but I am calling attention to a program endorsed by a great political convention in the United States and urged by the Secretary of Commerce of the United States time and again in official pronouncements, of which I have copies but not with me to-night. That policy has been urged upon American financiers as necessary in order to sustain for the future the various manufacturing industries of the United States which, having exhausted or partly exhausted their own sources of supply of raw materials have now to depend upon Mexico to the south and Canada to the north. It is a very serious question, and I think the double taxation of Canadian shareholders affects it very materially. I am not protesting against the measure, I am simply in all sincerity calling it to the attention of the government.

Sir GEORGE PERLEY: Mr. Chairman, if the government are considering seriously the alteration of this double taxation at the next session, I should like to put forward another argument why I think it is a mistake. Take a Canadian with money to invest. We all agree that it should be invested in this country. He has to consider whether he will invest the money in a company or put it into bonds. If he puts it into bonds he has only one tax to pay. But let us assume that a dozen of us here were considering taking stock in a company. Each one of us naturally would say to himself; if we go into this company together, and it makes profits, the company will have to pay income tax on those profits, and then each of us personally will have to pay income tax on our individual share of those profits; perhaps we had better put our money into bonds. I submit for the minister's consideration whether it does not militate against the development of our own resources by Canadians who have money to spare for investment.

Mr. EVANS: With regard to this proposed reduction, one would think that the income tax, which is almost the only tax by which revenue is raised in a direct way, would be fostered by the government of any country so that it might be paid by those best able to pay. Britain gives us a very good example in this line. She has been long populated to the limit, and she has had to calculate very closely the incidence of taxation. She believes that the place to look for revenue is where the money is, and not to try to collect it from those who are on the verge of penury, as is the case to-day with many of the agriculturists and wage earners of this country. In Britain it is a penny up or a penny down in the

pound, according as the needs and circumstances of the country call for an advance or a reduction in the income tax. The policy of our government, it seems to me, is avowedly to put a line of cleavage more clear and distinct than ever between the idle rich and the wage earners. The same conditions apply at the present time as when the income tax was first imposed. The class for whom the war debt was incurred, that is the war profiteers, is now getting out of paying its just share, while the man who bore the brunt of battle and had to face death in the trenches is still to be taxed on his necessaries in order to furnish tax-free bonds for this same class. Moreover, he must still submit, when he purchases the necessaries of life, to prices above all comparison with those charged in other countries. Nothing is done by the government to lower the cost of living, but a substantial reduction is again made in favour of those who skyrocketed prices during the war.

Agriculture is in bad shape to-day in Canada. The farmers have had to submit to having their products set at about 50 per cent of the value which they should bear in comparison with the prices which were skyrocketed by every other concern producing in Canada during those years of anguish. Those concerns fixed their prices without let or hindrance and ran this country into debt to the tune of about two billions. So bad did the Liberal party consider the profiteering which then took place that in 1915 they insisted upon an investigation by the public accounts committee, and the scandal in connection with horses, surgical supplies, binoculars, bicycles, shovels, motor trucks and so forth, forms the subject of a pamphlet which I think Canada should blush to read at this time. This booklet is entitled "The War Contracts Scandal" and was published by the central information office of the Canadian Liberal party. It is dated Ottawa, May, 1915. And these very men whose doings were investigated are, in this budget, relieved of the payment of their just share of what I might well term their ill-gotten gain. The supplies were purchased or were not purchased—no one knows. One of the first things complained of was a bill for over $1,000,000 which, without even an order in council, was incurred for goods which were supposed to have been purchased. Those who made these war fortunes are now to be relieved of income tax, while the farmer who had to be content with a set price on wheat during those years is still to be fleeced for the sake of that one class in the country.

Adam Smith once made a statement which will bear repetition to-day:

> The subjects of every state ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.
>
> This principle cannot be challenged, though it is customarily ignored and violated by governments beholden to the specially privileged for their retention of power.

Even the large daily newspapers have commented upon this feature of the budget and some of them have spoken against this action taken by the government. The organized farmers of western Canada have long advocated the income tax as one of the means of direct taxation for raising the revenue of the country, and the organ of the United Farmers of Alberta has lately come forward with this statement against such class discrimination:

> The reduction of the income tax by a further 10 per cent on personal income and from 9 to 8 per cent on corporations, as announced by the Finance Minister in the House of Commons last week, is a starkly reactionary feature of the budget. . . The reductions in the income tax are discriminatory against the great body of Canadian citizens, and in a special sense in favour of a small body of citizens who are fortunate in having very large incomes—in favour of the class, in fact, who provide most of the campaign funds of the political parties. The estimated revenue from customs dues for the new fiscal year is $153,600,000; the estimated revenue from income tax $55,300,000. The former duties are paid by every family in the Dominion, not in proportion to their ability to pay, but in proportion to their purchases. The head of an average family in Canada, whether he be farmer, wage worker, or business or professional man of moderate means, pays a far larger sum yearly into the federal treasury through customs duties than in income tax.

This means that every struggling wage earner pays taxes on his necessaries of life, skimping his wife and family of those necessaries in order to swell the coffers of the profiteers, those who are responsible for the great burden of debt which we now have hanging over our head. The policy of this government is not to place a tax on those best able to pay it, but to find the easiest means to filch the earnings of workers in a way in which they hope they may not be caught.

No notice seems to have been taken of the protest from this corner of the house. The government smiles to-day in stoic complacency, born of a feeling of security in the knowledge of the helplessness of the class which we in this corner of the house represent.

Mr. DUNNING: I rise to a point of order. The hon. member is evidently reading a set speech.

Mr. EVANS: I am reading only parts of it which I copied from certain papers. I may inform the hon. gentleman that part of what I have read was copied from War Contract Scandals, a Liberal propagandist paper published in 1915.

Mr. McLEAN (Melfort): It is a good book, but this is no time to read it.

Mr. EVANS: Another quotation is from the Journal of the United Farmers of Alberta. The plea that the income tax drives capital from the country is not well founded. In fact, foreign investors to-day find in Canada a very profitable place to invest money. Some of the finest of our natural resources are passing into foreign hands because our own capitalists do not see fit, or have not enterprise enough, to invest in these resources. Indeed, if I were to comment on their attitude towards the north country it seems to me that the Canadian people and the investors themselves are practically victims of their own propaganda in running down that northern country. The result is that we are witnessing to-day the humiliating spectacle of having our natural resources pass into foreign hands. The income tax is the fairest means of raising revenue, and it should be increased rather than diminished at this time. I could not, therefore, let this matter pass without making this protest.

Mr. GLEN: I have listened with a good deal of sympathy to the speech of the hon. member for Rosetown (Mr. Evans). When the budget was introduced I spoke on the question of the income tax, and I had intended to deal with it on the preamble to this bill. But as I may not be able to be present to-morrow I may take the same latitude as most other hon. members have taken in speaking to particular items and traverse a wider area.

I take the position, Mr. Speaker, that the question of the reduction of the income tax and the corporation tax should be the subject of a pronouncement by the government as to their attitude. When I spoke on the budget no pronouncement had been made by the Minister of Finance, but I was very glad to see that the Prime Minister declared that as far as he was concerned, and perhaps as far as the government were concerned, the question of the income tax would be a matter for further consideration. I was glad of that, because I realize that any further reduction in taxation must be accounted for somehow by the government, and I realize the danger that a reduction of the income tax would leave a deficiency which must be supplied from some other source. As I then pointed out, that deficiency must be made good by indirect taxation, which would bear more heavily on the working people of this country than any other tax.

I then protested that the question of the income tax and the corporation tax has not been a matter of discussion throughout the Dominion. So far as I know the only propagandists, with the exception of those in receipt of large incomes, are a body called the Retail Trade Bureau of Canada, who apparently have sufficient money to broadcast their publications throughout the Dominion; but I take it they speak only for a particular point of view and for a particular class. When the question was discussed at the interprovincial conference the objections which might be taken were stated very meagerly, but I was interested to note that even at that conference all the premiers were not in absolute accord. If we may take it, therefore, that the subject when discussed by the provincial premiers raised some matters of dispute, we may say that they were speaking for the particular provinces which they represented, and I can say with all confidence that as far as the abolition of the reduction of the income tax is concerned, we in the west are certainly in agreement to some extent with the premier of Manitoba. At page 28 of the discussions of the Dominion-provincial conference I find the following:

> Coming to the much-disputed question of the income tax, Mr. Robb dealt with the contention that it was opposed to the spirit of the British North America Act because it was an invasion of the direct field of taxation. The income tax last year had brought in forty-eight millions of which twenty-nine millions or 69 per cent came from the corporation, 80 per cent being from Ontario and Quebec. It might be contended that those provinces were better able to pay. This, however, was not the explanation. Montreal and Toronto were the headquarters of railway corporations, banks, life and fire insurance companies and wholesale houses doing business all over the Dominion. Naturally the income tax was paid at the head office, but everybody interested in these businesses made contributions indirectly. In Quebec individual payments had been six millions and corporation payments eight millions. In Ontario the proportion had been seven to fourteen millions. In British Columbia individuals paid one hundred and twenty-seven thousand dollars and corporations two million seven hundred and four thousand dollors. While everybody might be regarded as paying something toward income tax, under the present exemptions it did not bear heavily on the average person.
>
> The minister declared that it was the duty of the federal government to give a lead to others

in the matter of economy. Since 1923 their debt had been reducetd by one hundred and five millions, while the debts of the provinces had been materially increased. If the reputation of the country was to be maintained economy must be practised; in so far as the government could justify its position before parliament it was prepared to help the provinces.

Turning to page 35, the next reference to the income tax was made by Premier Baxter of New Brunswick, and the report goes on to say:

Premier Baxter, of New Brunswick, did not think it was practical for the Dominion to abandon the income tax field until she had got further along toward the payment of the war debt. He however suggested that an amendment might be made to section 92 of the British North America Act dealing with "direct taxation" which would once and for all do away with the conflict created unnecessarily by Privy Council judgments. As an amendment he suggested the following words: "Direct taxation by the provinces shall mean by any mode but customs and excise, on persons and things within the province."

The question was then discussed by Mr. Price, of Ontario, and the report states:

Colonel Price further suggested that with respect to the income tax the Dominion should follow the custom of Australia whereby the proceeds on personal incomes were handed to the states, and those incorporations retained by the federal authority. He suggested that the provinces should meet again, discuss the fields of taxation, and again confer with the Finance minister.

Then Premier Bracken of Manitoba submitted the following observations with respect to taxation:

2. That the entry of the Dominion government into the field of direct taxation increases the difficulty of the provinces.
3. That there is urgent need for more clearly defining the powers of the provinces to impose taxation and the taxes they can impose.
4. Section 92 of the British North America Act should be amended in order to assign specifically to the provinces certain taxes whether direct or indirect.

It is my contention, Mr. Speaker, that the reduction or elimination of the income tax has not been discussed in concrete form in any of the provinces. The only references we have had so far have really emanated from the provincial conference. While I am not taking very much exception to the amount of the reductions, I do think the government should certainly consult with the provinces as to any further reductions along that line. I think I am stating the view of most of the people in the western provinces when I say that any further reduction in the income tax will be bitterly opposed, because they realize that if one source of revenue is altogether eliminated that money will have to be made up by the tariff, which is what we have always been fighting.

So far as the corporation tax is concerned, I think there is no doubt that the government of to-day do not contemplate removing that tax altogether. They must of necessity retain it; it was born in a time of stress and trouble which has not passed as yet. The obligations incurred by the war have not been paid off, and that tax must be retained. I was rather interested to hear the hon. member for St. Lawrence-St. George (Mr. Cahan) speak with regard to corporations coming into Canada; and he also dealt with the question of the double taxation, first of the profits of the company and then of the income received by the shareholders. I must say that I have no sympathy with that argument. These corporations are coming into Canada to-day, and apparently they are not afraid of the present taxation. Only recently we find a great American corporation coming into the province of Manitoba expecting to spend $30,000,000 in the northern part of this country.

Mr. CAHAN: Will my hon. friend permit a question?

Mr. GLEN: Allow me to finish my argument and I will answer the question. Surely that corporation is not afraid of the present taxation in Canada.

Mr. CAHAN: Would my hon. friend allow me a question now? He is entirely misrepresenting me. Does he not realize that that American corporation, the Flin Flon company, will not pay double taxation, since its stockholders will not pay income tax on a single dollar of its dividends in Canada?

Mr. GLEN: I do not say this in respect of the dividends paid to residents of the United States.

Mr. CAHAN: They have the advantage over us, because they pay one tax while we pay two.

Mr. EULER: If they reside in Canada that argument will not apply.

Mr. GLEN: Surely the hon. member does not say that those persons in receipt of dividends from a corporation located in Canada are not paying income tax in their own country?

Mr. CAHAN: Many of them are not.

Mr. GLEN: If they are subject to the provisions of the income tax laws of the United States certainly they will have to pay that tax. Apart from that, however, if capital is being driven out of the United States because of taxation, it is coming into Canada and starting large projects, so evidently it is not afraid of

the taxation it is likely to meet in this Dominion. Therefore I say I have no sympathy with the argument of the hon. member for St. Lawrence-St. George. The man who has an income sufficient to bring him under the provisions of the Income Tax Act certainly should make his contribution. Sometimes it is said that the farmers of the west are protesting against income tax reduction because they do not pay the income tax. There is a mighty good reason why they do not pay income tax; it is because they have not sufficient income to do so. Therefore I am taking this point of view on the general principle of income tax—that any further reductions made by this government, or any government, will be bitterly opposed by the representatives and the members from the west. The whole sentiment of the west is against it. The people out there realize that if that source of revenue is removed and has to be made up again it will certainly be done at their expense. For that reason we are very sorry indeed to see the reduction that has been made, and we do hope that we will get some clear cut expression from the Minister of Finance now while we are on this matter as to what the intentions of the government are for the future.

Mr. CAHAN: I would like to ask the minister, before this clause passes, whether in its amended form it will impose a tax on the income of the wheat pool. If it will not apply to that organization, why is not the law so amended that the wheat pool, which is one of the most profitable organizations in Canada, will pay its fair share of income tax?

Mr. EULER: The proposed legislation will not make any change with regard to the liability of the wheat pool. What that liability is we are not absolutely certain. As my hon. friend, who is a lawyer, knows, the matter is at present sub judice; it is in the courts.

Mr. CAHAN: If there has been any doubt about it in the past why should we not amend the law so as to make it apply clearly and definitely in this case?

Mr. EULER: My hon. friend surely would not want us to amend the law in this case because we had to go to court to establish the validity of the law in some other matter.

Mr. CAHAN: The minister is amending the law so as to reach a whole class of people who, it is alleged, have escaped taxation in the past. Now if the wheat pool has up to the present escaped taxation, and there is a doubt whether the law applies to them, why not make the necessary amendment, particularly as the minister is dealing with a large class of persons who, it is alleged, are escaping taxation?

Mr. MILLAR: The wheat pool do not make any profit. They are a group of farmers engaged in selling their own products.

Mr. CAHAN: There is no corporation in this country that is making a profit in that sense. The wheat pool makes its profit and distributes it amongst its members. That is exactly what occurs in any organization, whether incorporated or unincorporated.

Mr. GARDINER: For several years we have heard the argument here that the corporation income tax is too high and that it is keeping capital out of the country. I was rather interested in the remarks of the hon. member (Mr. Cahan) in that regard. Evidenly because of the fact that our corporation income tax is lower than it is in the United States, we are getting more capital from that country than our hon. friends seem to want to come in from that source. That is another huge bubble that has burst with a huge crack. I should like to say with regard to the wheat pool that there are no profits made in that organization at all. It consists of a number of farmers who have joined together in a co-operative way to sell the product of their labour, and all they get out of the wheat pool is the price received for the wheat after it has been sold. They make no profit at all. Therefore the wheat pool is not in the same position as a corporation which manufactures goods and makes a profit in its business. Co-operative organizations in the old country have been exempt from income taxation because of the fact that they are nonprofit-making concerns. Probably the hon. member for St. Lawrence-St. George has not yet had the opportunity of studying how these pools are organized and how they work, but if he has any idea in his head that the wheat pool is liable or should be liable for income taxation, I should like him to inform himself properly on the subject.

Mr. BROWN: There is a difference between the United Grain Growers and the wheat pool. The United Grain Growers, handling wheat as they do, make profits and do pay income tax. The wheat pool is an entirely different kind of organization, and handling wheat as it does without any profits it is entirely out of the question that it should be considered as coming within the range of taxation.

Mr. GARDINER: I would ask the minister whether there has been any collection of arrears of income tax during last year, and if so what the amount is?

Mr. EULER: There has been a very considerable collection, and if possible I will ascertain the amount.

Mr. COOTE: I want to say a word on behalf of those engaged in farming and ranching in this country in connection with the operation of the income tax as it is at present. These men are engaged in a business the profits from which are largely determined by conditions over which they have no control, very largely climatic conditions. They may incur heavy losses for a period of years, and then the following year may make a profit on which they must pay income tax, although that profit is in no case sufficient to cover the losses they sustained in previous years. I think a good many cases of actual hardship are occuring under the act as it is at present drawn and administered, and I should like to urge the minister to take into serious consideration the question of changing the income tax so that the assessment of profits may be made on the basis of three years operations at least. In connection with the question of income tax, I should like to present to the house a resolution passed at the annual convention of the Western Live Stock Growers. It reads as follows:

Whereas agriculture and its attendant industry of live stock production represent the basic industry of this Dominion and as such require the greatest attention and development and expansion;

And whereas taxation of income under the provisions of the Income War Tax Act is based on annual net profit or gratuity;

And whereas this method of taxation on a yearly return is inequitable and detrimental to the advancement of agriculture and live stock production for the following reasons,—

(a) That production of live stock as to quantity and quality is dependent upon climatic conditions.

(b) The annual expense of live stock production is often made excessive by adverse climatic conditions.

(c) The annual profit of production of live stock is controlled largely by climatic as well as by market conditions.

(d) That an annual conversion of the live stock product into cash is frequently impossible.

(e) That frequently several years of excessive yearly costs are experienced between the year of production and the year of marketing the live stock product.

(f) That the profit on conversion of the live stock product into cash in any one year is frequently the result of two or more years of preparation and expenditure.

(g) That frequently such profit is actually wiped out by the expenditures and costs of preparation of the immediately two or more preceding years.

Therefore be it resolved that the Dominion government be asked to change its present method of determining taxable income so that from the taxable income for any one year there shall be deducted the net loss if any for the immediately preceding three year period.

That resolution is exactly in line with the request which I have already made to the minister.

Before I sit down I should like again to make the suggestion which I made in the debate on the budget, namely, that the Advisory Board on Tariff and Taxation should be authorized or instructed to inquire very carefully into the proposal which is made by the live stock producers that the assessment of income tax should be based on a period covering three or four years' operation. The present method is certainly working a distinct hardship on many men who are engaged in different branches of agriculture. It may be urged that this change should extend to other businesses as well. I am not prepared to express an opinion on that; I am conversant only with the agricultural industry, and I certainly think, so far as it is concerned, a change in the act is highly desirable and would be much more in the interest of the country than this continual reduction year after year in the rates of payment under the Income Tax Act.

Mr. GARDINER: Before the clause carries, will the minister give me an answer to my question?

Mr. EULER: I have not been able to get the information. The hon. member's question was as to what amount of arrears of income tax was collected in the last year. I cannot give the exact figure but it has been a substantial amount. This might throw some light on the matter, but it is not at all conclusive: Last year the Income Tax branch collected about $9,000,000 more than in the year before, although there was, as the committee knows, a reduction of ten per cent in the tax. That amount is not all attributable, of course, to the collection of arrears, although some of it is. I am sorry I have not the information, but I will get it.

Mr. GARDINER: I would ask the minister to have that information available when his estimates come before the house, because it is rather important. I should be glad if he could give us the amount of arrears collected in the last three years and any information with regard to the reasons why these amounts were in arrears.

Mr. COOTE: What is the rate of income tax on corporations in Great Britain?

Mr. EULER: Four shillings in the pound. The hon. member suggested a few minutes ago that in Canada we adopt the plan of averaging the profits of three years. That plan was in operation in Great Britain but it was abandoned. It was found not to be as workable as might appear at first glance.

Mr. FANSHER (Last Mountain): Has there been any assessment of the wheat pools, and if so, what is the amount?

Mr. ROBB: As regards the amount, the hon. member knows that under the act this is absolutely secret; that the minister is not permitted to say what the assessment would be on the wheat pool any more than on the income of any individual.

Mr. EULER: The answer to the first part of the question is yes. I am not giving the amount, but an assessment has been made.

Section agreed to.

Section 3 agreed to.

On section 4—Depletion between lessor and lessee.

Mr. HANSON: I think this is a very fair clause, as I read it, but in the case of mines where the crown in the right of the province is the lessor, will the lessee suffer any loss in relation to the matter of depletion or exhaustion?

Mr. EULER: No.

Mr. HANSON: Will the allowance all go to the lessee? This is important in New Brunswick where all mines belong to the crown and are operated on a royalty basis. Of course the operators are given a depletion allowance.

Mr. EULER: It will all go to the lessee.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Information to be given as to payments.

Mr. HANSON: We ought to have an elaborate explanation of this clause from the minister. I have read it with care, and I am afraid the minister is going to have a great deal of trouble in carrying it out. I have some sympathy with the object he has in view; but if he is after the holder of bearer bonds, for instance, the man who cashes coupons of bearer bonds, he is going to have difficulty in collecting or even in getting information. Furthermore he is going to put a terrible burden on companies which have bond issues outstanding, all of which in the first instance are issued to bearer. They may be registered as to principal and it would be easy to make a return on that, but it is manifestly impossible for a municipality whose bonds are always issued to bearer to give the department any information.

Mr. EULER: I quite agree with the hon. member's statement that there will be great difficulty in obtaining all the information we would like to have. But by this we intend to get the power to make these inquiries and to secure information so far as we can. As the act stands now, in the case of dividends or salaries paid to employees that information must be given to the department.

Mr. HANSON: And very exact information.

Mr. EULER: Very good; but we also suspect, in fact we know that in many cases incomes are received by way of, we will say, interest or annuities, or something of that sort, which are never reported to the department. As the law stands now we have no authority to compel people to disclose information which might enable us to collect the tax, and we are taking the authority to enable us to oblige people to give us such information as we may desire. If the department suspects that in certain quarters the information is not being supplied as it should be, this will at least give us the power to secure that information if it is at all possible to get it. The hon. member will admit that, while this will not enable us to get all sources of income we might like to get, we shall at least have some power and authority to get something more than we are getting now.

Mr. HANSON: That is a confession of weakness at the start.

Mr. EULER: If the hon. member can suggest some other method of making the clause more complete and certain, I should be glad to have it.

Mr. CAHAN: The first part of subsection 5 of section 7 reads:

> All persons in whatever capacity acting, making payment of interest, royalties, rents, annuities, compensation, remuneration or other fixed or determinable amounts, such as interest upon bonds, mortgages, deeds of trust or other similar obligations—

—shall be compelled to make a return. But the second part provides that:

> All persons in whatever capacity acting—

And so on.

—making . . . . . payments under contracts, whether written or verbal, relating to the buying and selling and otherwise dealing in stocks, bonds, debentures, mortgages, hypothecs, and other similar securities—

—shall also make a return. Does that mean that every stockbroker who buys or sells stocks under a verbal or written order shall report to the government all such purchases and sales?

Mr. EULER: No.

Mr. CAHAN: I admit that the language must perhaps be broad in order to cover all the minister has in mind, but I should like him to tell us what he has in mind.

Mr. EULER: Generally speaking, what we are endeavouring to obtain is this. In the case of brokers dealing in stocks and bonds and who are making, as we know, profits which we have not been able to get at, who have a systematic scheme of making profits, we shall have authority to go in and obtain the information to tax them. It is not intended that they shall make a report of every individual sale or purchase they make. There might be a hundred or more a day, and it would be impossible.

Mr. HANSON: Are we to infer that the bond dealers are not making proper returns of their incomes?

Mr. EULER: No, it is the bond dealer's customer who may be in the business of buying and selling stocks through a broker until it has become practically his vocation, his main source of income. It is not the man who just makes an occasional profit by buying and selling of stock and bonds.

Mr. MATTHEWS: Would the minister kindly elucidate the reporting which is required under the first part of this clause? How far would he put that into effect? As the Minister knows, there are already in vogue two systems of reporting, one in England, where the payor deducts a given rate of income tax, and the other in the United States, where the report is made by the payor to the government and income tax assessed on that by the government. In Canada there seems to be no reporting except in the case of salaries, dividends, directors' fees, and that sort of thing, which are easily ascertainable. It occurs to me that the minister is broadening this clause so that all income will have to be reported. Will the minister kindly elucidate that?

Mr. EULER: It is intended to give the minister fairly wide powers. I do not think it is the intention to make everybody report. The clause says, "on such forms and at such times as the minister may prescribe." The minister is not going to be unreasonable in this matter, but where he has reason to think that it is advisable in the interests of the revenue, he can demand these returns. He might perhaps fix a certain amount. This clause at least gives the minister power to demand these returns, but of course, it is not intended to use that power in any unreasonable way.

Mr. MATTHEWS: The difficulty with the Canadian income tax is that it is not enforced. I think if the minister is going to make a provision for reporting, it should be watertight and everybody who makes payments should have to report, or else leave it alone; and the same in regard to bond coupons; the reporting should be complete, or leave it alone.

Mr. EULER: Is the hon. member advocating that in every instance the department should insist upon these reports being made? He speaks of making it watertight. Does he mean that we should exercise no discretion whatever in the matter, but insist upon every one of the persons here indicated making a report? I am simply trying to get the idea of the hon. member.

Mr. MATTHEWS: I am asking the minister what is in his mind. If I make a payment to a man, and it involves a profit, am I to report it? If so, has every payment of the kind to be reported. I think we are letting ourselves in for a great deal of trouble here. The enforcement of the income tax is the greatest problem relating to the income tax to-day. I do not think we should criticize very much the reduction in the income tax, if that reduction results in an increase in income, but when you come to the reporting I think you should either adopt it completely or leave it alone.

Mr. EULER: Something is left to the discretion of the minister, and if he does not insist on as complete a system of reporting as the house thinks there should be, I have no doubt that he will be subjected to criticism at the next session.

Mr. CAHAN: Is not the objection of the hon. member for Toronto East Centre this, that you are placing it in the control of the minister to discriminate as between those who will make returns? This clause allows the minister or the officers of his department to select a certain few. They may take the men on a certain list and enforce the provision as against them, while it is not generally enforced. It seems to me that the burden

of the complaint of the member for Toronto East Centre is that you should state specifically the nature of the returns you require, and from whom they are required, and then make every person of that class make such a return, and make it applicable throughout the whole country to similar classes or persons. This section is not to apply to the broker at all, as explained by the minister. It is not to get at the broker who is escaping making a proper return. As far as the brokerage firms in this country are concerned, the minister has power now to make a thorough examination of all the books of these firms, and I have known it done time and again in the city of Montreal. What the minister is asking for here is for a return of all payments, "under contracts, whether written or verbal, relating to the buying and selling and otherwise dealing in stocks, bonds, debentures, mortgages, hypothecs, and other similar securities." I do not see why that should apply to the buying and selling of securities, any more than it should apply to the buying and selling of land, or the buying and selling of wheat, or any other commodity, but if the provision is to be that every contract relating to the buying and selling of these classes of stocks and securities shall be reported to the minister, then make the provision general so that every person who enters into contracts of that kind shall make a report, and do not allow the minister to prescribe the forms in his own discretion, and to select the people whom he is going to compel to make these returns and pay a tax on the contracts to which reference is made in this section.

Mr. ROBB: May I point out to my hon. friend that the minister now has those powers which he objects to. He has power to demand, for instance, that all salaries be reported, but he does not ask my hon. friend to report the salaries of the employees of his household. He exacts, under the power he has, the information from the large employers of labour.

Mr. CAHAN: I make a return for my employees.

Mr. ROBB: The most satisfactory source of collection as regards income tax is from the salaries, because under the act the large employers of labour are compelled to report the salaries they are paying, and companies paying dividends are compelled to report the dividends they are paying, and the department has power to audit the books to see that a proper return is made. But a certain latitude is allowed the minister because he must use reasonable discretion and not go after small employers of labour, for instance, and small concerns. This is intended to get after those who, we are satisfied from experience, are evading taxation.

Mr. CAHAN: What class of people are you getting after?

Mr. ROBB: From time to time the attention of the department may be directed to the fact that systematic attempt is being made to evade the income tax. We have had no complaint with regard to the powers the minister now has to demand information as to salaries, which powers are as wide as those now sought.

Mr. HANSON: Is it the intention of the minister under this clause to exact from small mortgagors returns of the interest payments they make? A firm of solicitors may be handling a thousand mortgages for perhaps fifty clients, involving periodical payments. Is it the intention to require everyone of those mortgagors to make out a return? If so, I see a little rebellion in some parts of the country.

Mr. EULER: I do not care to make any definite commitment in regard to it, but I would say that in a general way it is not the intention to persecute people. In the case of many of these small amounts the chances are that we would not ask for any information at all. We might perhaps fix a minimum amount to be reported. I admit, Mr. Chairman, that we are asking that the minister be given fairly wide discretionary powers, and that you have to trust him to use those powers in a wise way. He has similar powers under several other statutes. I think it is perfectly proper that these discretionary powers should be given to him.

Section agreed to.

Section 8 agreed to.

Bill reported.

Mr. ROBB moved the third reading of the bill.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. GARDINER: No.

Mr. SPEAKER: Carried on division?

Some hon. MEMBERS: No

The house divided on the motion (Mr. Robb), which was agreed to on the following division:

YEAS

Messrs:

Allan,
Anderson (Toronto-High Park),
Bancroft,
Beaubien,
Bell (St. John-Albert),
Benoit,
Bettez,
Boucher,
Boulanger,
Bourassa,
Bradette,
Brown,
Cahill,
Cannon,
Cardin,
Chaplin,
Chevrier,
Cotnam,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Drayton (Sir Henry),
Dunning,
Dussault,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Fraser,
Garland (Carleton),
Geary,
Gershaw,
Gervais,
Girouard,
Glen,
Hanson,
Hepburn,
Johnston (Long Lake),
Kaiser,
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lanctôt,
Langlois,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Lovie,
MacLean (Prince),
McLean (Melfort),
McIntosh,
McMillan,
Matthews,
Maybee,
Mercier (Laurier-Outremont),
Milne,
Morin (Bagot),
Motherwell,
Peck,
Perras,
Ralston,
Rennie,
Rinfret,
Robb,
Robitaille,
Ross (Kingston City),
Ryerson,
St-Père,
Séguin,
Simpson,
Sinclair (Queens),
Smith (Stormont),
Spence,
Spotton,
Steedsman,
Sylvestre,
Taylor,
Telford,
Thompson,
Totzke,
Tummon,
Veniot,
Verville,
White (London),
Young (Weyburn).—85.

NAYS

Messrs:

Bird,
Carmichael,
Coote,
Cowan,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Garland (Bow River),
Gardiner,
Heaps,
Irvine,
Jelliff,
Kennedy,
Lucas,
Luchkovich,
Macphail (Miss),
Millar,
Speakman,
Spencer,
Woodsworth.—21.

Motion agreed to and bill read the third time and passed.

Mr. YOUNG (Saskatoon): I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted I would have voted for the motion.

Sir GEORGE PERLEY: I have a permanent pair with the hon. member for Bonaventure (Mr. Marcil), on the understanding that we will not vote unless we are both in the house. If I had voted, I would have voted in the affirmative.

Mr. MORIN (St. Hyacinthe-Rouville): I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted I would have voted for the motion.

Sir EUGENE FISET: I was paired with the hon. member for St. John-Albert (Mr. MacLaren). If I had voted I would have voted for the motion.

Mr. ROBINSON: I was paired with the hon. member for East Essex (Mr. Odette). Had I voted I would have voted for the motion.

Mr. CASGRAIN: I was paired with the hon. member for Peel (Mr. Charters). Had I voted I would have voted in the affirmative.

Mr. McKENZIE: I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted for the motion.

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

Friday, March 30, 1928

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Fourth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

AGRICULTURE AND COLONIZATION COMMITTEE

Fifth report of select standing committee on agriculture and colonization.—Mr. Vallance (for Mr. Kay).

On motion of Mr. Vallance the report was concurred in.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 160, for the relief of Kathleen Elizabeth Hedges.—Mr. Lennox.

Bill No. 161, for the relief of Lotus Henderson Conover.—Mr. Geary.

Bill No. 162, for the relief of Marguerite Trelawney Buller Allan.—Mr. McPhee.

Bill No. 163, for the relief of Alexander Graham.—Mr. Garland (Carleton).

Bill No. 164, for the relief of William Henry Phillips.—Mr. Young (Toronto Northeast).

Bill No. 165, for the relief of Marjory Elgin Burch.—Mr. Young (Toronto Northeast).

Bill No. 166, for the relief of Frances Helen Renison.—Mr. Casselman.

Mr. G. PARENT (Quebec West): As far as I am concerned I should like it to be understood that all these bills are carried on division.

Mr. SPEAKER: Carried on division.

CUSTOMS ACT AMENDMENT

PREVENTION OF SMUGGLING

Hon. W. D. EULER (Minister of National Revenue) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Customs Act, chapter 42 of the revised statutes, 1927, be amended to make provision for a more adequate enforcement of the act and the prevention of smuggling operations in the territorial waters of Canada.

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

Motion agreed to.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT

APPOINTMENT AND SALARIES OF OFFICERS

Mr. EULER moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Department of National Revenue Act be amended to provide that the minister be empowered to appoint certain classes of officers with such salaries or remuneration as may be determined by the governor in council, and that a gratuity may be paid any officer on retirement in lieu of a period of leave of absence with pay, with further provisions as to filling vacanices by transfers and promotions for the betterment of the service.

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

Motion agreed to.

[Mr. Lennox.]

SPECIAL WAR REVENUE ACT AMENDMENT

EXEMPTIONS, PENALTIES, ENFORCEMENT

Mr. EULER moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Special War Revenue Act be amended by repealing the exemption on certain articles and materials, not to include permanent equipment which enters into the cost of manufacture or production of goods, and by further provisions in respect to the imposition of penalties, and for the better enforcement of the act.

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

Motion agreed to.

FEDERAL DISTRICT COMMISSION ACT, AMENDMENT

PAYMENT OF GRANT AND ISSUE AND REDEMPTION OF SECURITIES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Federal District Commission Act, 1927, be amended to provide,

1. That the period for the payment of the annual grant to the commission, at present fixed at sixteen years from the first day of April, 1927, be extended to thirty years from the first day of April, 1928, the said annual payment to remain at the sum of $250,000;

2. That the commission may issue securities and the governor in council may authorize the guarantee of the payment of principal and interest thereon, the proceeds to be deposited to the credit of the Minister of Finance in trust for the commission and released by the minister in his discretion for the purposes of the act;

3. That a sinking fund shall be created and maintained by the commission out of its actual annual income to provide sufficient funds to redeem such guaranteed securities as they respectively become due, and the provisions of the Expropriation Act instead of the railway act shall be made applicable to proceedings of the commission.

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

Motion agreed to.

ECONOMIC CONFERENCE RESOLUTIONS

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): I wish to ask the Prime Minister

if it is the intention of the government, after the recess, to submit to this house for approval, the resolutions passed at the Economic conference of May last, at which the government of this country was represented.

Mr. MACKENZIE KING: I shall have to consider that question and give my hon. friend a reply after the recess.

RADIO—CANCELLATION OF LICENSES

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I wish to ask the Minister of Marine and Fisheries if the radio licenses issued to the International Bible Students have been cancelled, and if so for what reason.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): This question has been put to me several times during the week, and I am prepared now to make a declaration in regard to the matter. That declaration is very short and it is this: In the light of the information voluntarily submitted to the Department of Marine and Fisheries during the past year or more, and with a view of promoting a readjustment of radio broadcasting licenses, it has been decided not to renew the licenses to the International Bible Students.

Mr. H. E. SPENCER (Battle River): To how many cities does this decision apply?

Mr. CARDIN: I understand they have two licenses, one in the west and one in Toronto. This applies to both.

Mr. PETER McGIBBON (Muskoka-Ontario): Will the minister give us the reason for this action?

Mr. T. L. CHURCH (Toronto Northwest): Some time ago I presented several petitions and letters asking that the license be renewed to radio station C.K.C.X. in Toronto. I have received a large number of additional letters and petitions. What action will be taken in regard to these communications? I believe a great part of the radio fans want this license renewed. April 1st is near, and it is the last day upon which I can bring the matter up before licenses are issued. Is this going to be a matter of party patronage or not?

Mr. SPEAKER: Order. A question on the subject to which the hon. gentleman refers was put a moment ago and answered by the Minister of Marine and Fisheries.

Mr. CHURCH: I should like to get a reply in regard to the Toronto station.

Mr. CARDIN: Representations have been made to the department on both sides of the question.

Mr. McGIBBON: Will the minister be good enough to give us the reason for this action?

Mr. CHURCH: I wish to say—

Mr. SPEAKER: Order. The hon. gentleman has spoken once.

Mr. CHURCH: I may have to move the adjournment of the house in order to present the facts on this matter.

Mr. SPEAKER: The hon. gentleman cannot move the adjournment of the house at this stage; it is against the rules.

Mr. McGIBBON: Will the minister be good enough to give us the reason for this action?

Mr. CHAPLIN: Will the minister be good enough to tell us why these licenses were cancelled?

Mr. SPEAKER: Order.

Mr. McGIBBON: Will the minister be kind enough to give his reasons for that action?

Mr. CARDIN: After considering all the explanations which have been made we thought it advisable to refuse a renewal of the license. The information is contained in numerous letters and protests which are on the departmental files.

Mr. McGIBBON: I submit that is no reason at all.

Mr. SPEAKER: Order. This is what Bourinot says at page 314:

> While explanations of the intentions of the government or of a minister may be asked, their opinion on a matter of policy or of law is not a proper subject of inquiry.

Mr. ARTHURS: On a point of order, I submit that the minister has given no reason at all. I think we should be given the reasons for his decision.

Mr. MACKENZIE KING: I suggest that the question be put on the order paper and the answer thereto and the reasons can be given.

Mr. GARDINER: I suggest that the minister lay the correspondence on the table so that hon. members may become acquainted with the facts.

Mr. PARENT: Let the hon. member put his question on the order paper.

REPARATIONS COMMISSION REPORT

On the orders of the day:

Hon. FERNAND RINFRET (Secretary of State): The hon. member for Acadia (Mr. Gardiner) asked yesterday what is the intention of the government concerning the Friel report on reparations. I may say in reply that the government is not in a position to submit any legislation on the matter during the course of the present session. Pending the consideration of possible legislation at a later date, the government thinks it would be inadvisable to have the report tabled at present.

REPORT OF FISHERIES COMMISSION

On the orders of the day:

Mr. W. J. ERNST (Queens-Lunenburg): On several occasions I have asked the Minister of Marine and Fisheries if he is able to give the house any informaton as to when the report of the royal commission investigating the fisheries of the maritime provinces will be tabled. I should like to ask the question again to-day.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I am not in a position to give any definite answer. The commissioners are preparing the report and I expect to be in a position to table it after Easter.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter:

Ottawa, March 30, 1928.

SIR,—

I have the honour to inform you that the Right Honourable F. A. Anglin, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

JAMES F. CROWDY,
Assistant Secretary to the Governor General.

IMMIGRANTS AT KINGSTON

On the orders of the day:

Mr. A. E. ROSS (Kingston City): I should like to bring to the attention of the Minister of Immigration the following facts. Some few days ago there arrived a notice to the superintendent of the employment bureau informing him that eight immigrants classed as farm labourers would arrive in Kingston. When they arrived two were found to be experienced, one partly experienced and the others without any experience. The two experienced and the one partly experienced were placed immediately. Two others have been placed in Kingston at temporary employment; one is unemployed, and the other two are on the trek to the city of Toronto. The two temporarily employed are taking the positions of two citizens of Kingston and we believe that is a situation which should be stopped. I should like to ask the minister if such a situation will be continued or if there is any plan to rectify it.

[Mr. Parent.]

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I think the house will agree with me that the question whether we can meet a situation of that kind is rather a difficult one to answer offhand. There will no doubt be unemployed people in Canada. There will be some difficulty on occasions in finding a place for all the people who come to this country. I have no knowledge of the circumstance to which the hon. member refers; but I will make inquiries in order to find out under whose auspices they came and why they have been allowed to get into the situation in which they find themselves, and should the question be repeated I will endeavour to give a definite answer.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. W. E. ROWE (Dufferin-Simcoe): I should like to ask the Minister of Finance if the judges of the Exchequer court have been asked for a report regarding the Home Bank. If so, has he received that report.

Hon. J. A. ROBB (Minister of Finance): The judges of the Exchequer Court are from time to time reviewing cases under the Home Bank legislation of a couple of years ago. I have asked the auditors, who, I think, have this in charge, to give a report, but I am not sure whether it has been received or not. I will look into the matter and let my hon. friend know.

ANGLO-EGYPTIAN TREATY

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Has the Prime Minister any statement to make to the house with regard to the relationship between this country and Great Britain in respect to the treaty between Great Britain and Egypt?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friend had not asked the question which he has just asked, I was about to request the house to allow me to make a statement on a matter of public interest which arises out of a report that

appears in to-day's papers to the effect that Lord Salisbury, leader in the House of Lords, of the British government, apparently entertained a different point of view with respect to Canada having been asked to become a party to the Anglo-Egyptian treaty from that which was expressed by myself in this house in the course of a debate earlier in the week. May I first of all draw the attention of the house to what Lord Salisbury himself observed, namely, that he had not seen my remarks at the time at which he was speaking and therefore he was unable to say exactly what had been said by myself in that connection? May I also add that I have not seen the despatches that have gone from Canada to Great Britain and I am therefore not in a position to know what has been represented in Great Britain with respect to the remarks which I made in this house? My remarks however are in Hansard, and with respect to what appears in the Hansard report of the debate of the other night I have nothing to alter or change in any particular. I think I can indicate very clearly where any difference in point of view that may exist has arisen, if such in fact is the case.

Lord Salisbury's remarks, as reported in the papers of yesterday and to-day, fall really under four heads. In the first part Lord Salisbury refers to the policy of Great Britain with respect to the Anglo-Egyptian treaty and remarks that it was a policy for the preservation of peace, and that in that particular the policy of the home government is the same as that of the Canadian government. There is no disagreement in any way between us on that; in fact, we are in hearty accord.

Lord Salisbury then refers to the report which was sent of my remarks on the Chanak incident. I think I had better read what Lord Salisbury says in that regard and I can then indicate whether or not there is any difference in our point of view with respect to that incident. Lord Salisbury's remarks as reported in the Canadian Press cable despatch appearing in the different papers, are as follows:

Undoubtedly, Lord Salisbury continued, relations between the component parts of the empire in respect to these high matters were a matter of some difficulty. Undoubtedly the Canadian government were asked to associate themselves with the British government at the time of the Chanak affair, and were asked whether they would be represented by a military contingent in the event of military action being required in those regions.

It was true, Lord Salisbury declared, there were no military operations, but he would not like to lay it down that the result was entirely due to the action of the Canadian government. His recollection was that there was a very strong feeling in Great Britain against military operations on that occasion, and it would not be rash to say that the strong opinions expressed here had at any rate a partial effect, just as the opinion of Canada had, in bringing that incident to the end it reached.

That is entirely the view I took with respect to the effect of Canada's representations on the Chanak appeal, if I might use that expression. I believe it was one of the factors which operated. I have never contended that it was more than that. I agree absolutely with Lord Salisbury in what he says as to the different factors that materially contributed to bring about the termination of the incident to which reference is there made.

The third part of Lord Salisbury's remarks is as follows:

The government leader continued that in regard to the Anglo-Egyptian treaty it was difficult to discuss the matter because he had not yet received the full text of Premier King's observations. He emphasized that all through the negotiations leading to the draft treaty with Egypt the dominion governments had been kept fully informed of every step taken, but the terms which the British government proposed to the Egyptian government were expressly limited to the relations between that government and Great Britain, and on the face of it did not include any of the dominion governments.

My hon. friend who has asked me a question to-day asked me a question in the house on March 9 last with respect to the Anglo-Egyptian treaty. Here is what was then said as it appears in Hansard of that date:

Mr. J. S. Woodsworth (Winnipeg North Centre): I should like to ask the government if Canada has been consulted with regard to the policy of Great Britain in Egypt.

Right Hon. W. L. Mackenzie King (Prime Minister): I assume that my hon. friend refers to a treaty which was in the course of negotiation between Great Britain and Egypt?

Mr. Woodsworth: Yes.

Mr. Mackenzie King: The treaty to which my hon. friend has reference was a treaty being negotiated between His Majesty, as representing Great Britain and Northern Ireland, and Egypt. The Canadian government was kept informed of the progress of the negotiations.

So that thus far there is no conflict in any particular between the statements made by Lord Salisbury and those made by myself. I did state as long ago as March the 9th last that the treaty negotiated was between Great Britain and Northern Ireland, and Egypt, and that we had been kept informed of the policy of the British government with respect thereto. Let me now continue with the further remarks of Lord Salisbury:

There never was any question of asking the dominions to participate in responsibility for the results of the treaty, he said. The dominions were asked to concur in the general

policy embodied in the treaty, which was a very different thing from asking them to be parties to the treaty. It had never entered the heads of the British government to ask them to be parties to the treaty.

All the dominions replied to this request and expressed themselves as satisfied with the prospect of agreement with the government of Egypt, and raised no objection whatever to the terms. The government thought it not in the public interest to publish a further paper on the subject. (The British government recently published a white paper detailing the terms of the draft treaty.)

That is all that Lord Salisbury further says with respect to the Anglo-Egyptian treaty. The concluding part of his remarks relates to the relations between the British government and the governments of the dominions. With all that Lord Salisbury says there I am in entire agreement as well, so I think the difference between us with respect to whether or not Canada was asked to become a party to the treaty now reduces itself to the point as to precisely what was the nature of the representations made to the Canadian government by the British government, how were those representations interpreted by us, and was our interpretation the right one, or were the communications capable of any other interpretation? At most the difference between us is one of the interpretation of the implications of the communications which passed.

Now, before I give the substance of the communications may I read to the house what I said in reference to the Anglo-Egyptian treaty, so that hon. members will see the exact purport of my remarks:

> I may say to my hon. friend that within the last few months the government was asked, with respect to a treaty that was being negotiated between Great Britain and Egypt, whether we would become a party to that treaty. The terms of that treaty are known, they have been published. They involved military sanctions, and they contemplated military alliances. What was the reply of the government to that question? It was that we did not believe that so far as Canada was concerned the parliament of Canada would approve such a course; that if Britain and Egypt could work out a treaty as between themselves along the lines proposed, well and good; but that so far as Canada was concerned, we did not feel that it was in the interests of the British Empire itself or in the interests of the larger peace which it was hoped the treaty would serve, that this country should be asked to become a party to it; and the British government immediately accepted our view in reference thereto.

May I direct the attention of the house to those words:

> That if Britain and Egypt could work out a treaty as between themselves along the lines proposed, well and good; but that so far as Canada was concerned, we did not feel that it was in the interests of the British Empire itself, or in the interests of the larger peace which it was hoped the treaty would serve, that this country should be asked to become a party to it.

That clearly indicates that the reference that I made as to Canada having been asked to become a party to the treaty was not to the treaty as finally drafted and presented, but to the treaty as it was at the time the negotiations were being carried on. As I have said, we were kept informed of the progress of the negotiations, and the reference that I made to Canada having been asked to become a party had reference to the treaty in its form as originally presented to us. May I say, so as to make clear why the government placed the interpretation it did upon the text which was sent to us, that at the last Imperial conference there was laid down very clearly in black and white in the report of the inter-imperial relations committee of the Imperial conference the procedure that was to be followed with respect to the negotiation, signature and ratification of treaties, and this report was accepted by the government of Great Britain and by the dominion governments as the future guide in all of these matters, and also thereafter as the source of interpretation with respect to the texts of treaties.

On November the 11th last, we received a despatch from the British government setting forth that the result of conversations between the Secretary of State for Foreign Affairs for Great Britain and the Prime Minister of Egypt had been embodied in a draft treaty which was acceptable to His Majesty's government in Great Britain, and which His Majesty's government in Great Britain were prepared, if they received the concurrence of the governments of the dominions, to offer to Egypt. There was then embodied in the despatch the text of the proposed treaty, and it was drawn up as between "His Majesty the King of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the King of Egypt." There was no limitation as to the parts of the empire to which the treaty was to apply. The application of the treaty was not stated to be limited to Great Britain and Northern Ireland. Now, as I have just said, the report of the inter-imperial relations committee of the Imperial conference of 1926 provides—the reference will be found at page 19 of the report as printed by this house:

> In the case of a treaty applying to only one part of the empire it should be stated to be made by the king on behalf of that part.

I hope hon. members see the force of those words, "should be stated".

Sir HENRY DRAYTON: Perhaps my right hon. friend could conveniently now give the date of the first draft treaty.

Mr. MACKENZIE KING: The despatch that I am referring to was received on November the 11th of last year, 1927.

The report of the inter-imperial relations committee of the Imperial conference, 1926, provides that:

> In the case of a treaty applying to only one part of the empire, it should be stated to be made by the king on behalf of that part.

To the despatch of November 11 we replied on November 22, stating that the Canadian government would raise no objection to His Majesty's government in Great Britain entering into an agreement embodying the substance of the draft treaty, in appropriate form, with the government of Egypt; however, that we could not contemplate recommending to parliament that the treaty should be made applicable to Canada, nor could we undertake to participate in its signature and ratification, and we gave our reasons therefor.

On November 24 we received a despatch, saying that the British government was much obliged for the full explanation given of the position of the Canadian government in relation to the proposed treaty with Egypt.

On December 2 we received a further despatch, saying that the British government had decided to sign the proposed treaty, in view of the replies received from the various dominions; that it was being made clear that, as regards the form, the treaty should be concluded in the manner contemplated in the report of the inter-imperial relations committee of the Imperial conference, 1926, in case of a treaty made on behalf of one part of the empire, that is, that in the preamble it should be confined to Great Britain and Northern Ireland, and should be signed by a plenipotentiary holding a full power limited correspondingly.

Mr. CAHAN: Is that the Prime Minister's deduction, or is it stated in the despatch?

Mr. MACKENZIE KING: No, I am giving the substance of the despatches. Hon. members will observe that I am careful to say nothing about the treaty itself. The Imperial government has laid on the table of the British House of Commons all the documents that I think it wishes to have made public with respect to the treaty. I am confining my remarks to the exchange of communications between the British government and our own on the subject of Canada's relation to the treaty.

Mr. CAHAN: And the final form in which the treaty was executed differed from the original form submitted to the Prime Minister?

Mr. MACKENZIE KING: My hon. friend has it exactly. May I say to him that the accuracy of what I have stated from the Canadian point of view is conclusively borne out by the white paper which was laid on the table of the House of Commons of Great Britain this year, entitled Papers regarding Negotiations for a Treaty of Alliance with Egypt, a copy of which I hold in my hand. At page 9 of this white paper is the counter-draft approved by His Majesty's government July 28, 1927. The preamble reads:

> His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and His Majesty the King of Egypt.

Then after another paragraph or two comes the following one relating to the powers:

> Have agreed to conclude a treaty for this purpose and have appointed as plenipotentiaries:

After a blank the paragraph continues:

> Who, having communicated their full powers, found in good and due form, have agreed as follows:—

Then follows the text of the treaty. Now, under the interpretation set forth by the inter-imperial relations committee on treaties, a treaty, so drafted, without limitation had it been signed by a plenipotentiary, would have bound Canada along with all the other dominions. Being presented with the full text of the treaty in this form, and being asked to give our concurrence, we interpreted that Canada was asked to be a party to the treaty, and therefore in our reply we were careful to state that we could not become a party to the treaty because for reasons given we did not believe that this parliament would approve of Canada being made a party thereto.

Now, on pages 35 and 36 of the white paper to which I have already referred appears the draft treaty as it was submitted two days after our despatch, or at any rate after our despatch had gone to Great Britain, stating the position of the Canadian government. The draft is in this form:

> His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, and His Majesty the King of Egypt,—

I am leaving out some of the intervening paragraphs in the preamble.

> Have agreed to conclude a treaty for this purpose, and have appointed as plenipotentiaries:

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India:
for Great Britain and Northern Ireland:
The Right Honourable the Lord Lloyd, G.C.S.I., G.C.I.E., D.S.O., Member of His Most Honourable Privy Council:
His Majesty the King of Egypt:
His Excellency Abdel Khalek Sarwat Pasha, President of the Council of Ministers;
Who, having communicated their full powers, found in good and due form, have agreed as follows:—

Hon. members will notice that the treaty as finally presented, signed between Great Britain and Egypt, is distinctly limited in the preamble, as should be the case when a treaty applies to only one part of the empire, by saying:

His Majesty for Great Britain and Northern Ireland

Making no reference to any other parts of the empire.

May I say, Mr. Speaker, that I accept unreservedly Lord Salisbury's statement to the House of Lords that the government of Great Britain had not any intention of obliging the dominions to become a party to the treaty, or even of inviting them to do so.

Mr. CAHAN: They made a very delicate suggestion.

Mr. MACKENZIE KING: I agree with my hon. friend, I think it was a very delicate suggestion; and I submit that, as presented to us, the documents were not capable of any other interpretation in the light of the rules laid down at the Imperial conference with respect to the negotiation, signature and ratification of treaties. But I hope the explanation which I have made will remove any possibility of difference on that point as between the British government and ourselves.

Mr. H. B. ADSHEAD (East Calgary): May I ask the Prime Minister: Egypt then is regarded as a foreign country as the treaty is made with it? Secondly, Canada is not involved in the treaty?

Mr. MACKENZIE KING: No, Canada is not bound by the treaty.

Mr. ADSHEAD: And Egypt is a foreign country?

Mr. MACKENZIE KING: My hon. friend will have to consult some international authority on that point.

IMMIGRATION OF MINERS

On the orders of the day:

Hon. ROBERT FORKE (Minister of Immigration and Colonization): Mr. Speaker, while the hon. member for Comox-Alberni (Mr. Neill) was speaking in the debate on international peace last Wednesday he made the following remark as reported at page 1780 of Hansard:

The Minister of Immigration asks me about the sermon. I will ask him to direct his attention to answering a question which I asked him six weeks ago, to which I have not got an answer yet.

I replied that I would answer him to-morrow. The question that the hon. member asked me is reported in Hansard of February 13:

I would like to ask the Minister of Immigration (Mr. Forke) a question; I see he is not in his place at the moment, but perhaps he can give me an answer to-morrow. I will first call his attention to a news item appearing in the Sunday Times, of London, England, of December 4, 1927. It consists of only one sentence, which I will read:
"Every unemployed miner in Great Britain," said Mr. H. H. Stevens, M.P., of Vancouver, who arrived in Liverpool yesterday on the Canadian Pacific liner Melita, "can be found employment in the Canadian mines, provided he is physically fit."

Also in the Daily Express of December 12, 1927, there appeared the following:

Mr. H. H. Stevens, M.P. for Vancouver, who has just arrived in England, says that every unemployed British miner could find work in the mines of Canada.

Now, Mr. Speaker, I hesitated before answering that question because it was asked six weeks ago, and I supposed the hon. member for Comox-Alberni had made up his mind to let it drop. When he renewed it on Wednesday I thought this would be a good opportunity to let the house know some of the difficulties with which the Department of Immigration has to contend. I have no proof whatever that the hon. member for Vancouver Centre (Mr. Stevens) made the statement attributed to him in the newspaper reports. It may be correct or otherwise. In answer to the hon. member for Comox-Alberni, I would say that he is well aware that every healthy Britisher, mentally and physically fit, can come to Canada when he has paid his passage, and the Department of Immigration—

Mr. SPEAKER: I would ask the hon. member to confine his explanation to a brief statement.

Mr. FORKE: I am almost through, Mr. Speaker.

Mr. CAHAN: Don't provoke a discussion.

Mr. SPEAKER: There can be nothing controversial at the moment.

Mr. PARENT: Why ask questions if you do not want an answer?

Mr. FORKE: I am endeavouring to be as brief as possible, Mr. Speaker. I have been blamed for not answering a question asked six weeks ago and I am merely trying now to give the answer. I would point out that when the hon. member for Vancouver Centre (Mr. Stevens) made that statement he knew that anyone could come in from Great Britain irrespective of the regulations of the Department of Immigration. May I say this to the hon. member for Comox-Alberni (Mr. Neill): The officials in Great Britain are kept well informed of the situation in Canada and they always endeavour as far as possible to guide immigration along the right lines.

Mr. NEILL: I am entitled to say that the minister has not quoted my question and certainly has not answered it, because my question was: would he use the means at his hand to inform the miners of Great Britain that there was no work for them in Canada?

Mr. ROSS (Kingston): When speaking of the eight men who came to Kingston I forgot to mention to the minister the fact that if these eight men had arrived properly classed we had eight jobs ready for them the morning they came.

Mr. FORKE: I am not finding fault with the question.

WAYS AND MEANS

CUSTOMS TARIFF, 1927, AMENDMENT

The house again in committee of ways and means Mr. Johnston in the chair.

Hon. J. A. ROBB (Minister of Finance) moved:

That item 267b of the customs tariff be struck out of said resolution; and that items 438b and 705a be inserted in said resolution.

Sir HENRY DRAYTON: This is just a change to bring the resolutions into conformity with what has already been done?

Mr. ROBB: Yes just to carry out what we have already done.

Motion agreed to.

Mr. ROBB: I move:

2. Resolved, that schedule b to The Customs Tariff, being chapter forty-four of the revised statutes of Canada, 1927, be amended by striking thereout tariff items 1011, 1012, 1024, 1029, the enumeration of goods, and the rates of drawback of customs duties set opposite to each of the said items, and the following items, enumerations and rates of drawback of customs duties be inserted in the said schedule b:—

Sir HENRY DRAYTON: What is the effect of this?

Mr. ROBB: This merely strikes out the items that have been corrected.

Sir HENRY DRAYTON: I take it that no change whatever is being made in this proposed resolution except simply to carry into effect what is already done.

Mr. ROBB: That is all.

The CHAIRMAN: It ratifies what has been done in committee.

Motion agreed to.

Mr. ROBB: I move:

3. Resolved, that any enactment founded on the foregoing resolutions shall be deemed to have come into force on the seventeenth day of February, one thousand nine hundred and twenty-eight, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for which no entry for consumption was made before that day.

Sir HENRY DRAYTON: This is the usual clause?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: There is no change?

Mr. ROBB: No.

Motion agreed to.

Resolutions reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 169, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

The SPEAKER: When shall the bill be read the second time?

Mr. ROBB: Now, Mr. Speaker, I move the second reading.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Schedule A amended.

Sir HENRY DRAYTON: There is one matter that certainly could have been brought up previously in committee but which can now be considered under the rules. Can the minister tell me what the real reason was for putting wool on the free list?

Mr. ROBB: The item under which wool carried a duty was practically a dead letter, and has been so for years. It never has been enforced.

Sir HENRY DRAYTON: But is that not the type of wool we produce here, the coarse wool?

Mr. ROBB: I have not the memorandum before me, but many years ago the customs board gave a decision which practically placed that wool on the free list, and it has been on the free list ever since.

Section agreed to.

Schedules agreed to.

On the title:

Mr. HEAPS: There is one matter which I would like again to bring to the attention of the house, arising out of these tariff adjustments and also having relation to the strike which is taking place in Oshawa. I have no desire to interfere in any way with the efforts being made by the Minister of Labour to bring about a settlement of that dispute; I wish him every success, and hope he can help in an amicable adjustment as between the company and the men. However, when a concern such as the General Motors Corporation cuts wages to the extent of 40 per cent, I cannot help but protest in this house against such action. In a recent issue of the Oshawa Times the general manager of that corporation stated that the average wage of the highest paid workers in that plant is approximately $150 per month. Taking the wages on that basis, this 40 per cent cut will reduce them to not more than $100 per month for the highest paid mechanic, and you can understand the effect that will have on the lower paid workers.

Mr. EDWARDS (Waterloo): May I ask a question? Were these wages cut generally, or were they cut in some certain departments?

Mr. HEAPS: The wages have been reduced, in certain departments, but the other men and women employed in that industry feel that if this cut is accepted their wages also will be cut. One of the reasons given by the management for the reduction is that they can get lots of men to fill the positions occupied by those who have been striking, and the cut is not attributed to any lack of prosperity. I claimed last week that the General Motors Corporation was receiving considerations of a very valuable character from this house, and I state now that if an industry receiving very high protection does not treat its employees fairly, this house has the right to take this protection into consideration, and either reduce or remove it entirely.

Mr. WHITE (London): If that were done how would it affect the other manufacturers of motor cars in Canada?

[Sir Henry Drayton.]

Mr. HEAPS: It might have the effect of compelling other motor car manufacturers to bring pressure to bear upon such companies to make no wage cuts.

Mr. KAISER: This company is in Oshawa, not in Winnipeg. I should like to ask the hon. member whether anyone concerned in that trouble has asked him to bring these matters before the House of Commons?

Mr. HEAPS: I am sorry to see any hon. member of this house take such a narrow view of Canadian affairs as to think that none but the member representing a particular constituency may be interested in conditions obtaining in that constituency. If I had been the member for Oshawa I should have raised this question here long ago. When the matter of the decrease in the tariff was under discussion, hon. members did not have to wait until they were told by someone else what action they should take.

Mr. KAISER: I submit that I am entitled to an answer to my question. I am interested to know whether the labouring people or the corporation in Oshawa have requested the hon. member to bring this matter before the house.

Mr. HEAPS: Certainly the employers in Oshawa have not asked me to raise this question here.

Mr. KAISER: I asked if either party requested the hon. member to bring this matter before the house.

Mr. HEAPS: I do not see that that question is relevant at all.

Mr. KAISER: It is a very simple question to answer; it requires only one word.

The CHAIRMAN: The hon. member who is speaking may be interrupted only with his permission.

Mr. HEAPS: When I am through the hon. member can state where he stands on this question, whether he sides with the employers or with the employees. I am not afraid to say where I stand. I was not going to deal with this question at any length, but in view of the fact that the hon. member has interrupted me I may say more than I had intended.

I remember very well, as do most other members of this house, when these same employees came to Ottawa two years ago. At that time the management looked with very kindly eyes on the workers taking the time off and paying their own expenses to come to Ottawa in protest against the tariff reductions, because they thought their livelihood was

being endangered. I remember the placards which they brought along with them, and I am quite sure that the management of the company were in sympathy with the statements contained on those placards. One statement was, "British fair play for Canadians." To-day this American-owned corporation might well give British fair play to these Canadian employees. Another of the placards bore the words, "Our appeal is for our families." That is the very appeal I am making to-day, and my hon. friend from Oshawa (Mr. Kaiser) does not like to hear it made. Then another big placard stated, "The tariff threatens our livelihood." I ask the house if the tariff has done any such thing. The threat to their livelihood to-day comes from the avarice and greed of a soulless corporation. Still another placard stated, "Our living and our homes are at stake." They are at stake to-day, and who is to take the matter up in this house? In view of the conditions which exist, I think the hon. member from Oshawa might well have brought the matter up here. There was another placard which contained the appeal, "Give us a chance to live in Canada." Still another placard declared, "We may lose our jobs." They have left their jobs to-day but it was not the change in the tariff which brought that about. Now I want to quote a statement from the Oshawa Times of Tuesday, March 27, as follows:

> Representatives of the various divisions addressed the men to-day at the meeting, and advised them that they must stick together. Men from the Chevrolet and Pontiac assembly lines, who are strongest in their sympathy to the trimmers who first walked out, claimed that on their present scale of production, and through efficiency experts who had retimed their line twice, and as a consequence who had speeded up the line, had also made drastic cuts in their wages. They claimed that they now only averaged about fifteen dollars a week.

Now, what was the statement made by the management when the strike occurred? The statement issued by Mr. H. A. Brown, general manager of the Oshawa plants, was as follows —I take it from the Oshawa Times of Monday, March 26:

> Due to the present labour situation should the men refuse to return to work, the company is in a position to fill the vacancies and the production of the current months will be very little affected.

Here you have, Mr. Chairman, one of the reasons why the men who went on strike have remained on strike; the management of this corporation think they can fill the places of those who have gone on strike because of a reduction of approximately 40 per cent in their wages.

Now let me deal for a moment with the poverty of the organization known as the General Motors Corporation.

Mr. McQUARRIE: Does the hon. member think that parliament or the government should fix the wages to be paid in this or any other industry?

Mr. HEAPS: Well, parliament does a lot of fixing. I do not use that term in an offensive way or in a way that may be misunderstood, but we have legislation before us at all times in which we regulate the profits of corporations. We fix the tariff to enable an industry to pay fair profits to the shareholders and to yield a fair return on the capital invested in it. I claim that when we grant these concessions to industry or to capital we should give some consideration to the needs of the workers employed in industry. Let me quote now from an article published in a paper entitled "Profits and Wages" under date of March 15 last, which deals with the General Motors Corporation. The heading over that article is "General Motors Profits Equal Payroll for 1927." The article begins with this statement:

> The gross profit of the General Motors Corporation in 1927 exceeded the total amount distributed to its employees in wages. This extraordinary result of high-speed exploitation of labour appears in the anual report of this duPont-Morgan automobile giant. The report shows the gross profit at $328,893,359, compared with a payroll of $302,904,988.

The article goes on to say:

> The man who invested a little over $700 in General Motors at the beginning of its career is to-day receiving without any work on his part cash dividends equal to the entire yearly wage of the average worker on the payroll.
>
> A worker's life invested in the production of automobiles would thus have a capitalized value of $700.

Further on the article says:

> The 1927 report shows that in the last three years $324,091,580 additional capital has been invested in the business and that $212,255,382 of this has come out of excess profits, that is from profits over and above the huge cash dividends which the giant corporation has disbursed.

And then one further item:

> If you can follow your way through all this manipulation you can get some sort of an idea of what original investors are making on the money they actually contributed toward producing automobiles. For 1927 it would probably be something like 900 per cent.

I have been quoting from a statement dealing with the General Motors Corporation of which the Oshawa plants are a subsidiary, and I presume that the profits have been as large in Oshawa as in other plants on this

continent. Now when we are considering the tariff from the viewpoint of the profits that can be made in an industry it is time we gave a little consideration to the position of the workers engaged in industry. For too long a time parliament has been considering the interests of the industrialists and has neglected the interests of the workers. I may be sounding a new note in this debate in connection with the matter of tariff adjustment, but it is one as to which we will hear more as time goes on. Parliament has considered the tariff in the past too much from one angle, and the workers are beginning to wonder why their interests are not considered when a budget is discussed. If I have in this particular case injected the claims of the workers in connection with the adjustment of the tariff, I believe that action will be sympathetically received by workers in the city of Oshawa as well as in other parts of the Dominion. It may be quite true that I have not received many requests from Oshawa in this particular regard, but let me say this: At Oshawa they have never had a real trades union. Organizers have gone there to organize such unions but have met with a very hostile reception from the management of the industry. I have spoken in the last few days to men who have tried to organize the workers along trades union lines but they have never succeeded. May I say that it was not union men who went out on strike but non-union workers. I hardly think any of them belong to anything in the shape of a trade union. You can understand what the condition of the men must have been, who, driven to desperation, went out on strike, and also when the rest of the workers went out on strike in sympathy with them. They went out because they felt that when the axe fell on the trimmers they would be the next to feel its weight. We can therefore understand the reason why there is not an automobile being produced to-day in the city of Oshawa at the General Motors Corporation.

Those in the labour group have often been accused of fomenting strikes among the workers of the country, and other things of that nature. Upon whom can such an accusation be laid in the present case? Will it be directed against the workers, or will this parliament be honest and place the blame where it fairly belongs? Hon. members ought to express themselves frankly in this matter. Parliament granted this automobile industry a protection which previous to 1926 amounted to 35 per cent, and it is still enjoying approximately the same amount of protection if the excise tax is taken into consideration. I want to see parliament do something for the workers in this industry. The wages of these workers were never exorbitant and yet they have been further reduced.

There is not much more I wish to say at this time, although a good deal more could be said. I rose to-day to make my protest against the cut in wages made by the General Motors Corporation, and I trust that the efforts made by the Department of Labour will result in the men going back to work at the wages they were formerly receiving.

Title agreed to.

Bill reported, read the third time and passed.

SPECIAL WAR REVENUE ACT AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act, chapter 179 of the revised statutes of Canada, 1927, and to provide:

1. That section eighty of the said act which imposes an excise tax on automobiles adaptable for passenger use be amended by adding thereto the following subsection:

"4. When goods of any class mentioned in schedule I are manufactured or produced in Canada and are for use by the manufacturer or producer thereof and not for sale, such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada and sold, and the sale shall be deemed to have taken place when the goods are used or appropriated for use. The minister may determine the value of the said goods for the tax."

2. That the rate of consumption or sales tax be reduced to 3 per cent and that any enactment which may be founded on this resolution No. 2, shall be deemed to have come into force on the seventeenth day of February, 1928, and to have applied to goods imported or taken out of warehouse for consumption on or after that date and to have applied to goods previously imported for which no entry for consumption was made before that date.

Sir HENRY DRAYTON: Will the minister explain, particularly section 4?

Mr. ROBB: It is to make it more uniform. According to the memorandum which I have from the Department of National Revenue, some firms in Canada purchase chassis which are not subject to excise tax and build a passenger body thereon, the completed automobile being for the use of such persons or firms and not for sale. As section 80 quoted above imposes an excise tax only when the goods mentioned in schedules 1 and 2 are sold, the department has been unable to collect this tax from these persons when the automobiles are for their own use. If, however, they bought a completed automobile the excise tax would apply.

Sir HENRY DRAYTON: This is to prevent any escape from the tax?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: The other section, as I understand it, just puts into effect the budget resolution in regard to reducing the sales tax?

Mr. ROBB: Yes.

Mr. COOTE: I wish to ask the minister a question regarding the excise tax which he removed from automobiles valued at less than $1,200. If I remember well, the promise made by the automobile manufacturers at the time was that they would not take advantage of the remission by using it in the form of protection but would pass the advantage on to the consumers. I am sure that if the minister will take the trouble to look into the matter, he will find that some of the manufacturers who signed the letter are to-day taking full advantage of that remission of excise tax on Canadian-made cars. He made a very definite statement at that time that he would compel those manufacturers to live up to that agreement. I should like to ask the minister if he will not at this session of parliament take proper means to deal with the situation in order to see that these manufacturers pass the advantage on to the consumers of automobiles?

Mr. ROBB: I have no information other than what my hon. friend has said, nor have I any complaints that the reduction has not been passed on to the purchasers. But after the session, when I have more time, I will look more carefully into the matter. My hon. friend will agree with me that, just on a bare statement, we cannot adopt legislation affecting all the different firms throughout Canada.

Mr. COOTE: In my speech on the budget I showed the automobile prices, which I think cannot be disputed and which prove beyond doubt that most of the firms who signed that letter are to-day violating their promise. They are taking advantage of the remission and in many cases they are charging the Canadian consumer 30 per cent more for a car than the price in the United States. When they do that they must be taking advantage of the remission of excise tax, and it would not take the officers of the Department of Finance very long to collect information which would convince the minister that this is being done to-day. I do not think parliament can afford to end this session until the matter has been dealt with. These firms should not be allowed to take advantage of the remission and to charge Canadian purchasers this excise tax.

Mr. ROBB: The difference in price cannot all be charged up to the excise tax which was removed. The sales tax still remains.

Mr. COOTE: But there is only a 20 per cent tariff and a sales tax of less than 5 per cent, so that they are certainly taking advantage of the remission of the excise tax. The prices which I quoted, showing the 30 per cent difference, do not include the sales tax. Those prices are all f.o.b. factory. I can assure the minister that if he will look into the situation, he will find that in nearly every case they are taking full advantage of the remission of the excise tax. It was stated in the house at the time the remission was granted that they would take advantage of it; that it was simply handing them back five per cent of protection, and the minister assured the house that if they did not pass this reduction on to the consumer, he would find means to make them do so. I hope when we return after the Easter recess he will have taken the trouble to have the officers of his department collect information which I am sure will satisfy him that these manufacturers, in the majority of cases at any rate, are taking advantage of the remission of excise tax; that they are placing the tax in their own pocket and not passing it on to the Canadian consumer at all.

Mr. ROBB: I shall this afternoon direct the attention of the Department of National Revenue to the observations of my hon. friend and ask them to check the matter up. It may take some time to do so.

Mr. EVANS: I should like to know what percentage of motor cars made in Canada is imported whether in finished or unfinished parts. I ask this question in view of statements of some of our protectionist friends this year, that owing to the reduction in duty Canadian plants are becoming simply assembling plants.

Mr. ROBB: I cannot give my hon. friend that information now. I will endeavour to get it for him.

Mr. EVANS: The value or quantity.

Mr. GARDINER: In view of the importance of the letter which was read by the Minister of Finance when the reduction was made in the tariff on automobiles, and remembering the promise he made to this house at that time, I should like to ask him whether he has taken any steps to see that the reduction of five per cent in the excise tax has

been passed on to the consumer. Has any effort been made by his department or by the Department of National Revenue to see that that promise has been kept?

Mr. ROBB: All I can say in answer to my hon. friend is to repeat what I said to the hon. member for Macleod, that I had heard no complaints until I listened to the remarks he made a few moments ago.

Mr. GARDINER: My question was altogether different from his. I will repeat it. In view of the importance which was attached to the document which the minister read to the house at the time of the reduction in the automobile tax, and in view of the promises he made to the house at that time, has his department made any inquiry to see that that agreement has been lived up to? That is an altogether different question from that of the hon. member for Macleod.

Mr. ROBB: I can tell my hon. friend that we have quite enough to do without chasing after trouble. We have had no complaints.

Mr. GARDINER: This is not a question of chasing after trouble. A promise was made to the house and to the people that this matter would be closely scrutinized to see that the people got the advantage of this reduction, instead of the automobile manufacturers.

Mr. ROBB: I cannot give my hon. friend any other answer than I have given. This is a very large country, and it is reasonable to suppose that if the people, reading the proceedings of parliament, observed that that promise had been made, they would not hesitate to put in a complaint if they were not satisfied.

Mr. GARDINER: As I understand the situation at that time, it was not contemplated that the people would have to put in a complaint to get justice. The situation then was altogether different from the way the minister presents it to-day. It is very obvious that the Finance minister has not lived up to that promise, and under those circumstances he might just as well admit it. I appeal to him now to live up to the promise he made at that time.

Mr. COOTE: I would just like to direct the attention of the committee and of the Minister of Finance to the percentage of increase in the price of certain makes of cars in Canada over the prices charged in the United States; and these prices do not include any tax; they are f.o.b. factory. I have taken them from the newspapers and other publications in Canada and the United States. I quote them subject to correction, but to the best of my knowledge they are absolutely correct. Hon. members will find that I quoted these figures in my speech on the budget on March 6 (Hansard, page 1127), showing that the price of a Ford coupe is 29.1 per cent higher in Canada than in the United States; a Whippet coach 29.9 per cent higher; an Erskine coach 35.4 per cent higher; and a Chrysler coupe 29.8 per cent higher. The makers of all these cars I have mentioned signed the letter which has been referred to here to-day, and I think there is evidence enough in the figures I have quoted to convince the minister that it is necessary to deal with this subject.

In my opinion the point raised by the hon. member for Acadia was well taken. The Finance minister has plenty of men in his department to spare one to look after the interests of the public. It is pretty hard for the public to know whether or not this particular remission in the excise tax is being taken advantage of by the manufacturers, but as I remember the discussion that took place here, in 1926, and relate it to the prices now being charged by these firms, I am sure that these firms are taking advantage of the remission. Before this change was made in the excise tax, at the request of the manufacturers, as I remember very well, the prices in Canada were approximately 25 per cent higher than in the United States, and that was about as high as the Canadian manufacturers could get them unless our people were to go over the border and drive their new cars in here. But to-day the increase is approximately 30 per cent, because of the remission in the excise tax that has been made on Canadian made cars. I hope the minister will press this matter energetically. I am glad he has said that he will look into it, and I hope we may look for some action on his part when parliament resumes after the Easter recess.

Mr. FANSHER (Lambton): I am glad that the Finance minister says he will look into this matter. It has been my opinion since the very first that the manufacturers of automobiles have been taking advantage of this reduction in the excise tax. Anyone who has been closely connected with the motor car industry or has been in the agency business knows that soon after the tariff was reduced on the lower priced cars from 35 to 20 per cent there was a reduction in the price of these cars, but whereas the tariff reduction amounted to 15 per cent, the reduction in the price of the cars amounted to only 10 per cent. I think that reduction was made by the manufacturers for a purpose. Shortly

after the tariff was reduced by 15 per cent the automobile manufacturers came to parliament and promised that if the excise tax were removed they would pass that reduction on to the consumer. To my mind what really happened after the excise tax was removed was that the remaining 5 per cent of the 15 per cent tariff reduction, which would have to go in the course of time in any event, was passed on to the consumer; and the reduction of the excise tax was taken advantage of by the manufacturers themselves and no corresponding reduction was made to the consumer. I remember discussing this matter at the time with some automobile agents, and they distinctly told me that following the 15 per cent tariff reduction, only a 10 per cent reduction was made in the price of cars, and they wanted to know why a still further reduction should not be made in the price. To my mind it was a plan on the part of the automobile industry to hold back the remaining five per cent in order to secure a reduction of the excise tax. If the minister looks into the matter, I am sure he will find that I am in large measure right in what I say.

Mr. ROBB: I beg to move that the following be inserted in the resolutions amending the Special War Revenue Act:

That Part II of the Special War Revenue Act, chapter 179, revised statutes of Canada, be repealed as from the 31st of December, 1927.

The explanation of this amendment is as follows: Part II of the Special War Revenue Act imposes a tax of 1 per cent upon the gross interest from loans and investments in Canada and upon the gross income from business transacted in Canada. Such tax is a deduction from the tax otherwise payable under the Income War Tax Act. There is but a small collection of revenue under this act over the amount that would otherwise be collected under the Income War Tax Act, and rather than have a multiplicity of taxes this is repealed. Further, the excess apart from Income War Tax that is collected is generally from companies that have no profits, as the tax under the Special War Revenue Act is upon the gross income or interest.

It is estimated that the reduction in revenue will not exceed $30,000. It will save a lot of bookkeeping, and probably the loss in revenue will be more than offset by the gain in respect to administration.

Sir HENRY DRAYTON: It has been a surprise to me that the law has remained as it is for so long. It was entirely an emergency tax, the idea of the tax being, of course, to get money at the earliest possible moment and in as large sums as possible. I think the tax was imposed in 1915.

Mr. ROBB: 1914.

Sir HENRY DRAYTON: It was subsequently looked after by the Income Tax Act and income derived from all lines of business carried on in Canada by those companies was immediately taxable in gross; this one per cent charge was taken from it. When the Income Tax Act came into force it was apparent that it would be absolutely unjust to keep up two sets of taxation; but on the other hand money was exceedingly scarce and the burdens of the country exceedingly great, and accordingly the old act was retained for the purpose of reaching those who otherwise would not be taxable under the Income Tax Act. Well, we have had the exemptions enlarged, and this act should have gone with those exemptions long ago. I have no doubt that what my hon. friend says is absolutely correct, that it is costing just as much in keeping this out-of-date measure upon our statutes as is collected under it.

Amendment agreed to.

Resolution as amended agreed to.

COPPER BOUNTIES ACT AMENDMENT

Resolved, that it is expedient to introduce a measure to amend The Copper Bounties Act, 1923, and to provide that the payment of bounties at the rate of one-half of one cent per pound on copper bars or rods, as described in the said act, be continued up to the thirtieth day of June, 1931.

Mr. ADSHEAD: How much was paid in 1927 for bounties on copper; and why is it considered necessary to extend the act for three years more?

Mr. ROBB: On the basis of the production in 1926-27 there would have been paid in bounties, at the new rate, $93,950.93, and for the ten months ending January 31, 1928, at the new rate, $50,900. This resolution is to continue the bounty for three years at the lowest rate of ½ cent per pound. It started at 1½ cents, scaling down from time to time. By 1931 we are assured that the industry will be on a solid footing.

Mr. SPEAKMAN: How many companies have been able to take advantage of this act?

Mr. ROBB: Only one, so far as I know.

Mr. ESLING: I should like to say a word, Mr. Chairman, on the very important in-

dustry to which the resolution refers. It provides for an extension of the bounty of ½ cent per pound until June 31, 1931, on copper bars and rods manufactured in Canada and sold for consumption in Canada from copper produced in Canada from ore mined in Canada. We have here an indication of some desire to encourage the creation of Canadian payrolls by the production and manufacture of one of our resources. This bounty is available to any individual or syndicate of individuals who choose to invest their capital in the construction of refineries. It is true that at the present time there is but one beneficiary, but I have been advised by well-informed operators that before the period of this extension expires there will be a very decided change, resulting in more and larger refineries being established. To-day, so far as I can learn, outside the United States there are but three copper refineries in the world. One is in Australia, another in Canada and a third in Japan.

You can readily understand what an enormous output the United States has when it is stated that 95 per cent of the world's copper supply is controlled and refined in that country. We have simply five per cent remaining for these other three refineries. The Canadian refinery is located in Trail, in the district of West Kootenay, British Columbia. It produces 10,000 tons, or 20,000,000 pounds of refined copper per year, valued at approximately $3,000,000. But in addition to the refined copper turned out at Trail, there is produced in Canada raw copper, copper matte and blister copper to the value of $12,000,000. This entire output is shipped to the United States, where it is refined. These properties are located largely on the Pacific coast. They are controlled by United States interests, and naturally those interests are quite willing to have the raw material go to the States where wages are expended in refining it.

Not only do we lose the wages paid on refining this raw material in the United States, but out of $12,000,000 worth shipped to that country $7,000,000 worth is returned to Canada for consumption here. As the United States control 95 per cent of the world output, they also control the price, and they take advantage of that control by fixing two prices, one for home consumption and the other for export, the export price being $8 per ton in excess of the domestic price. So that the copper control of the United States enables their operators to say to the world at large: That is our price; you will pay us $8 a ton in excess of what we sell for home consumption or you may leave it, just as you please.

Now, with the enormous production there you can understand that the United States has the advantage also of refining copper more cheaply. This will be readily apparent when I state that at the refinery in Trail they turn out 20,000,000 pounds per year, while in just one tankroom in the plant at Anaconda, in the States, they turn out 17,000,000 pounds in one month—a very decided difference. We all realize what wonderful activities are in progress in a mining way throughout the Dominion to-day. In fact, I think it is generally admitted that these activities have just started.

Mr. ADSHEAD: Did I understand the hon. member to say that the refinery at Trail is working at full capacity, or not?

Mr. ESLING: No. I say it refines 10,000 tons or 20,000,000 pounds a year. I say there is so much mining activity to-day that in a very short time there will be more smelters, more concentrators and more refineries in the Dominion, particularly if they are given proper encouragement. The prospects are so bright, I have been informed, that before the period expires for the payment of this bounty there will be refineries in Canada producing 100,000 tons of refined copper per annum. One hundred thousand tons of refined copper produced from ore mined and smelted in Canada would not only create an enormous payroll but would open various avenues of business and trade, and you can readily understand the prosperity that would follow. It would not only create Canadian payrolls but it would go very much farther, by enabling Canada to care for the copper and metal requirements of the British Empire. The empire to-day purchases from $40,000,000 to $50,000,000 worth of copper annually from the United States and on that purchase of forty or fifty millions is paid this excess of $8 per ton on such as is not manufactured. The last figures available of exports from the United States to various parts of the Empire are for 1926, but they are very fair indications of what the 1927 figures will show. In the year 1926 the United States exported copper to the United Kingdom to the value of $29,000,000; to Canada, $6,500,000; to British India, $846,000; to Australia, $214,000; to Hong Kong, $135,000; to British South Africa, $155,000; and the balance to other sections of the empire. You can see, therefore, the absolute hold which the copper trust of the United States has on the empire at large and you can

readily understand how urgent it is that this condition should be changed, because every country over which the British flag floats pays that excess of $8 per ton. In view of what has happened in the past there is nothing in the world to prevent this copper trust from saying, "We will make it $18 instead of $8". And Canada would have to pay the toll in common with the rest of the empire. This possibility is emphasized by our experience during the war. When the allies needed copper the United States control simply said, "Our price is 31½ cents and it will have to be paid". And it was paid. The hon. leader of the opposition the other day referred to the zinc situation during the war, when the United States controlled the world's zinc supply. They then fixed the price at 44 cents per pound, and it was due entirely to the work of the research laboratory at Trail, which solved the problem of treating zinc ores, that the smelter there was able to break the combine and provide the allies with zinc at from 12 to 15 cents per pound. That result is to be attributed to research. You can go back further in the research work and other activities on the part of the Trail smelter and you have the interesting fact that that smelter perfected the process of refining lead by electricity, as a result of which Trail had the first electrolytic lead refinery in the world. Hon. gentlemen all know that the major portion of our asbestos goes to the United States as well as the greater portion of our nickle, where these products are manufactured and shipped back to us in the finished state in very large quantities. Last year there came back to the empire $1,000,000 worth of asbestos products on which wages were paid in the United States, and there was shipped to the empire at large $1,000,000 worth of Canadian nickel manufactured in the States.

Obviously, therefore, this is a very important subject. When we consider the prospects of our mineral development we can see that the result will be the establishment of smelters, concentrators and refineries, and this will mean not only more Canadian pay cheques for Canadian workmen but, if the government is so disposed, it will mean the protection of the empire's metal requirements against foreign control and price dictation.

As a result of the recent imperial conference Canada, we are told, had assumed a new constitutional status and was now an independent nation. Be that as it may, the fact remains that our geographical status is the same. Our borders are open on three sides and just so long as Canada remains within the empire we shall be absolutely and directly dependent upon the mother country for protection. You cannot get away from that. But we are becoming so carelessly indifferent to that fact that we are forgetting that to-day our security rests entirely with the British navy; and for that security and protection we contribute not one dollar to the British exchequer. It sounds well, no doubt, to be referred to as an independent nation, and it adds to our national pride to feel that we are almost a great nation. But it seems to me that it would be everlastingly to the credit of Canada if at the same time we could be stamped in the eyes of the world as a grateful nation; and I think the best way we could show our gratitude would be by protecting the empire's needs for such minerals and metals as we produce. I do not think the government would make any mistake if it formulated a policy whereby the minerals and metals of this Dominion might be conserved for the use of Canada and of the empire at large, so as to render us absolutely free from the dictation and price control of a foreign country. I am quite confident that Great Britain would co-operate and lend encouragement, and very probably other assistance, in carrying out such a policy, and I am equally confident that this house and the country generally would heartily approve of any measure which would free Canada and the empire from the price control and dictation to which it is now subjected.

Mr. ADSHEAD: Some years ago a friend of mine got me interested in a copper mine near Stewart, and he gave me a piece of information which I submit to the Minister of Finance for what it is worth. He told me that in connection with the smelting trade they were mining some copper ores near Stewart, and he said that ores could be shipped by the Panama canal to Swansea and be refined there cheaper than it could be done shipping by rail to Trail. If that be the case it would seem that there is discrimination against our own smelter at Trail, or that the rates are too high.

Mr. EVANS: May I ask the minister a question? What is the value of the product on which this bounty is paid?

Mr. ROBB: It is selling to-day at from 14 to 15 cents a pound refined, in the bar.

Mr. EVANS: What was the total value of the product on which this bounty was paid?

Mr. ROBB: I could not give my hon. friend that information, but I can tell him the bounties which have been paid since the act was passed. In round figures those sums

are $14,551, $14,822, $93,263, $70,978, and about $68,000 last year. It is estimated that the bounty of one-half cent per pound will amount to about $50,900 on the same production. We are simply extending this act as it is now for another three years. The act provides a maximum of $200,000 in any one year, and does not apply on bars which are exported; they must be sold in Canada.

Mr. EVANS: What is the percentage of the bounty to the value of the production?

Mr. ROBB: I have not that information.

Mr. NEILL: Coming from British Columbia, I am naturally in favour of the extension of this bounty, which I think was started in 1923. I remember the criticism made against it at that time. It has been well said that the lines of political thought are devious, and I could not help thinking of that when I heard the hon. member for West Kootenay (Mr. Esling) tell us we should support this extension because of our gratitude to the British Empire for the protection afforded us by the British navy. According to the statement of the hon. member Canada produces about five per cent of the copper production of the world; if the United States controls 95 per cent of the production, I do not think the British navy will be materially affected by what we do in connection with a fractional part of that 5 per cent, because we are not granting a bounty on the entire Canadian production. I am not familiar with the conditions at Trail; I have never been there, but I believe it is one of the largest smelters in Canada, and if I am not mistaken it is controlled by the Canadian Pacific Railway. I must suppose that the tons there are different from the tons in other parts of British Columbia, because the hon. member stated that the output was 10,000 tons or 3,000,000 pounds.

Mr. ESLING: No, valued at $3,000,000.

Mr. NEILL: I accept the correction, but I have another point to bring up. The hon. member has told us that the body which controls the price of copper in the United States has a habit of fixing the price of copper to be used in Canada or any other place outside the United States at $8 a ton more than the United States price. I would suggest that that is a pretty liberal protection in itself for Canadian manufacturers. So to start with, we have a protection of $8 per ton if the statement of the hon. member for West Kootenay is correct, and on top of that we have this bonus ranging from one and a half cents to one-half cent per pound, or from $30 to $10 per ton, so it would seem to me that the Smelter Co. is being fairly well taken care of.

Mr. BROWN: Is this the same concern which controls the smelting of lead at Trail?

Mr. ROBB: Yes, lead and zinc.

Mr. BROWN: There are some interesting facts in that connection. There is a duty of $20 a ton on lead, and some of us were very interested to find the other day that the people who use lead in the manufacture of paint, for example, buy their lead from Trail and pay that duty. This company which furnishes the lead takes full advantage of that duty except for about ten cents per hundred, which just enables them to hold their trade. One interesting feature which we discovered is that the price paid at Montreal for the lead bought from Trail is the price of lead on the London market plus the duty, plus the freight from London to Montreal. The Montreal price has no relation to the freight rate from Trail to Montreal, except when navigation closes on the St. Lawrence and the freight from London to Montreal goes up about 25 cents a hundred because it has to be landed at Halifax. Then, almost automatically, the smelter at Trail raises the price of the lead by exactly that amount, so the whole evidence is that the lead smelter at Trail is taking the full advantage of the duty with the exception of just enough to enable them to hold the trade. Paint is used very extensively in Canada, and it would be used a great deal more if we could get it at a lower price. In view of the conditions which prevail in regard to lead, and I think I have stated them fairly, this kind of bonus or protection to an institution which is taking full advantage of the Canadian consumer does not appeal to us very strongly.

Mr. EVANS: I hope our protectionist friends will take note of that.

Mr. FANSHER (Last Mountain): With regard to this bounty on copper it is interesting to remember that just a few years ago the predecessor of the present Minister of Finance discontinued the bounty on crude petroleum because fields were being opened in Canada which would draw very heavily on the treasury of the country if the bounty were continued. I would point out that the same condition will obtain in the copper industry, because in the very near future the production of copper in this country will amount to something it is hardly possible to imagine, from the oper-

ations which are now taking place in the northern parts of some of the western provinces. In view of this fact I think it would be well for the minister to consider whether this extension should not be limited to one year, or to two years at the most.

Mr. ESLING: The amount of the bounty would not be affected by the copper production. The bounty is paid on the refined copper, and it takes two or three years to build refineries.

Mr. ROSS (Kingston): I should like to say just a few words in support of this resolution. It is all very well to laugh at the small production which we have obtained in Canada so far, but this smelter at Trail is one of the achievements in Canada of which we might well be proud. We only wish we had an equally large smelter in eastern Canada. Some years ago I pointed out the benefits to Canada derived from this smelter. Mention was made here to-day of a mine somewhere near Stewart. If there was a smelter near Stewart, we would be refining a great deal of lead. The Trail smelter only takes care of its own field, and the result is that the ores from such places as Stewart have to be sent to the refineries of the United States.

Mr. ADSHEAD: The statement is made that ores can be shipped from Stewart by way of the Panama canal to Swansea, Wales, at a cheaper rate than they can be shipped to Trail.

Mr. ROSS (Kingston): Quite true. There is a refinery near Stewart which is also American.

I should like to point out that the present production is largely due to the work of the prospector, and if you study conditions in eastern Canada and Northern Ontario and Quebec you will find the situation to be this: For some years prospectors were taught to look for gold and silver, and the result was they found no other minerals. During the last few years, however, they have been taught to search for copper, lead and zinc, and they find these minerals in great quantities in northern Ontario and Quebec. If this bounty is continued—although I am not in favour of a bounty, as of some other form of protection—we will have a smelter established in eastern Canada equal to that at Trail. Then there will be competition and a reduction in price, and in eastern Canada we shall be in a more independent position. There is no question about it. For years the International Nickel Co. has been operating round Sudbury but it has confined its work to nickel. We have tremendous fields of copper the result of persons being taught to look for them. They are now being discovered by prospectors trained in our mining schools, and the result is that in a very few years the development will be something beyond what any person in Canada can now imagine.

Mr. LAPIERRE: I concur in the remarks which have been made by the hon. member for Kingston. Few of us are aware of the tremendous possibilities in connection with the recent discoveries that have been made in northern Ontario and northern Quebec. Our copper industry is in its infancy, though in the district which I have the honour to represent we have been producing copper for forty years. We also supply 85 per cent of the world's nickel. Recently there has been discovered in the nickel fields of Ontario one of the largest copper deposits on the American continent, and one of the strange features of this discovery is that this copper was found in connection with nickel. When the nickel mine at Frood had been sunk to a depth of over 3,000 feet a tremendous body of high grade copper ore was discovered; and to-day the International Nickel Co. and the Mond Nickel Co. have entered into a development that will entail an expenditure of eighteen or twenty million dollars. It would be almost fatal to the copper industry at the present juncture if the present bounty were discontinued. If there was any time in the history of the copper industry when the bonus should be maintained it is now. There has been discovered in one mine alone, the Frood mine of the International Nickel Co., a body of high grade ore which has an estimated value to-day of over $1,000,000,000. This is only one of the mines in the district adjoining these big copper deposits. Discoveries of lead and zinc have also been made and these promise to become sources of tremendous wealth to Canada. There is no doubt that with the continuation of this bounty, you will see in the Sudbury district within a very few years, one of the largest smelters on the American continent. The International Nickel Co. have also laid the foundations for a smelter the estimated cost of which is nearly $10,000,000. They have completed their shaft, 17½ by 20 feet, to a depth of 3,044 feet, and it is the largest on the American continent. They have localized their ore bodies, and are now in a position to go ahead and develop their mines. Imagine for a moment what the effect would be on this industry if the bounty were discontinued at the present time. Copper is one of the basic metals of

the world to-day and industry is continually finding new uses for it. Would it not be unwise in view of the great amount of prospecting that has been done, and the large amount of capital which has been invested in the mining industry, to remove the bounty at the present time? There is no doubt in the minds of those who are familiar with the geological formation of our great pre-Cambrian shield that the discovery of copper on this scale is only one of the many discoveries that will be made in the near future, and I am very much in favour of having this bounty continued.

Mr. SPEAKMAN: I have just one comment to make and that is with respect to the somewhat singular argument that has been advanced in support of the continuation of this bounty. We have been accustomed to hear that owing to the mass production in the United States they can flood our market with cheap goods, and the Dumping Act has been applied to prevent products from the United States being sold at a lower rate than the rate at which they are sold in the domestic market. Now we are asked to provide a bounty for the copper industry and one of the reasons advanced in its support is that products from the United States are being sold here at a price which is $8 higher than the rate in the domestic market. On the one hand it seems that action must be taken to prevent the importation of articles from the United States at a lower price than is current there, and on the other we are told that we must have this bounty because we are charged an excessive price by United States smelters. I am not in favour of the bounty, although I should like to see Canadian ores refined in Canadian refineries, but some of the arguments that have been advanced are singular, to say the least.

Resolution reported, read the second time and concurred in.

SPECIAL WAR REVENUE ACT AMENDMENT

Mr. Robb thereupon moved for leave to introduce Bill No. 170, to amend the Special War Revenue Act.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Johnston in the chair.

Sir HENRY DRAYTON: There is some other legislation in connection with this bill and it should be left in committee.

Mr. ROBB: Yes.

Progress reported.

[Mr. Lapierre.]

COPPER BOUNTIES ACT AMENDMENT BILL

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 171, to amend the Copper Bounties Act, 1923.

Motion agreed to and bill read the first time.

Mr. ROBB moved the second reading of the bill.

Mr. GARLAND (Bow River): On division.

Motion agreed to on division, bill read the second time and considered in committee.

Mr. ROBB moved the third reading of the bill.

Mr. GARLAND (Bow River): On division.

Motion agreed to on division, and bill read the third time and passed.

EXPERIMENTAL FARMS STATIONS ACT AMENDMENT

The house in committee on Bill No. 10, to amend the Experimental Farms Stations Act—Mr. Motherwell—Mr. Johnston in the chair.

Bill reported, read the third time and passed.

DAIRY INDUSTRY ACT AMENDMENT

The house in committee on Bill No. 12, to amend the Dairy Industry Act—Mr. Motherwell—Mr. Johnston in the chair.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF AGRICULTURE

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

Agriculture—Health of animals, administration of the Animal Contagious Diseases Act and Meat and Canned Foods Act, and necessary buildings: $2,270,000.

Mr. MOTHERWELL: I understand that the Black Rod will arrive on the scene in about seven minutes, but I promised the hon. member for Victoria that we would go into supply. Whether it is worth while to stay in supply until that momentous moment arrives, it is for the committee to say.

Mr. TOLMIE: I could not get my supply through in that time.

Mr. MOTHERWELL: I had no idea until just now that we were not going to sit to-night. As requested by the hon. member for Acadia, I have had prepared a number of copies of the proposed expenditure under the various subdivisions of this vote, and

while these are being distributed to hon. members, I will read the details:

Health of Animals Branch
Estimates 1928-29
Animal Contagious Diseases Division
(Field inspection, tuberculosis eradication policies, animal quarantine, inspection of animals for import and export)

Salaries of employees	$514,000	
Travelling expenses	300,000	
Tuberculosis compensation	702,200	
Hog Cholera compensation	10,000	
Glanders compensation	7,000	
Mange eradication	17,000	
Rentals of offices and other buildings	7,400	
Printing and stationery	14,000	
Miscellaneous accounts	35,000	
		$1,606,600

Meat and Canned Foods Division
(Inspection of meat packing establishments, canning factories, etc.)

Salaries of employees	$550,700	
Travelling expenses	25,000	
Printing and stationery	10,000	
Miscellaneous accounts	12,850	
		$598,550

Pathological Division
(Research work in animal diseases, preparation of tuberculin, etc., diagnosis of disease from specimens)

Salaries of employees	$35,850	
Travelling expenses	1,500	
Miscellaneous accounts	27,500	
		64,850
Total		$2,270,000

Mr. GARLAND (Bow River): I understood that the ex-Minister of Agriculture wanted to say something on this item, but if he is not going to speak now—

Mr. TOLMIE: I said that I could not do anything in four minutes, and that is all that is left now.

Mr. GARLAND (Bow River): Then I would like to ask the minister what is the reason for the increase of $68,000.

Mr. MOTHERWELL: This is a progressively increasing work, and naturally it requires an increasing amount of money each year, especially the eradication of bovine tuberculosis. As a result of the suspension of the export trade in cattle to Great Britain, we have been able to extend the work much more rapidly this year as we have been able to use the services of twenty-five veterinarians who had been formerly engaged in accompanying shipments of cattle exported overseas, but even with this help we are not able to keep up with the applications from the various provinces for the organization and establishment of further restricted areas for the eradication, so far as is humanly possible, of tuberculosis in cattle. It is the extension of that work that is the main reason for this increase.

Mr. GARLAND (Bow River): In view of the large amount involved in this item and the contentious nature of the purpose for which the sum is voted, I think it will be proper for the minister at this stage to make a report to the house covering the operation of the plan to date, and giving the percentage of reduction in bovine tuberculosis wherever eradication has really occurred, as well as the total cost of the scheme if it is to be extended over the immense area of Canada. The minister will perhaps be at greater ease if I concentrate my suggestion to him in a single sentence. What I would like him to do is now to make a report to the committee on the operation, success, and future of the bovine tuberculosis eradication plan.

Mr. MOTHERWELL: That is under the restricted area plan. There are three plans.

Mr. GARLAND (Bow River): Cover the whole business.

Mr. MOTHERWELL: The restricted area plan was first adopted in Manitoba, at the request of the provincial Department of Agriculture there, in 1923. At first it took in just three municipalities, and the area was extended to four a year or two afterwards. That area was not only the first restricted area in Canada, but the first in the British Empire. About a year after that, a restricted area was established in the province of Quebec in the counties of Beauharnois, Huntingdon, and Chateauguay. This was extended last year as far as the Richelieu river and was further extended this year from the Richelieu river to the St. Francis river. Next, the whole province of Prince Edward Island was made a restricted area, and we found there the smallest percentage of reactors in any province of the Dominion. Only 0.59 per cent of the total cattle population of the Island reacted to the test, if I remember aright. Then about two and a half years ago, we established an area in the Fraser river valley in British Columbia. That is the source from which New Westminster and Vancouver get all their milk supply.

Mr. GARLAND (Bow River): That statement is true in so far as the initial test is concerned.

Mr. MOTHERWELL: Six municipalities in Last Mountain formed the next restricted area, and that has not been extended, although there are applications in for its en-

largement. Next, we established a small area in New Brunswick about ten miles out from the city of Fredericton containing about two or three thousand cattle. A year ago this spring Prince Edward county in Ontario was organized as the first area of this nature in this province. In Nova Scotia we have practically the whole province, in hand, with the exception of Cape Breton island. Twenty-nine veterinarians have been there since last October, and will continue possibly until about July 1. It is considered that Cape Breton is sufficiently segregated from the rest of the province to avoid any risk of contagion being spread to the mainland from there. The farmers of Cape Breton island are not quite ready to ask for this service until they see how it results in the other parts of the province. I think all the information in connection with this matter is contained in very concise form in a return to an inquiry by the hon. member for Bow River (Mr. Garland).

Progress reported.

THE ROYAL ASSENT

SUSPENSION OF SITTING

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

Mr. Speaker, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the senate.

Accordingly the house went up to the senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An act respecting the Canadian National Railways and respecting the Canadian Northern Railway Company five per cent income charge convertible debenture stock.

An act to amend the Income War Tax Act.

On motion of Mr. Robb the house adjourned at 6 p.m. until Tuesday, April 10.

Tuesday, April 10, 1928

The house met at three o'clock.

PETITIONS

Hon. J. W. EDWARDS (Frontenac-Addington): I wish to add to the thirty thousand signatures I presented last session some six thousand names of persons in New Brunswick, Quebec, Manitoba, Ontario and Saskatchewan asking for the transfer to the prairie provinces of their natural resources without restrictions.

I have also been requested to present to the house a petition signed by some ten thousand men and women of the Dominion asking the parliament of Canada to enact legislation whereby it shall be constituted a crime, punishable by fine or imprisonment, or both, for any person or persons to state or publish any statement that any person or persons legally married according to the law of any province in Canada under which such marriage takes place, are not legally or lawfully married, or are living in adultery, or shall in any way make reflections upon the legality of such marriage or the legitimacy of any child or children born of such marriage.

[Mr. Motherwell.]

CANADIAN GOVERNMENT MERCHANT MARINE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I lay on the table of the house the ninth annual report of the Canadian Government Merchant Marine, and I wish to advise the house that I expect either to-morrow or the following day to be able to table the annual report of the Canadian National Railways.

IMMIGRATION ACT AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved for leave to introduce Bill No. 187, to amend the Immigration Act.

Mr. MANION: Explain.

Mr. FORKE: This bill reads:

His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Section 41 of the Immigration Act, chapter 93 of the revised statutes of Canada, 1927, is hereby repealed.

Hon. members will remember that a similar bill was introduced into the house last session and if I recollect rightly it was carried without division but it was afterwards rejected by the senate. I do not think it is necessary for me to read the clause which has been repealed.

Mr. GARLAND (Bow River): Had we not better reform the senate first.

Mr. FORKE: Maybe. This bill is designed to make deportation for certain causes dependent upon a conviction in Canada, under part II of the Criminal Code, relating to offences against public order, rather than upon a hearing before a board of inquiry concerning certain offences under section 41 of the Immigration Act.

Proceedings for the deportation of such undesirable classes are provided by sections 40, 42 and 43 of the act, and under those sections deportation may be carried out. It is considered that the provisions of section 41 are unnecessary, as section 40 and part II of the Criminal Code cover the case.

I do not think it is necessary to make any further explanation because all the members who were here last session will be conversant with this proposed amendment to the Immigration Act.

Motion agreed to and bill read the first time.

CANADA GRAIN ACT AMENDMENT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved for leave to introduce Bill No. 188, to amend the Canada Grain Act.

Mr. MANION: Explain.

Mr. MALCOLM: The amendments proposed by this bill to the Canada Grain Act are with regard to the grading of spring wheat, oats and barley. These amendments are made upon the recommendation of the Board of Grain Commissioners after a thorough investigation and they are rendered necessary by the development of new varieties of these grains and by new conditions. It is felt that the proposed amendments will meet the existing situation and will prove of considerable benefit to the western producers.

Motion agreed to and bill read the first time.

PRISONS AND REFORMATORIES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 189, to amend the Prisons and Reformatories Act.

Mr. GARDINER: Explain.

Mr. LAPOINTE: Part 9 of the Prisons and Reformatories Act applies only to the provinces of New Brunswick and Prince Edward Island. The purpose of this amendment is to extend to Nova Scotia as well the application of the sections concerning the home for young women in Cloverdale, New Brunswick. Owing to a mistake, Nova Scotia was not included in the amendment of two years ago and this is for the purpose of sending young women from Nova Scotia as well to that home in New Brunswick.

Mr. BENNETT: Nova Scotia was left out in the revision, was it not?

Mr. LAPOINTE: Yes.

Motion agreed to and bill read the first time.

EXCHEQUER COURT ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 190, to amend the Exchequer Court Act.

He said: This bill is offering some slight amendments on matters of procedure. For instance, there are now two judges of the exchequer court, the chief justice and a puisne judge, and this bill is for the purpose of making it clear that either the president of the court or the puisne judge may exercise the power which in many statutes is conferred upon a judge of the exchequer court.

There is also a section of the act which provides that the practice and procedure in suits, actions and matters in the exchequer court shall be regulated by the practice and procedure in similar suits in His Majesty's high court of justice in England. That provision was made in 1877, and since then the practice and procedure in the high court of justice in England has been amended in many respects. This bill is for the purpose of having those same amendments apply to our exchequer court.

The bill will also give to the judges of the court the right to make general rules and orders, instead of only the chief justice as formerly.

Motion agreed to and bill read the first time.

CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 191, to amend the Criminal Code.

He said: This bill is for the purpose of reintroducing a bill which passed this house on three or four occasions but was rejected by the senate. It is for the purpose of repealing a clause which was inserted in the Criminal Code in the session of 1919 concerning unlawful associations, the printing of seditious books, and so forth.

Motion agreed to and bill read the first time.

INTERPROVINCIAL AND INTERNATIONAL TRAFFIC IN INTOXICATING LIQUORS

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 192, respecting interprovincial and international traffic in intoxicating liquors.

He said: This bill provides that in any province where there is in force an act in virtue of which it is unlawful to sell or have in possession intoxicating liquors without authority or permit of the government of the province or of any board, commission or other governmental agency authorized to issue such permit or grant, it shall be unlawful to import liquors otherwise than through the governmental agency, board or commission which has the control of the sale of liquor in the province.

Motion agreed to and bill read the first time.

DOMINION FOREST RESERVES AND PARKS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 193, to amend the Dominion Forest Reserves and Parks Act.

He said: The object of this amendment is merely to withdraw from the forest reserves in Manitoba and Saskatchewan certain areas which have been examined by our soil surveyors and have been approved of as fit for agricultural purposes. It is proposed to withdraw one quarter section of land from the Riding Mountain forest reserve in Manitoba, and in Saskatchewan, an area of 21 square miles from the Big River forest reserve; also 6.65 square miles from the Fort a la Corne forest reserve; one-half section from the Pasquia reserve; one half section from the Porcupine No. 2 reserve; one quarter section from the Pines reserve; 2.25 square miles from the Keppel reserve, and .63 of a square mile from the Nisbet reserve. All of these small withdrawals consist of lands which have been applied for and found suitable for settlement.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the first reading of Bill No. 194, to amend the Canadian National Railway Act.

He said: The object of this bill is to bring the Canadian government railways more completely under the jurisdiction of the railway commission than is now the case.

Motion agreed to and bill read the first time.

[Mr. Lapointe.]

PRIVATE BILLS

FIRST READING—SENATE BILL

Bill No. 168, for the relief of Daisy Myrtle McPherson.—Mr. Pettit.

GENEVA SLAVERY CONVENTION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following proposed resolution:

That it is expedient that parliament do approve of the slavery convention signed at Geneva on the twenty-fifth of September, one thousand nine hundred and twenty-six, and which was signed, on behalf of Canada, by the Canadian representative duly authorized to that effect;

And that this house do approve of same.

He said: Mr. Speaker, as the resolution indicates, this international convention was approved by the seventh assembly of the League of Nations. It was signed by the Right Hon. Sir George Foster, under authority of an order in council of Canada, passed on August 7th, 1926. The matter was fully discussed by the Assembly of the League of Nations, and Canada's representatives were present during the discussion. The convention contains twelve articles, which may be summarized as follows:

The contracting parties undertake to prevent and to suppress the slave trade and to bring about the complete abolition of slavery in all its forms. For this purpose they shall give to one another all possible assistance and undertake to prevent compulsory or forced labour from developing into conditions analogous to slavery. Disputes arising from this convention, if not settled by direct negotiations, shall be referred to the Permanent Court of International Justice or to some other court of arbitration.

Slavery is defined as being the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised. The slave trade includes all acts involved in the capture, acquisition, or disposal of a person with intent to reduce him to slavery or with a view to selling or exchanging him and all acts of trade or transport in slaves.

The convention will come into operation for each state on the date of the deposit of its ratification or of its accession.

It is in order that the convention may be made applicable to Canada in this formal way that the present resolution is introduced.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I cannot but feel that it is idle to ask this house to give its

ratification and approval of any measure unless that measure has been printed and in the hands of hon. members for a sufficient time to enable them to study its provisions. We should be something better than mere rubber stamps in a matter of this kind. While the right hon. Prime Minister's explanation makes it abundantly clear that this is a convention to which parliament can give its assent, the fact remains that we should not be asked blindly to approve of any treaty without having had an opportunity to consider its terms and fully understand all its implications. At a later time I shall certainly avail myself of an opportunity to say something with respect to the whole procedure which is followed by this country in regard to the League of Nations, but this is not the time or place to speak of it. However, I do suggest to the Prime Minister that these treaties should be printed and in the hands of hon. members before they are asked to give their approval.

Mr. MACKENZIE KING: I am sorry my hon. friend was unavoidably absent from the house before the Easter recess. Had he been present he would recall that at that time I did lay on the table copies of this convention both in English and French. Of course I agree entirely with my hon. friend that the house should have all documents before it in order to study their terms. The conventions have been printed for some time in the proceedings of the League of Nations, and, as I say, they were formally presented to the house in printed form before the Easter vacation.

Mr. BENNETT: I am aware that the right hon. gentleman laid them on the table at the time, but I think that is not sufficient to enable members to have full knowledge of their terms. The documents should be printed and in our possession before we can be in a position to express our views thereon.

Mr. MACKENZIE KING: They are printed and distributed in both English and French.

Motion agreed to.

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

That it be resolved by the House of Commons:

That a message be sent to the senate, informing Their Honours that this house has adopted the above resolution and requesting that Their Honours will unite with this house in the approval of the above mentioned convention and that the Clerk do carry the said message to the senate;

And that this house do approve of same.

Motion agreed to.

QUEBEC HARBOUR COMMISSION

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

Resolved, that it is expedient to authorize a loan to the Harbour Commissioners of Quebec in an amount not exceeding $8,500,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

SAINT JOHN HARBOUR COMMISSION

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

Resolved, that it is expedient to authorize a loan to the Harbour Commissioners of Saint John in an amount not exceeding $5,000,000 to enable the corporation to construct such terminal facilities as are necessary properly to equip the port of Saint John, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

HALIFAX HARBOUR COMMISSION

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

Resolved, that it is expedient to authorize a loan to the Harbour Commissioners of Halifax in an amount not exceeding $500,000, to enable the corporation to construct such terminal facilities as are necessary to properly equip the port of Halifax, upon approval by the governor in council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan.

He said: His Excellency the Governor General having been made acquainted with

the subject matter of this resolution recommends it to the favourable consideration of the house.

Motion agreed to.

TORONTO TERMINALS RAILWAY COMPANY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the acts relating to the Toronto Terminals Railway Company be amended to provide that the amount of $7,000,000 which the Canadian National Railway Company was authorized to issue by the amending act, 1925, c. 28, may be increased to $10,500,000 to be used for the purposes therein prescribed and for defraying the cost of other railway facilities necessitated by or incidental to the construction of the said viaduct and works.

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

Motion agreed to.

ANGLO-EGYPTIAN TREATY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I wish to ask the right hon. Prime Minister (Mr. Mackenzie King) whether or not there will be laid on the table at an early date the correspondence in connection with the treaty between Egypt and Great Britain so far as that correspondence took place with Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The British government tabled, in the form of a white paper, the correspondence which they wished to have presented to the British House of Commons, and I understand from the despatches which we have received that that is all the British government wishes to have known formally to the world at large. I shall with pleasure communicate with the British government the request of my hon. friend that the correspondence between Canada and Great Britain with respect to the Anglo-Egyptian treaty be laid on the table of this house, and I much hope that the British government will give its consent to having this done.

ST. LAWRENCE WATERWAY

CORRESPONDENCE WITH WASHINGTON

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it seems fitting at this time, in view of the press despatches, that I should ask the right hon. Prime Minister (Mr. Mackenzie King) for some assurance as to when the correspondence between the government of Canada and the government at Washington will be tabled and also the report of the advisory committee in connection with the St. Lawrence waterway. It is now several weeks since a part at least of the correspondence took place. I think we would not be unreasonable in asking that it be now laid before the house.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the Easter recess I took occasion to communicate with the Secretary of State at Washington and intimated that I thought our parliament would wish to have the correspondence tabled very shortly after resuming. I suggested that it should be tabled simultaneously at Washington and at Ottawa early next week. I think I may promise my hon. friend that this will be done.

PRIVILEGE—MR. BENNETT

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I hesitate to trouble the house about a personal matter, but on March 29 last, during my absence from the house, in the course of a debate that arose on a motion of the hon. member for Bow River (Mr. Garland), the hon. member for West York (Sir Henry Drayton) made certain observations which are reported in Hansard as follows:

Now is there no duty on the part of the government to see that the laws of this Dominion are carried out?

Whereupon the Solicitor General is reported to have remarked:

Before my hon. friend leaves Baldy Robb I would suggest, if he wants to know the reason, that he had better inquire of his own leader.

Whereupon the hon. member for West York replied:

That is a suggestion the hon. gentleman can safely make in the absence of my hon. leader.

The Solicitor General is then reported to have said:

I give you warning.

Subsequently, during a somewhat lengthy discussion towards the close of the debate, the Solicitor General stated that he withdrew nothing that he had said.

I regard these observations as very serious reflections upon myself. If I was in any shameful or discreditable manner associated with this convicted criminal, Baldy Robb, I

think I would merit the condemnation of the house. But the facts are these—and I ask my hon. friend the Minister of the Interior (Mr. Stewart) to follow me closely: Last summer, after the house had risen, I had occasion to visit the Minister of the Interior in his office at Ottawa in connection with a departmental matter. I do not charge my memory as to how exactly the circumstance arose, but during the course of the conversation something was said about Baldy Robb, and I thereupon observed that he had been released some time ago. The Minister of the Interior said that such was not the case—he had not been released—although as a matter of fact a statement to that effect had appeared in the public press. It transpired that the minister was correct and we had some conversation touching the matter. My recollection is that I stated I would have nothing to do with it, pointing out, however, that I had recently been in Edmonton where I had learned that a large number of people there, who had been associated with the prosecution of Robb, were of the opinion that the ends of justice had been satisfied and the law vindicated by his conviction and imprisonment, and that, having regard to the fact that his wife and family were in poor circumstances, there was no reason why, if the government deemed it a proper course to pursue and such a recommendation should be made to His Excellency, Baldy Robb should not be released on ticket-of-leave. If I remember rightly the Minister of the Interior inquired whether I would have any objection to communicating that fact to the leader of the opposition. I told him I would not. I ascertained that the leader of the opposition was absent from Ottawa, as was also the Solicitor General, and I telephoned the Minister of the Interior to that effect.

I had no communication with the Solicitor General with respect to this matter. I made no recommendations of any kind regarding the release of this convicted criminal; I left the responsibility where it belonged. I did state, however, that I would not criticize any action that might be taken in the circumstances by the law officers of the crown. This view I intimated to the Minister of the Interior, the only minister with whom I had had any discussion with reference to the question. I desire to place this matter frankly before the House, without either comment or any endeavour to draw any inference from what transpired. I feel I owe this as a duty, primarily, not so much to myself as to those with whom I am associated in this house.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry the Solicitor General is not here; I know he would wish to say a word in reply to my hon. friend. But may I direct the hon. member's attention to a remark the Solicitor General made, which appears a little further on in Hansard, in which he makes it abundantly clear that he had no desire in any way, directly or indirectly, to imply that any action on the part of the hon. member was other than what everyone would wish and expect. The Solicitor General had been speaking of procedure in the remission of sentences and the propriety of discussing such matters on the floor of the house. But he made it perfectly clear that he imputed no improper motives to my hon. friend. Let me assure the hon. member, speaking not only for the Solicitor General but for every member of the government, that we all have that view and that view only.

Hon. CHARLES STEWART (Minister of the Interior): In connection with the release of Baldy Robb I had received a very largely signed petition from the citizens of Edmonton and vicinity, inquiring whether, inasmuch as his wife was in delicate health and he himself was not in the best of health, and inasmuch also as all others who had participated in the wrongdoing had been released, it might not be possible to secure a remission of the sentence. Hence the discussion that took place between my hon. friend and myself. Apart from that discussion I know nothing about the matter. I conveyed the impression I received from the hon. member, which was that he would have no objection if the proper officers assumed the responsibility for releasing Baldy Robb.

GOLD AND SILVER MARKING ACT AMENDMENT

The house resumed from February 10, consideration in committee of Bill No. 21, to amend the Gold and Silver Marking Act—Mr. Malcolm—Mr. Johnston in the chair.

On section 12b—Trade mark of manufacturer to be applied.

The CHAIRMAN: When the bill was last before the house all its clauses had been carried with the exception of 12b. Shall 12b carry?

Some hon. MEMBERS: Carried.

Section agreed to.

Bill reported, read the third time and passed.

NATIONAL BATTLEFIELDS COMMISSION

AUTHORIZATION OF GRANT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 34, to amend an act respecting the National Battlefields at Quebec.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Payment of $750,000 authorized.

Sir HENRY DRAYTON: Will the minister kindly let us know first the sums we are now paying each year, and also what new work is proposed under the increased grant?

Mr. ROBB: Very well. This explanation was given when the resolution was moved on February 10, but I will give it to my hon. friend again. Last year we paid a total of $75,000; in 1912-13 the amount was $116,500; the following year it was $145,000, and then $143,000. During the war period it ran from $34,000 to $52,000, while in 1926-27 the amount was $48,000. The commission point out that they can make their plans better by having a fixed amount for a period of ten years. The members of that commission are Sir George Garneau, Hon. A. Turgeon, Robert Bickerdike, Senator T. Chapais, N. A. Dussault, Hon. W. H. Price, Hon. L. A. Taschereau, and Dr. A. G. Doughty.

Sir HENRY DRAYTON: My hon. friend has not told us the work which it is intended to do.

Mr. ROBB: There are numerous works and improvements contemplated; for instance, the Ross rifle factory is to be taken down and cleared away and other danger buildings around there are to be removed. That work is on capital account.

Sir HENRY DRAYTON: Are the Martello towers being looked after?

Mr. ROBB: I do not think they enter into this scheme.

Mr. EDWARDS (Frontenac): How much has been expended to date by this commission?

Mr. ROBB: They have expended each year the amounts which I have just given, totalling $1,078,010. That is what we have given them, and in addition to that I believe they have received some voluntary contributions.

Mr. McGIBBON: Would the minister tell us what he expects this work to cost the country ultimately?

[The Chairman.]

Mr. ROBB: If my hon. friend will tell me how long the country will last I might give him an estimate. I am now giving what has been done since the first payment was made in 1912-13. Perhaps I had better read a letter which I recently received from the chairman of this commission under date of November 18, 1927, addressed to myself:

> When I met you last in Ottawa, you asked me to remind you of the suggestion which I made to the subcommittee of the Privy Council in connection with the funds voted for the National Battlefields Commission.
>
> At present, the ordinary expenses for administration and maintenance of the park amount to about $50,000 per year. It is estimated that when the park is finally completed the annual expense, for its administration and maintenance, will be about $75,000.
>
> I suggested, and I strongly commend the idea to your favourable consideration, that instead of having parliament to vote the required grant each year it be given a statutory grant of $75,000. The excess of this amount over that required for maintenance will be applied to the work of completing the laying out and construction of the park (capital expenditure) and in course of time the maintenance will increase and the capital expenditure will diminish until we arrive at the estimated final cost of up-keep of $75,000 per year.

That is their estimate, and out of this amount we are now providing they will take care of capital expenditure.

Mr. McGIBBON: Is there any revenue from it at all?

Mr. ROBB: No, it is a public park, the Plains of Abraham, as my hon. friend knows.

Mr. BENNETT: I do not think any man of business would do this; it is simply an invitation to reckless expenditure of public money. This is an admirable commission; it is doing excellent work, but when you place in their hands a given sum of money per annum you are simply inviting them to spend that amount, because human nature is only human nature. Would any corporation in the conduct of its business place in the hands of its directors a given sum per annum, regardless of their requirements, for the purpose of enabling them to carry on their work? This work should be budgetted; the requirements of this commission should be submitted to the minister yearly and these requirements should be carefully considered by the government and a sufficient sum placed in the estimates each year to meet them. The moment you do business this way, as I have said, you are simply inviting them to spend that much money. You may argue otherwise; you may remark how excellent is the commission, but my experience in business and elsewhere has been that where there is

a given sum of money available, human nature being what it is, that money is going to be spent by those who have control over it, and I therefore submit that the minister is wrong in adopting this method. I protest against placing a sum of money in the hands of any commission, amounting to $750,000 at the rate of $75,000 per year, by this method; if they have the money they will spend it. They are most admirable gentlemen, giving their services freely and gratuitiously for this work, but I submit that this is a wrong principle, because parliament is deprived of its power. Parliament now says, "Here is $75,000 a year for ten years; go and spend it." I protest against that method, having regard to the requirements of the public service at I know it elsewhere.

Mr. ROBB: On general principles no person can find much fault with the observations of my hon. friend, but having looked into the matter after receiving the request from the commission for further sums of money to take care of the different buildings in that vicinity and to remove the Ross rifle factory, in addition to other work, we considered that it would be cheaper to say to the commission, "You cannot have any more money than this during the next ten years." They know they are going to receive this money each year and can plan their work accordingly, so I believe it will cost the treasury less in the end. In connection with keeping track of the expenditure, I would remind my hon. friend that under the Audit Act the Minister of Finance can send in auditors at any time, and as a matter of fact I believe they have already looked over these accounts.

Mr. BENNETT: Yes; I have looked over the accounts also.

Sir HENRY DRAYTON: Can my hon. friend give us any real reason why an amount should not be voted each year in the ordinary way? I believe there has been no difficulty in the past in voting the money required.

Mr. ROBB: Under the original act they received an amount of $300,000; so money has been voted in this way before. The section of the act which is to be repealed authorized the payment of that amount to the commission.

Sir HENRY DRAYTON: I am only speaking from memory, but I think my hon. friend will find that the $300,000 was voted for the initiation of the work and that sums of money have been voted each year since having regard on the one hand to what parliament thought should be spent and on the other hand to the real requirements of the work. I think my hon. friend will find that in some years the vote was very small, while in other years the commission received much larger sums. For example, I think the vote has gone as high as $115,000.

Mr. ROBB: The highest was $145,000.

Sir HENRY DRAYTON: And I think it has been as low as $34,000, so that each year it was a question of what parliament thought should be voted and for how much the work could be carried along. We got along pretty well in the past with that method; why not stay with it?

Mr. LAPOINTE: Of course everybody knows that this development must be completed. It is not only a national undertaking but it is an imperial undertaking. When the tercentenary of Quebec was celebrated there was a subscription not only in Canada but throughout the British Empire to buy the fields and the plains where the battles were fought which decided the fate of Canada in 1759; even school children in Canada and in the empire contributed for that purpose. The commission which was appointed to supervise the undertaking has done its work in the most admirable way. I am specially paying tribute to Sir George Garneau, the president of that commission, who has made it almost a personal affair, devoting most of his time to the work of the commission, trying to do that work as economically as possible, being there all the time, supervising everything, and giving his services freely.

Now there are some advantatges in the scheme proposed by my hon. friend the Minister of Finance, and it is at the request of the commission that this change is being proposed. It is all very well to say that every year an amount may be voted in the estimates. Well I remember that a couple of years ago the Minister of Finance in his great zeal for and devotion to economy cut that item; Sir George Garneau threatened to resign because he could not go on with the work of the commission, and the minister had to reinsert the amount in the supplementary estimates.

Sir George Garneau and the commission are now proceeding to transfer the old buildings of the Ross Rifle Company, which are really an eyesore on the battlefield. They must be sure of a certain amount for a certain number of years. This method has been followed for a number of years in connection with other matters, for instance the contributions of this government to the highways

of the provinces. The provinces could rely upon a certain amount as a contribution to their highways for a certain number of years. Especially with the work which the commission has in view and the work which the commission has been doing, I believe this is certainly a reasonable demand, and that it should be granted.

Mr. EDWARDS (Frontenac): Mr. Chairman, I just want to say one word in regard to this matter, not because of this resolution but because the same principle has been carried out, or is being carried out, in another place, and I do not think the principle is right. For instance, you have on this order paper, number 26, under the heading of the Federal District Commission, a certain amount of money—$250,000—set aside for sixteen years. Now we are asked to change that and vote that sum for thirty years, and I do not think that is right. It is a fact beyond question that during the years of the war and the years immediately succeeding the war there were many important and necessary public works which were necessarily held up. The government took the stand then, and very properly, I think, that not one dollar would be expended for this or that public building or public work where it was possible at all to get along without the expenditure, every dollar being required for war purposes, for the purpose of meeting the expenses of the war, and for several years thereafter.

Now it occurs to me that in connection with some of these large schemes of the government they are losing sight of the fact that for a number of years a great many works which should have been carried out have been held up.

I think the principle is wrong of voting a sum of money for a period of years without having placed before parliament at least a rough idea of what it is proposed to do with the money which is being handed over. That is the principle objection. I do not think anybody objects to the work that is going on in Quebec. I believe everybody is of one mind in regard to the fixing up of that place; it is historic, and it is something which belongs to all of Canada and which everybody in Canada would like to see in proper condition and maintained properly. I simply wish to register my objection as a general principle to the voting of sums of money for a long period of years. I do not think, having regard to the works which were held up for so many years, that it is just right at the present time.

[Mr. Lapointe.]

Mr. BENNETT: I do not think the Minister of Justice (Mr. Lapointe) or the Minister of Finance (Mr. Robb) appreciates the point we are making, that here we are committing this country in future to these payments, whereas in other cases we are able to meet the annual demands from the resources we have in our hands from time to time. In the one case we pledge our credit and tie the hands of posterity. In the one case we make a direct and fixed charge upon the revenues, regardless of what they may be. In the other case, we contemplate just such an exigency as occurred during the war, when there was no longer money for such purposes and we had to curtail expenditures. I would like to ask my hon. friend the Minister of the Interior if he would not be as well justified in asking similar sums for Banff and Jasper. We base our expenditures upon our expected revenues, and a budget is for the purpose of endeavouring to have the expenditures met by the revenues, to provide sufficient revenues to meet contemplated expenditures.

The judges' salaries are a charge upon the revenue. The interest on the public debt is a charge upon the revenue. The payment of pensions is a charge upon the revenue, by statute. Now we are adding by statute two additional charges upon the revenue, regardless of what it may be, one in Quebec and one in Ottawa. The analogy in respect to highways does not apply. In connection with highways, the money was to be paid on condition that the province expended certain sums; and if conditions in this country warranted our being able to pay the money to the provinces, because they performed their duty under the statute and thereby earned it. It is only necessary to add that conditions, financial and otherwise, in the provinces would be reflected in the revenues of the Dominion; and if the provinces are able to make the expenditures, we would be able to implement our promise.

I would think this a grave departure from the principles that underlie parliamentary government. It is taking out of the hands of this parliament for a fixed determinate number of years an annual expenditure, regardless of what financial and other conditions in the country may be. This case is in Quebec; there is another in Ottawa; it will be in another case somewhere else; the principle involved will be endeavoured to be applied by people from every part of the country, and I am sure with an equal measure of justice. Under those circumstances we

can only record our protest against it, and add our tribute to what has been said by the Minister of Justice as to the work of this commission with Sir George Garneau at its head and which has become to him a labour of absorbing love. Perhaps no man has done more than he has in this matter. He says that this $75,000 is to take care of part of his capital expenditures; but he estimates that when all work is finished, the whole $75,000 will go for maintenance and expenses. However desirous we are to make this historic ground a park for all time, we should have regard to the great principle that governs appropriations of money for any public purpose, namely, that the budget should be submitted to the executive of the country and that the executive of the country should determine the extent to which it will meet those demands and whether those demands should be met, having regard to the existing resources of the country and the effect which will be caused upon the revenues generally. That is the principle for which we contend and why we protest against this legislation.

Section agreed to.

Bill reported, read the third time and passed.

CANTEEN FUNDS

Hon. J. L. RALSTON (Minister of National Defence) moved the second reading of Bill No. 39, respecting the disposal of certain canteen funds.

Motion agreed to and bill read the second time.

Mr. RALSTON: I move that this bill be referred to the special committee on pensions and returned soldiers' problems. I discussed it with some of the members and they thought a more thorough consideration could there be given to the question of the disposal of these funds. While I am on this subject, I note that in Hansard, at page 463, I am quoted as saying that I was advised it was not necessary to enact legislation. That was a misprint. I stated that I considered it was necessary to enact legislation.

Motion agreed to.

SALE AND INSPECTION OF ROOT VEGETABLES

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 51, to regulate the sale and inspection of root vegetables.

Hon. R. B. BENNETT (Leader of the Opposition): I have grave doubts as to the constitutionality of this legislation, which affects the inspection of roots and vegetables. Clearly it deals with property and civil rights. Whether or not the provisions of section 91 of the British North America Act conferring upon parliament power to deal with matters of agriculture, is to be construed so widely as to enable it to invade entirely the field of property and civil rights in the provinces, I am not prepared at the moment to say. But I think it is my duty to direct the attention of the minister and the law officers of the crown to the provisions of the statute. Clause 3 reads:

> No person shall sell, offer, expose, or have in possession for sale potatoes, onions, turnips, artichokes, beets, carrots, parsnips or such other vegetables as may be named in the act or by the governor in council under the provisions of this act unless such vegetables comply with all provisions of this act and regulations made thereunder.

That is a very sweeping section. When the bill was first introduced I took occasion to look into the law very roughly and I certainly think the Minister of Justice (Mr. Lapointe), when he looks into it, will have some hesitancy in proposing that this parliament, because it has jurisdiction over agiculture, coordinate jurisdiction with the provinces, has power thus to destroy the whole law with respect to property and civil rights. I am merely directing attention to the matter at the moment without going into it with any degree of care. It is certainly a serious matter to say that no person shall have in his possession any vegetable, onions, potatoes, carrots, unless he has complied with the provisions of this federal statute. It will be recalled that the courts of the country with respect to egg-grading legislation held that it was ultra vires of this parliament, and I think the application of the same principle to this legislation would indicate that it was invalid. I am not in any sense discussing the merits of the measure beyond directing attention to the matter as it struck me when I read the legislation in question.

Mr. MOTHERWELL: I am informed by my officers that no new principle is involved except one to which I referred on the first reading of the bill and which had never been challenged. When there is any doubt, as there was in the case of the Live Stock and Live Stock Products Act, we invariably ask the provinces to pass concurrent legislation so as to make our legislation strong where it would otherwise be weak. If it is found that

the same situation exists with respect to this legislation, we shall have to ask the provinces to pass concurrent legislation. The new principle to which I refer, and which is not a new principle when applied to other bills, may be found in section 10 which refers to the appointment of a representative advisory board to recommend certain standards.

Mr. BENNETT: But section 3, the one to which I refer, is a new section.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture.

LIVE STOCK AND LIVE STOCK PRODUCTS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 61, to amend the Live Stock and Live Stock Products Act.

He said: This is a bill in regard to which we have concurrent legislation by all the provinces. It provides for a system of voluntary grading of meats.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture.

FERTILIZER ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 72, to amend the Fertilizer Act.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture.

INSPECTION AND GRADING OF HAY AND STRAW

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 73, respecting the inspection and grading of hay and straw.

Hon. R. B. BENNETT (Leader of the Opposition): I suppose the minister proposes to refer this also to the select standing committee?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: We have in this country something over nine hundred federal inspectors in the Department of Agriculture, and the question is, shall this country become burdened with inspections of everything or not? We have now touched fertilizers, which have to be registered before they are sold; we have had eggs, which was declared unconstitutional; we have live stock, which is voluntary; we have vegetables, and now we are turning to hay and straw. This is the old story of the advisory board and regulations, and then inspecting officers. Once more you have cumbersome paternalism carried to a point that I think is wholly beyond what was ever intended with respect to this problem. The provinces may be able to look after their own affairs. It may be desirable to have uniform legislation. I am not going to discuss the matter beyond pointing out that every measure that we are thus placing on the statute books adds just one more burden on the taxpayer. We may talk about voluntary advisory boards, but in the end, when the provisions of this statute with respect to inspection and inspectors become operative, some political friend has to be rewarded, and there is another job given, and another charge on the public revenue. I am not saying it will be my hon. friend's particular political friends, but the political friends of the party in power, and it means a continually increasing charge upon our revenues. I asked the other evening as to the number of inspectors, and the deputy minister undertook to look the matter up, and I was amazed when it was subsequently stated that we had now over nine hundred inspectors, and I think he was greatly surprised to learn that too. Where is this going to end? It must mean a charge on the revenues of this country of nearly $2,000 per day.

Sir HENRY DRAYTON: More than that.

Mr. BENNETT: I want to be very conservative. Some of the inspectors are very lightly paid. At $1,000 each, it means $1,000 a day or $365,000 a year, and at $2,000 each, it would amount to nearly three-quarters of a million a year. I think parliament should calmly and carefully investigate this matter, and I make these observations for whatever they may be worth so that if the minister is going to refer this matter to the committee, that phase of it may be considered.

Mr. MOTHERWELL: My hon. friend's observations would be quite in order and quite to the point were this a new bill, but long before I came into this government there was a bill of this nature under the administration of the Department of Trade and Commerce.

Mr. BENNETT: But this changes it.

Mr. MOTHERWELL: It is changed slightly, yes. The characteristics of hay vary very much, and we are transferring to the various parts of this country the authority to make such grades as will suit the requirements of the particular province concerned.

That is decentralising, rather than centralising the power here. There were inspectors under the old law under the Department of Trade and Commerce, and before this government came into existence.

Mr. BENNETT: Not so many.

Mr. MOTHERWELL: We are trying to improve a little on the old order, and I think my hon. friend will find that it is all right.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

VALIDATION OF ORDERS IN COUNCIL

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 62, relating to the submission to parliament of certain regulations and orders in council.

Sir HENRY DRAYTON: Explain.

Mr. STEWART (Edmonton): In 1906 certain amendments were made to the acts mentioned in this bill and in addition there was a revision of the statutes. While the Department of the Interior has been tabling the regulations, action was not taken for complete validation by resolution of parliament, and therefore there is a doubt as to the validity of the regulations that have been passed since 1906, and by this bill we are seeking to validate all these orders in council that have been passed since that time.

Hon. R. B. BENNETT (Leader of the Opposition): The principle involved is certainly unsound in part. Part of it may be sound, but certain people may have acquired rights; in fact, in one instance that I know of rights have been acquired. The people knew the order in council was invalid—they were so advised by their lawyers—and they acted accordingly. An order in council passed in January 1928, and not being validated by both houses of parliament before December 1929, there being an intervening session of parliament, would be invalid, and would have no force or effect at all, and therefore those who proceeded on the assumption of there being no order in council would be proceeding on sound ground. For us now to validate these orders in council en bloc, without having them before us at all, is most unsound, and I submit to the minister that if he is going to validate them, they should be attached to the bill as a schedule, or at least the orders in council should be laid on the table, because it is usual in a case of this character to protect the rights that have been acquired. There are not very many of them.

Mr. STEWART (Edmonton): Oh yes.

Mr. BENNETT: There are; I had forgotten. The Minister of Justice will appreciate this point, that in law there are no orders in council at the moment. The period of time within which they might have been validated having expired, they have no longer any validity as orders in council, and not having validity as orders in council, peoples rights are not affected thereby. I do not say all of them: I am speaking of those that require validation by both houses of parliament, and which have not been validated at the next succeeding session of parliament. Their validity as orders in council has ceased; they are invalid; they are waste paper, and those who have acquired rights, being under the impression, the proper impression, that there was no valid order in council affecting the matter, may now be prejudicially affected by this legislation because it is retroactive in every sense of the term. It gives validity to something that has become invalid. It gives force to something that had no effect, and under those circumstances I ask the minister respectfully to submit to this house, or at least to lay upon the table, the orders in council in order that we may determine to what extent we may be interfering with the rights of people that may have accrued under and by virtue of the circumstances of there being no orders in council, by reason of the necessary action to validate them as provided by the statutes not having been taken.

Mr. STEWART (Edmonton): My hon. friend is quite correct up to a certain point, but whether his argument with respect to the omission to have validation annually by parliament carries full weight may be a question. However, I am free to say that the Justice department have advised us that there is that doubt, and they have advised this means of curing it, but we are not admitting even yet that the sanction of parliament is absolutely required to validate them. But I am frank to say that that is the advice we have been given by the Justice department. I am perfectly willing to table these orders in council, but may I say to my hon. friend that there is a great number of them dealing with regulations that have been passed from 1906 on, and it will be some problem.

Mr. BENNETT: Some of them have been validated, I think.

Mr. STEWART (Edmonton): No, the officials of the department felt that their full duty was performed when these orders in council were tabled, but in the opinion of the Justice department apparently that was not

complete validation, and action should have been taken by both houses of parliament with respect to these. If my hon. friend will indicated such orders in council as he desires to have produced, I shall be glad to bring them down.

Mr. BENNETT: There were a number affecting the Rocky Mountain park.

Mr. STEWART (Edmonton): I shall be glad to bring those down.

Sir HENRY DRAYTON: It occurs to me that if we have been going on very comfortably since 1906 something must have happened to make it necessary for my hon. friend now to propose this legislation. The house will be absolutely in the dark unless he takes us fully into his confidence, or brings down all the orders in council. I have no doubt that somebody has put in claims, and that difficulties have arisen in the department of such a character as to make it necessary to consult the Department of Justice as to what action should be taken. If as my hon. friend the Minister of the Interior says nothing has been done since 1906, it is obvious that now we are either creating or destroying rights.

Mr. STEWART (Edmonton): We are not creating any rights.

Sir HENRY DRAYTON: I do not know as to that. Rights may from time to time be created by order in council; on the other hand, rights may have arisen as a result of the absence of orders in council. It would be the same one way or the other.

Mr. STEWART (Edmonton): What would my hon. friend term a right?

Sir HENRY DRAYTON: My hon. friend knows that by his orders in council and regulations he does certain definite things, which may put out of court this or that man in connection with certain matters. I am quite sure that my hon. friend the Minister of Justice (Mr. Lapointe) will agree absolutely with me on this principle, that whatever our powers may be, we ought not to pass legislation affecting existing rights unless the parties affected are heard, or unless they are compensated for the rights taken away. My proposal is that when we take up this legislation again the Minister of the Interior be armed with a list of all these things so we can intelligently consider what we are really doing, and whether we are violating any rights that may exist.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I would remind the Minister of the Interior (Mr. Stewart) that in the session of 1926 we passed a validating act in relation to the Railway Belts Water Act. I am at a loss to understand why it is now necessary to duplicate that legislation.

Mr. STEWART (Edmonton): It is not duplicating the legislation. I will bring down a list of the orders in council.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Mr. STEWART (Edmonton): Mr. Chairman, as I have already pointed out to the house, the object of the bill is simply to validate certain regulations and orders in council, and before it is again taken up by the committee I shall bring down a number of those documents for inspection. I move that the committee rise and report progress.

Progress reported.

LOWER EAR FALLS STORAGE DAM

Hon. CHARLES STEWART (Minister of the Interior) moved that the house go into committee to consider the following proposed resolution:

Resolved, that the agreement between the Dominion of Canada, the province of Ontario and the province of Manitoba respecting the construction of a dam for the purposes of conservation, regulation and power, at Lower Ear falls at the outlet of Lac Seul in the province of Ontario, be ratified and confirmed, and that the governor in council be authorized to carry out the provisions thereof whereby the Dominion assumes three-fifths of the capital cost of the dam, estimated at $700,000, and the payment of interest and cost of operation and maintenance for certain limited periods.

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

Mr. EDWARDS (Frontenac): Is $700,000 the total cost or does it represent the three-fifths to be assumed by the Dominion?

Mr. STEWART (Edmonton): No, $500,000 is our responsibility in the matter. The engineers apportioned $200,000 to Ontario.

Sir HENRY DRAYTON: Will the minister kindly state the terms of the agreement?

Mr. STEWART (Edmonton): It is similar to the agreement with respect to the lake of the Woods, and the work will be controlled by the same body under the same set of circumstances, except that the Dominion government is not assuming any responsibility because this Lac Seul storage is not considered to be navigable water. Under the arrangement relative to the lake of the Woods storage, the Dominion government became responsible for one-third of the cost attributable to navigation. In this case all the costs are

borne by the interested parties, namely, the power companies in the province of Manitoba and the power companies to be created in the province of Ontario. The Dominion government is not contributing anything to this particular scheme. The construction will be carried out by the Ontario government under the supervision, I believe, of its hydro engineers.

Sir HENRY DRAYTON: Then the resolution is not quite correct when it is suggested that there will be no cost. The resolution provides that the Dominion government shall assume three-fifths of the capital cost of the dam.

Mr. STEWART (Edmonton): Yes, we are putting up the money; we shall have to vote $500,000. It will be repaid to the Dominion by the Manitoba power interests. We are doing this because the Dominion government owns and controls the water powers of Manitoba. All the parties are in agreement regarding the creation of this storage, and the Ontario government having passed the necessary legislation, which has received the assent, all that remains is for this parliament to carry out its part. I do not know that there are any unusual particulars in the bill.

Mr. BENNETT: Will the agreement be attached to the bill?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: Then we can discuss it in connection with the bill.

Mr. GARDINER: I presume this legislation is intended for the development of power. Will that power be under the joint control of Manitoba and Ontario, or will it be controlled by the Dominion government and Ontario?

Mr. STEWART (Edmonton): Until such time as the Manitoba government shall have secured its natural resources the control will be under the Dominion for the power users of that province, in the same way as the lake of the Woods.

Mr. GARDINER: What is the policy of the federal government regarding power development in the prairie provinces? Is it the policy to give private interests the control of that power, or otherwise?

Mr. STEWART (Edmonton): The policy of the government has been, whenever any application has been made for the development of any given power, first to notify the provincial government and then to keep them informed of every stage of the development. If they require the power for their own use they, of course, are given the first opportunity of securing it; if not the policy is to deal with private interests.

Mr. BENNETT: Beyond question, the agreement will be attached to the bill?

Mr. STEWART (Edmonton): Yes.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 195, an act to facilitate the provision of storage in Lac Seul in the province of Ontario, and to repeal the Lake of the Woods Regulation Act, 1921.

Motion agreed to and bill read the first time.

YUKON QUARTZ MINING ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved that the house go into committee to consider the following proposed resolution:

That the Yukon Quartz Mining Act be amended to provide for the payment of an annual royalty on the profits of mines in the Yukon territory, exceeding the sum of $10,000 annually, in place of the royalty at present imposed upon sales of the products of the mines, and to prescribe the rates of royalty to be paid upon the said annual profits.

Some hon. MEMBERS: Explain.

Mr. STEWART (Edmonton): The object of the resolution is to introduce a system of percentages to replace the present method whereby the federal government collects royalties on minerals. The rates proposed are:

Metal	Value	Royalty
Gold	$15 00 oz.	37½ cents
Silver	60 oz.	15 mills per ounce
Copper	12 lb.	30 cents per cwt.
Zinc	04 lb.	10 cents per cwt.
Lead	04 lb.	10 cents per cwt.

These are the provisions which will now apply under the Yukon Quartz Mining Act passed three years ago.

Mr. BENNETT: Will the effect of this be to put the system on the same basis as that of Ontario?

Mr. STEWART (Edmonton): Yes; it is exactly the same. We are adopting the Ontario system. The difficulty in the Yukon has been that owing to the very excessive cost of operations in the outlying districts—transportation and other costs incidental to mining—it has been impossible for the companies to operate and to pay royalties, and year by

year we have been extending to them a privilege in allowing them to escape payment of these royalties. Had we compelled them to pay the royalties—we have the assurance of responsible people to this effect—it would have closed down mining operations in that district; and in order to obviate that I am introducing this legislation, putting the system on precisely the same basis as that of the province of Ontario. Upon annual profits in excess of $10,000 and up to $1,000,000 the payment shall be three per cent; in excess of $1,000,000 and up to $5,000,000 five per cent; and in excess of $5,000,000 and up to $10,000,000, six per cent.

Mr. BENNETT: That is, on the price they get?

Mr. STEWART (Edmonton): Yes. These are the provisions which I wish to have embodied in the bill.

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

Mr. BENNETT: Will the bill contain a provision fixing the rates of percentage?

Mr. STEWART (Edmonton): Yes; I have just quoted them.

Mr. BENNETT: I wanted to be sure.

Mr. GARDINER: It is proposed to restrict this legislation to the Yukon. In view of the arrangement made in Manitoba with the Flin Flon, would it not be advisable to adopt the same principle there and get something out of it? Has not the government given up royalties in that big mining area for twenty years? We shall get nothing at all out of those natural resources, and if this legislation is good for the Yukon, it should be good for Manitoba.

Mr. STEWART (Edmonton): It is our intention to apply these provisions to the Northwest Territories and to the prairie provinces, but that would not apply to the exemption given the Hudson Bay Mining Company, which operates on a very restricted area—something like two miles by three. The balance of their claims, some ninety odd which are in that immediate vicinity, do not come under these exemptions.

Mr. GARDINER: Perhaps this is not in order, but will the minister explain why such a small area is exempted? What is the real reason for that exemption?

Mr. STEWART (Edmonton): Only to induce the company to go in and operate. Perhaps my hon. friend is not aware of the fact that the old company had a very much larger area under exemption for a ten-year period, which expires in 1930. However, I will be glad to discuss this with my hon. friend on another occasion.

Mr. McGIBBON: Will the minister be good enough to tell us how these companies can pay percentages if they cannot pay royalties?

Mr. STEWART (Edmonton): It will partially obviate the necessity of an examination of their books and accounts. The difficulty has been that had we insisted on the collection of the royalties, these large companies would have closed down immediately.

Sir HENRY DRAYTON: The difference is that you are giving an exemption.

Mr. STEWART (Edmonton): That is what we have been giving, and once they earn the amounts set out in the proposed act we begin to collect royalties.

Mr. McGIBBON: Then the minister will admit that if they have not paid anything under this act the department has been beaten out of some money.

Mr. STEWART (Edmonton): No, I could not admit that, because we have taken every precaution to ascertain that their reports were correct. Now it will not be necessary to check them constantly to see whether their reports are correct, and it will not be necessary to pass orders in council annually exempting them from the payment of royalties.

Mr. BENNETT: This gives me an opportunity to mention something which I had not intended to bring up, but which the hon. member for Acadia (Mr. Gardiner) has mentioned; I refer to the Flin Flon mine. I apprehend that the exemption in that case has been made by order in council?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: As yet that order in council has not been validated by parliament, and I was anticipating that it would be brought down together with all the papers, which would enable us to say something about it. At present we are not in a position to determine the merits or the demerits of the proposal. I may say they are principally demerits from my observations and the knowledge I have, although that is a matter of opinion.

Mr. STEWART (Edmonton): I may say to my hon. friend that I am just as keen as anyone to get revenue, but this was a matter of arrangement with the government of

Manitoba. Of course I must assume the responsibility; I am not seeking to avoid it, but we had a full discussion and consultation with the government of Manitoba, and apparently an assurance was given that unless some concession of this kind were granted or extended, this company would not invest in the property.

Mr. ADSHEAD: May I ask how you are going to arrive at the gross profits or the net profits made by these companies? Did I understand the minister to say that gold was valued at $15 an ounce?

Mr. STEWART (Edmonton): Yes, under the present system. Of course, it fluctuates as do all other commodities.

Mr. ADSHEAD: But the present price of gold is $20.16 an ounce. How was the figure of $15 arrived at?

Mr. STEWART (Edmonton): I will admit there are some difficulties to be overcome, but we are abandoning that system and adopting the present method.

Mr. FRASER: Under the old system has the royalty paid on the production of the mine?

Mr. STEWART (Edmonton): Yes.

Mr. FRASER: And now it is paid on the profit?

Mr. STEWART (Edmonton): Yes.

Mr. GARLAND (Bow River): But that is the very question brought up a moment ago by the hon. member for East Calgary (Mr. Adshead). How do you determine the profit?

Mr. STEWART (Edmonton): In Ontario they have a very well defined method of ascertaining the profit; there are certain charges allowed the companies which are taken out of the calculation in arriving at the net profit and the gross profit. These are elements which we will discuss when the bill is in committee, but full provision is made for an accounting and an examination of the company's books.

Mr. GARLAND (Row River): Then, in effect, will the minister admit that this resolution simply prefaces the introduction of a measure of exemption from charges at present applicable to these mining companies?

Mr. STEWART (Edmonton): It would have this effect; mining companies which are making no profits certainly would not pay a royalty, whereas if the present system were enforced the royalties would have to be paid, which would put many of the companies out of business. Where a company is not making a profit in the mining of gold, silver or lead, under our present act we have the right to collect royalties, but my hon. friend will understand that if they are not making a profit they will not stay in business very long. Ontario and Quebec have realized that and have adopted the principle of collecting a royalty on the profit.

Mr. GARLAND (Bow River): Then does not the minister think that this whole provision would rather open the door to speculation in mining property, just as we have speculation in western lands to-day? A company may secure a holding but it is under no obligation to develop it; it does not have to pay a royalty, and this property can be held out of production.

Mr. LAPIERRE: They have to do a certain amount of development.

Mr. STEWART (Edmonton): They do not pay any royalty unless they are producing now.

Mr. GARLAND (Bow River): But there is a certain annual tax. Now you are leaving it in the hands of these companies to hold the property for speculation.

Mr. STEWART (Edmonton): I think my hon. friend is wrong there. They pay no royalty under the existing act unless they carry on development work and are producing, but the difficulty is that they may be developing and producing without making a profit. They may face losses, and under the existing act we have the right to collect for every ounce of gold that they produce, as well as every ounce of zinc or every ounce of lead. We have found ourselves in this position in the Yukon, that if we enforced that provision we would put some of the companies out of business. Therefore we have suspended the royalties in order to permit the companies to carry on, and I frankly confess that I do not like that system; I do not like recommending that responsibility to the government. I would much prefer the Ontario and Quebec system, under which the company has to earn a certain profit before a royalty is collected. I think we will all agree that unless a company is earning some profit it is not in a position to pay a royalty, and that is the reason I am asking for this change.

Mr. GARLAND (Bow River): The hon. member for Nipissing (Mr. Lapierre) interjected a remark a moment ago concerning which I would like to have some information. I would like to know if it is correct that

under Dominion government leases to-day a certain development is required within a certain period of time.

Mr. LAPIERRE: That is so under the Ontario government.

Mr. GARLAND (Bow River): I am talking about the federal act.

Mr. STEWART (Edmonton): I would like to be definite about that; there are so many different leases.

Mr. BENNETT: Some of them contain that provision.

Mr. STEWART (Edmonton): I know some of them do, but I do not want to make any mistake in answering that question. I will secure that information, however.

Mr. GARDINER: The minister has brought up a new point which seems to be very important; he says that unless a company is making a profit the government will not collect any royalty. Will he apply the same principle to the farmer with respect to the tariff? Is not that just as logical as the proposition which is now placed before us?

Mr. STEWART (Edmonton): Unfortunately land has never been designated as a mineral, although I believe we are accused of mining the land out west. But land, whether profit has been made or not, has always been deemed to be taxable, whether in an urban or in a rural locality. That is the only answer I can make to my hon. friend. This, I must confess, is very much under the same principle as the income tax, and under the Income Tax Act no taxes are paid unless a certain percentage of profit is earned. In some degree it is a duplication of the income tax, and to that extent I think it is fair.

Mr. GARDINER: The Minister of the Interior has said that unless a company has made a profit they will pay no tax. It is quite true that land is altogether different from minerals; but on the other hand, whether the farmer makes a profit or not in any one year, he has to pay the tariff tax. Apply the same principle. What we object to is giving to certain classes exemptions which you do not give to others.

Mr. STEWART (Edmonton): I think my hon. friend is under a misapprehension. The company pays the provincial taxes and all other taxes of every kind. They are not exempt from taxes on their property; but when they come to pay royalty on their production, then insead of its being based on a definite amount per pound or per ounce, it is based on profits. That is all the difference.

[Mr. E. J. Garland.]

Mr. GARDINER: That is my point as far as the tariff is concerned; if we do not make any profit we should not pay any tariff tax, and if we do make a profit we should pay the tax.

Mr. BENNETT: The wheat pools make no profits and therefore pay no income tax, which is a proper application of the principle. The same principle is being applied here—no profits, no taxes.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 196 to amend the Yukon Quartz Mining Act.

Motion agreed to and bill read the first time.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee to consider the following proposed resolution:

That the Militia Pension Act be amended,—
1. In regard to reservations from an officer's salary while in the public service of Canada; to the payment of a gratuity to a widow or children in case of death before pension may be granted; and to the payment of pensions to militiamen of His Majesty's army reserve who enlisted in the permanent force; and for additions to apply the Militia Pension Act to the royal Canadian navy and to that portion of the royal Canadian air force comprising solely the permanent active air force of Canada.

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

Mr. BENNETT: Explain.

Mr. RALSTON: Two of the sections of the bill which is founded on this resolution are made necessary by the passing of the new Civil Service Superannuation Act and its substitution for the Civil Service Retirement Act. In this respect the title of the new act is substituted for the old one. There is a section which provides for certain cases of hardship, in that widows and children do not receive any allowance where an officer dies before having served the requisite number of years required for pension. The Civil Service Superannuation Act provides that a gratuity, one month's pay for each year of service, is payable to the widows and children of civil servants who have not served full time for pension. Under this bill the provision is for the payment of the amount which has been actually deducted from the salary.

Mr. BENNETT: With or without interest?

Mr. RALSTON: Without interest. There is also a provision to cover the cases of 149 men who were in the British army reserve. These cases were taken up before the commission with which I had something to do some years ago, and have been presented to this house from time to time. The situation was that certain men who had first served under the colours of the British army had then gone on the British army reserve and afterwards enlisted in the permanent force here. The condition of their enlistment in Canada was that they could be called up to the colours in the British army. The war came on and the Canadian authorities asked the British authorities to allow these men to serve here, which they did.

Mr. BENNETT: They having first been called up.

Mr. RALSTON: A request having been sent by the British authorities to the Canadian authorities asking that they be sent back, the Canadian authorities asked that they might be allowed to stay here. The British authorities consented that these men should be allowed to remain with the Canadian army, and they served with it. Their complaint is that by this action of the British authorities they were prevented from counting toward their service for pension their British service with the colours and in the reserve. Under the Militia Pension Act their service towards pension began to run only from the beginning of their Canadian service. It will be remembered, however, that the pay and allowance regulations of the Canadian service provided for a much higher remuneration than under British service, and also the rates of pension were very much higher. I think the view has been taken, although apparently no definite decision has been made, that possibly most of these reservists were as well off, in view of the higher rate of Canadian pension and the higher rate of pay, as if they had returned to the colours in Britain and served at the lower rate of pension and the lower rate of pay. However, it has been thought well to make an equitable adjustment of the matter, and the proposal of the bill will simply be this that these reservists be treated as if they had been permitted to go back to England when they were called up by the British authorities, and be paid by the Canadian authorities the amount of pension which they would have earned had they served with the British army during the war. Then if they continued serving after the war their service counts towards pension period under the Canadian provision.

Mr. BENNETT: I should think that was not quite enough.

Mr. RALSTON: They have the option of accepting that plan, or of counting their full Canadian service towards a Canadian pension at the higher rate. I think this puts them in exactly the same position as if they had gone back and served in the British army.

Mr. McGIBBON: Is that satisfactory to the reservist?

Mr. RALSTON: I cannot say that. All sorts of propositions have been made. I think it has even been proposed that they have both Canadian and British pensions.

Mr. BRADY: How many will be affected by this?

Mr. RALSTON: One hundred and forty-nine, at the most; but many of these will find that settlement under Canadian regulations will be better than if they had gone back and taken the British settlement. There is another provision, and it is also rather technical, but it seems to be a case which should be provided for. In July, 1919, in order that a very large number of overseas officers might be discharged from the force on fair terms, an act was passed providing that when a man completed ten years' service he would be entitled to retire under pension; and under that act many officers who had served in the Canadian expeditionary force were discharged. It applied only to those of the permanent force serving at the time the act was passed. There were a certain number who served in the Canadian expeditionary force but who in July, 1919, at the time this act was passed, had been invalided out on account of wounds and who therefore did not come under the provision of the ten-year period. It has been thought fair to provide that the act of 1919, which permitted a man who had served overseas to have a pension on ten years' service, should apply to those who, by reason of wounds, were not actually in the service at the time. That provision is in this resolution. The last two provisions are to make the regulations of the Militia Pension Act apply mutatis mutandis to the Royal Canadian Navy and to that portion of the Royal Canadian Air Force comprising solely the permanent air force of Canada.

Mr. McGIBBON: It is the intention of the minister to send this legislation to the special committee?

Mr. RALSTON: No, although I have no objection whatever. This is a service pension, not a disability pension. It is in quite a different field and would involve an examination of an entirely different act from the one that the committee has been considering.

Mr. McGIBBON: I think the option which the minister, on behalf of the people of Canada, is giving to reservists is very fair, but there is a tendency in all these pensions, under the Pension Act and in the pension committee, to gather everything and everybody within the folds of the act. If I am correctly informed, we have gathered into the act a lot of office boys, elevator boys who served as such during the war and who happened to be put into uniform, and I am credibly informed that a number of these are receiving larger pensions than the people who served over in France. I would suggest to the minister that he send this to the committee, and in order to be fair and just to everybody let us clean the whole situation up. There has been too much interweaving of the militia, the soldiers, the reservists, and practically everybody else in this country under the pension board, for the one purpose, of course, of getting a larger pension. The whole thing ought to be cleared up before the end of the session.

Mr. RALSTON: I understand my hon. friend's proposal, but I do not quite apprehend the reasons for it. In this resolution we are dealing with the Militia Pension Act, which provides for pensions for men who have given a certain amount of service in the militia. What my hon. friend is talking about is pensions to men who have suffered disabilities on account of war service. That is an entirely different thing and based on an entirely different principle. The one is to meet a lack of earning power caused by a disability incurred during the war, and the other is an award which is given to any public servant, either under the civil service or the army Pension Act or any other sort of superannuation act, after he has served a certain time, even though he is in full bodily health when discharged. Before thinking of referring this bill to the committee which has to do with returned soldiers' problems and pensions I should want to consult with the chairman of the committee. The pensions dealt with in that committee have to do with returned soldiers. It happens that these reservists who served in the war come in as well, not because of disability pensions but because of service pensions, and these reservists are asking for consideration because of British army service pension regulations, not as war pensions.

[Mr. McGibbon.]

Mr. McGIBBON: And some because the time limit and service wounds have put them out of pensions.

Mr. RALSTON: That is not brought in as a disability pension at all. As a matter of fact I do not think I have had any representation from any body of men with regard to that last class I mentioned; but men have been deprived of the benefit of the ten-year provision because they happened to be discharged on account of wounds a little before that act came into force. In this case again it is not a disability pension but a service pension which is granted.

Mr. ROSS (Kingston): Has the minister had any communication from officers now in our permanent service who claim that if this goes through they are not being fairly treated; in other words, that they have served in departments and are not getting the benefit of that service on joining the permanent force? Has the minister had any correspondence from any permanent officer in regard to cases of a similar nature to this?

Mr. RALSTON: I do not think I have with regard to a case of a similar nature to this. Many representations have been made in individual cases by those who have felt that the disposition of their particular case regarding pension has not been just or equitable. I have endeavoured myself to review all those cases and to give every consideration to the representations made, bearing in mind that we have to have some sort of uniform system, and keeping in view the provisions in other acts as well. I think I can say that the bill founded upon this resolution is, generally speaking, a result of that consideration.

Mr. ROSS (Kingston): There is another class whose case I have for some years been bringing to the attention not only of the present minister but of previous ministers. I refer to the case of service pensioners' wives and children who have been deserted and who are now living on charity and work, whereas the pensioner is in some other country enjoying a pension paid by this country. I have asked the minister for the last three years if some change could not be made so that the wife and children, living in Canada, of such pensioner should get the benefit of that pension.

Mr. RALSTON: My hon. friend has made representations, and exactly similar representations are made with regard to disability pensions. But it must be remembered that the pension is payable to the soldier, and it is very difficult for the pension authorities to enter the home and determine the merits of a

domestic dispute and legislate and say that the pension which is payable to the soldier shall be paid to somebody else. That is a matter for the civil, not for the pension authorities.

Mr. ROSS (Kingston): It is a very difficult one. The civil authorities cannot do anything about it. If the man is in the old country they cannot touch him. Month by month the pension is going out to that man, who may be living with another woman or under some unfavourable circumstances in another country, while the wife and children in Canada are without means of support. They cannot go to the Mothers' Allowance Board because they are met there with the statement: Go and find out where the man is and follow him with a civil action. There may be some legal reason why the Pension Act cannot be changed, but I do not know what it is. I think it is unfair to ask these people to take civil action.

Mr. BENNETT: Am I right in assuming that this legislation deals solely with the statutory right to pension based upon contributions made by the soldier or amounts withdrawn or withheld from his pay?

Mr. RALSTON: That depends upon whether it is an officer or a non-commissioned officer or man. There are no deductions made from a non-commissioned officer or man, as in the case of the officer.

Mr. BENNETT: This is an endeavour, then, to place the statutory pensions upon a little better basis. That is the whole story, as I understand it. There is one other point to which I should like to direct attention, and which has been touched on by the hon. members for Kingston City and Muskoka-Ontario. Not long since a case such as they mentioned came to my attention. I intended to write the department about it, but did not do so. It does occur to me that when this bill is being considered by the minister he might provide a section whereby, in the case of an order for support being made against the husband at the instance of the wife, the department would be enabled to pay the money to the wife. I think the minister could go that far. There are similar provisions in all the provinces dealing with the right of the wife to support by her husband, and if the department would take the same view that the Finance department took with regard to the Nova Scotia subsidies, when it withheld a portion of the subsidy because the province had not paid for troops that were sent down there, I think an application of the same principle in this case might bring about the result we aim at.

Mr. ADSHEAD: What provision is made for the wives of non-commissioned officers and privates in case they get in distress?

Mr. RALSTON: I have not the act before me. There are a good many provisions in it but I think the act itself provides with regard to the widows of non-commissioned officers and men for gratuities, not for pensions. Pensions are based on the fact that contributions are made by officers. No contributions are made by non-commissioned officers and men. There is no change made by this act with regard to the wives of non-commissioned officers and men.

Mr. ADSHEAD: Is there any reason why they should not come in if they are willing to contribute?

Mr. RALSTON: It has never, I think, been inquired into whether they are willing to contribute, but I should be very much surprised if they agreed to a contributory scheme.

Mr. MacLEAN (Prince): Has the minister considered dependents other than the wife and children? I have a case in mind where a military man left his sisters, who are dependent upon him, and who had contributed largely to the funds, and they have never been able to get anything in the way of a pension. To my mind their case is in the same category as those that have been referred to this afternoon.

Mr. RALSTON: I think my hon. friend has spoken to me about that case before. Was it the case of an officer who had not served the full period required for a pension?

Mr. MacLEAN (Prince): I think he had served the full period.

Mr. RALSTON: There is no provision here for extending the ambit of dependants in that case. The dependants are the wife and children.

Mr. ERNST: The minister referred in the course of his remarks to civil remedies where pensions were payable and the widow, or the grass widow, I should say, was not able to obtain a proportion of the pension. Is there any serious objection to providing legislation whereby if the wife is unjustly deserted she can obtain a proportion of the pension as a matter of principle?

Mr. RALSTON: I would say immediately that the pension paying authority would then be put in the place of a court trying a question

of domestic relations between husband and wife. My hon. friend the leader of the opposition mentioned a different case, where an order had already been made and the matter dealt with by a court of competent jurisdiction.

Mr. ERNST: The minister misunderstands me. I did not mean that the pension board should be placed in the position of a court, but was speaking of cases where there had been an order by the court. Let us say that the divorce court in Nova Scotia grants alimony. To-day the pension cannot be attached for alimony. I have one particular case in mind where the husband is looking forward to the divorce because he will get clear of supporting his wife, whereas a proportion of his pension is going to her so long as they remain married. If the court has made an order for alimony, is there any reason why the pension paying authority should not deduct the amount from the pension?

Mr. RALSTON: The same reason, I would think, why the employer of that husband should not be called upon to recognise an order for the payment of alimony.

Mr. ERNST: You can garnishee his wages.

Mr. RALSTON: That is not simply recognising it and paying the amount without a special proceeding, and I do not think even a garnishee would apply until provision had been made so that the husband would be entitled to his maintenance. I shall be very glad to take the suggestion of the leader of the opposition into consideration, that is in cases where an order has actually been made.

Mr. ERNST: That is all I am asking.

Mr. RALSTON: My hon. friend said where the wife had been unjustly deserted.

Mr. ERNST: I did not mean to say that, but I had in mind cases where there had been an order by the court, for alimony, for instance.

Mr. ROSS (Kingston): Is it clear, then, that the minister agrees that an order of the court shall be respected?

Mr. RALSTON: It is agreed that I will consider it and consult with the officers of the department about it. I have heard sometimes suggestions across the floor of this committee that undertakings have been given. Please do not understand that any undertaking has been given. I will, however, undertake to see if that can be carried out equitably, and having regard to similar legislation. I do not think we should make a special situation in regard to this act. What, for instance, is the situation with regard to the superannuation of civil servants? If an ex-civil servant deserts his wife, is the government called on to respect an order for support? I want to see about that, and to inquire into other acts of a similar nature. I shall be glad to look into the matter and consider it, and further than that I do not think the committee ought to ask me to go.

Mr. ROSS (Kingston): Will the minister agree to move that the committee rise so that he can consider this matter?

Mr. RALSTON: I think that is unusual.

Mr. ROSS (Kingston): I want to bring before him the definite case of an officer.

Mr. RALSTON: That is all right. My hon. friend can bring it up now.

Mr. KAISER: There have been a number of cases where a soldier has died within two or three years after the war and left a widow, but she is not entitled under the law to receive a pension unless it can be demonstrated that the soldier's death was due to war service. Now there are many instances where medical experts cannot positively testify that death was due to war service, and I therefore do not see anything unreasonable in my suggestion that if a soldier dies within a reasonable time, say within two or three years after returning from the war, his death should be considered due to war service. There is not a great number of these cases, and they should all be considered on the same plane. I know one or two cases where the widow is in difficulties because the husband died within a year or two—in one case within a year—after the war, and it was not clear that his death was due to war service. I think the country could well afford to regard these cases as being war casualties.

Mr. RALSTON: We all have cases similar to those to which my hon. friend refers, but they do not, I think, come within the spirit of the Militia Pension Act, which provides for pension only in the case of a definite period of service. What my hon. friend is referring to are cases which come under the Pension Act providing for pensions in case of death from war disability. Those are now being considered by the special committee, as my hon. friend knows.

Mr. KAISER: It is being considered?

Mr. RALSTON: I do not know whether the particular case which my hon. friend puts is being considered, but I shall be very much

surprised if it is not, because it was brought up whenever the problems affecting ex-service men are considered.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 197, to amend the Militia Pension Act.

Motion agreed to and bill read the first time.

CUSTOMS ACT AMENDMENT

PREVENTION OF SMUGGLING

Hon. W. D. EULER (Minister of National Revenue) moved that the house go into committee to consider the following proposed resolution.

That the Customs Act, chapter 42 of the revised statutes, 1927, be amended to make provision for a more adequate enforcement of the act and the prevention of smuggling operations in the territorial waters of Canada.

Sir HENRY DRAYTON: Explain.

Mr. EULER: The bill to be founded upon this resolution is the result of recommendations made by the royal commission with regard to smuggling, especially on the eastern coast of Canada. At all times there has been considerable doubt whether, in law, we have authority to make seizures within territorial waters of Canada beyond the three mile limit. The bill is intended to remove that doubt so far as it is possible to do so. With regard to vessels of British registry, we are extending the limit to twelve miles as well. There is also provision in the bill requiring importers to keep accurate and complete books of record of their importations. That has not been the case in the past, and in many instances it has been very difficult to establish that goods were smuggled.

Mr. BENNETT: That would not go far with bootleggers.

Mr. EULER: I am afraid not.

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

Mr. BENNETT: Mr. Chairman, perhaps the minister will be good enough to explain to the committee the recommendations made by the royal commission that will not be included in the legislation under this resolution; or, if he desires it the other way, to explain which of the recommendations will find a lodging place in the statute that he now proposes to enact.

Mr. EULER: A very considerable number of the recommendations of the royal commission are embodied in three separate bills; one to amend the excise act, which has had a third reading; another based on this resolution; and a third, the resolution for which will follow after this is disposed of.

Mr. BENNETT: This deals only with territorial waters?

Mr. EULER: That is all, except in regard to keeping complete books of record of importations.

Mr. MARCIL: Three or four years ago, Mr. Chairman, I brought this matter up in connection with the Baie de Chaleur. It has been the practice there for boats to stay outside the three mile limit and keep open bar both day and night, the fishermen getting their supplies of liquor from those boats and landing it at various points along the coast. The hon. Speaker co-operated with me in protesting against this practice, and asking for legislation to put a stop to it. I wish to congratulate the minister on this resolution, for I think no means would be too severe to put a stop to what has become a very serious abuse, leading to the demoralization of the fishermen and their families. I am sure the suggested legislation will meet with the hearty approval of people residing both in New Brunswick and Quebec.

Mr. BENNETT: It is in respect of that and similar matters that I am endeavouring to find out what the minister proposes to do. If my memory serves me correctly, His Lordship Bishop Ross wrote a letter to the royal commission in which he pointed out just what the hon. member for Bonaventure (Mr. Marcil) has mentioned. At that time it was clear that we could not cope with the situation. Recommendations were made by the royal commission. Will the minister be good enough to explain just what he proposes to do to meet the situation? Owing to the shoal waters liquor boats anchored more than three miles from the shore of the Baie de Chaleur and the local fishermen sold their catch and with the proceeds bought strong drink, to the utter demoralization of themselves and the ruin of their families. It was felt at that time that we should consider the whole situation not only from the national, but possibly from the international standpoint also. Will the minister explain to the committee what is being done in that regard?

Mr. EULER: I regret Mr. Chairman, that I did not make myself clear on the point. As I said at the outset, there has been doubt whether we have power to seize any vessels beyond the three mile limit, although in what might be regarded as territorial waters of Canada. We want to be in a position to seize any vessel so long at is it in such waters.

Mr. BENNETT: What is the definition of territorial waters?

Mr. EULER: I do not know. I am free to admit that a difficulty may be encountered there, and the question is one that must be left to the judgment of the courts. They must say what constitutes territorial waters. I do not think anyone can say absolutely, with regard to any particular section of the coast, what comprises the territorial waters of Canada and what does not.

Mr. CHAPLIN: Will this apply to other than British vessels?

Mr. EULER: If in territorial waters of Canada, yes. With regard to Canadian vessels or vessels of British register there will be a limit of twelve miles from our own coast.

Mr. ERNST: Twelve miles off Halifax, say?

Mr. EULER: Yes.

Mr. ERNST: Where under heaven can you get a power like that?

Mr. EULER: They are our own vessels.

Mr. ERNST: But they are outside your own territorial waters.

Mr. EULER: This is entirely in harmony with the recommendation of a commission consisting of three judges. I do not know whether my hon. friend has any confidence in their opinion.

Mr. ERNST: I have not the slightest confidence in it if it applies to vessels twelve miles off Halifax. The Supreme Court of Nova Scotia in a case tried recently decided otherwise.

Mr. EULER: My hon. friend will not say that this will do any harm?

Mr. ERNST: I fancy you will find yourself in a blind alley; you will get nowhere. The courts will hold such a provision as this ultra vires.

Mr. BENNETT: Why twelve miles?

Mr. CHAPLIN: Because the United States fixed upon that limit.

Mr. EULER: For that matter, why three miles?

Mr. ERNST: That limit is for international purposes.

Mr. EULER: Well, we might have made it thirteen. As a matter of fact we thought of making it eighteen, but it was felt that twelve miles would be a fair range.

[Mr. Euler.]

Sir HENRY DRAYTON: I presume that what the minister is really doing is following the tentative arrangement made between Great Britain and the United States?

Mr. EULER: Yes.

Sir HENRY DRAYTON: And that gives a right of search up to twelve miles; that is my recollection. With regard to the three mile limit, the minister professes ignorance of the reason for that arbitrary limitation having been established. Surely he must know what that reason was. Every country has the right to protect its coast, and three miles was fixed upon for the reason that, at the time that limitation was established, three miles was the range of cannon. One argument advanced by the United States in relation to the twelve mile limit was that the range of shore cannon had tremendously increased, and they felt that the limit should be correspondingly extended. At any rate, whether right or wrong, the three mile limit was fixed for the reason I have stated. But my hon. friend has not answered this pertinent question: What are territorial waters so far as Canada is concerned? The minister confesses that he is unable to answer the question, and I sympathize with him in his view that the question is one for the Justice department. But has not the Minister of Justice been taken into my hon. friend's confidence in connection with the bill? I speak subject to correction, because I have been away so much, but I remember that in connection with the customs investigation Mr. O'Connor was consistently of the view that most of these waters were enclosed to us—mare clausum, over which we had sovereign rights. He thought the Baie de Chaleur was one of these, as well as the Northumberland straits. He prepared an argument in support of this view—an argument for which, by the way, he was not paid. Nor was he allowed to sue for payment. Is the minister adopting Mr. O'Connor's opinion without having paid him for it? At any rate, I think seriously we are entitled to know exactly what we are doing. Take for example lake Ontario, where there is considerable activity: I am sure the minister desires to take action there. Well, is that a territorial water of Canada?

Mr. EULER: I think it would be, to the middle of the lake.

Sir HENRY DRAYTON: Is that understood with the United States in connection with the endeavour to put a stop to the nefarious practice there?

Mr. EULER: This is not particularly designed for the lakes; the legislation is intended to apply to the coasts.

Sir HENRY DRAYTON: Has the minister any definition of "territorial waters"? Is there any such definition in the bill?

Mr. EULER: No, but I may say for the benefit of my hon. friend that the bill has passed the scrutiny and had the approval of the Department of Justice. I am not a legal man and candidly I do not know what might constitute territorial waters in any given case. Would my hon. friends tell us where, in their opinion, territorial water begins or ends at the mouth of the St. Lawrence, for example? Can that be decided? We must take each case as we come to it.

Mr. ERNST: I do not propose to answer the minister's question, but I ask him in all seriousness to tell us just what the purpose of this bill is. Is it intended to justify or to attempt to justify seizures beyond three miles from low water wark on the coast line, say, of Nova Scotia?

Mr. EULER: If they are hanging about the coast outside the three mile limit and we know that their object is to smuggle, we want to be able to seize them.

Mr. BENNETT: Regardless of the flag they fly?

Mr. EULER: If within territorial waters, yes.

Mr. ERNST: But what does the minister mean by "territorial waters?" The definition given in the British Territorial Waters Jurisdiction Act is, three miles from low water mark; so that within a radius of three miles around an island a ship would be within territorial waters.

Mr. EULER: That is not in accordance with the argument of my hon. friend from West York.

Mr. ERNST: It is in accordance with the findings of the court. In the case of Mason versus Coffin, in which the department made a seizure beyond the three mile limit, the Supreme Court of Nova Scotia only a few months ago held this action to have been unwarranted. It is therefore futile to pass such a law. Why does not the minister go to the British parliament and have the Territorial Waters Jurisdiction Act enlarged if he feels that the present law is not wide enough? We have no constitutional power in the matter, and if the minister is honest he will appeal to the British parliament to have the law amended. I should like to see this done, but the minister should recognize that this parliament has not the power to pass such a law as this.

Mr. CHURCH: Any improvements in the customs regulations will be in the public interest. This whole question dates back to the pioneer work done in this house by the hon. member for Vancouver Centre (Mr. Stevens), who was mainly responsible for the collection of $60,000,000 of customs dues which otherwise would not have been received. Has the minister endeavoured to enforce our customs regulations without seeking help from the admiralty of the United States? I noticed the other day that an armed flotilla of American boats entered the port of Walkerville, within the territorial waters of Canada, over the head of the Canadian government, and fired off guns and rifles, breaking windows, according to dispatches in various papers in the Toronto district. If the government of Canada need life-saving operations carried out on the great lakes they must at present appeal to American life-saving stations. When there is a mine disaster and 100 men or thereabouts are killed or injured, as in the case of the Hollinger mine, they have to go to Pittsburgh to get a life-saving crew. Is the government going to depend upon the United States in order to prevent smuggling in territorial waters of Canada, and appeal for assistance from American customs boats? How much longer is the government going to stand for that sort of thing? It is all very well to say that they are tightening up the regulations, but the fact is that around Windsor and elsewhere they have to rely somewhat on American craft to help them enforce their regulations. Where is this wonderful external affairs department with its admiralty. Where is the admiral, with an American invasion at Walkerville? I hope the minister will become active. I must give him credit for having been active in the past year and having tightened up the regulations, on the initiative of the hon. member for Vancouver Centre. But these regulations should be enforced without help from the admiralty of the United States. I hope now that this wonderful Department of External Affairs will get busy and mobilize our fleet in the Detroit river to protect the citizens of this country instead of sending ambassadors all over the seven seas. Smuggling should be prevented by co-operation between the two governments, and we should tell the authorities of the United States that when they cross into Canadian waters they are in a dangerous position, without regard to our new status.

Mr. EULER: I have no knowledge whatever of American preventive officers or boats entering Canadian waters and firing shots on Canadian ports. If that be true I certainly think it would require some investigation and consideration. But the hon. member has confused two things. Smuggling into the United States is not smuggling until boats leave Canadian waters, and I know of no smuggling into Canadian territory at Windsor or Walkerville or other ports. It is quite true that goods, wet goods if you like, leave Canadian ports, but even if they are carried in American bottoms that is not smuggling into or out of Canada, and has nothing to do with the prevention of smuggling. When these goods enter the United States it may be smuggling, but that is not breaking a Canadian law.

Mr. BELL (Hamilton): Then will the minister inform the committee if there was no breach of the Canadian law when the steamer Kennedy was taken in for hovering in the Northumberland straits with $20,000 worth of Scotch whiskey belonging to a company of which the hon. member for Antigonish-Guysborough (Mr. Duff) was president?

Mr. EULER: I made no reference to that.

Mr. BELL (Hamilton): I would like the minister to refer to it.

Mr. EULER: The two cases are not at all parallel. I think we have always contended that the Northumberland straits are Canadian territorial waters, although I believe that point is contested.

Mr. BELL (Hamilton): If the minister is correct in that, perhaps he will be able to inform the committee why the $20,000 worth of wet goods carried by the Kennedy was afterwards handed back?

Mr. EULER: I have no knowledge of the case; I cannot recollect the circumstances. However, it has happened in other cases that we were found to be wrong in the seizure, and naturally we had to give back the goods.

Mr. BENNETT: It was held that Northumberland straits were not territorial waters.

Mr. EULER: If we were not entitled to make the seizure we had to give back the goods.

Mr. BELL (Hamilton): If my hon. friend will allow me, the records show that the question of whether or not the Northumberland straits were territorial waters was not decided; there were opinions in favour of that contention and opinions against it, and it has not been decided up to the present.

[Mr. Church.]

Mr. EULER: Perhaps I should know about this case, but I do not, and I should like to know the circumstances. Did this case come before the courts, as to whether we had power to seize that $20,000 worth of liquor?

Mr. BELL (Hamilton): No. The department had reports for and against that contention, and they decided that they would—

Mr. BENNETT: Give the prisoner the benefit of the doubt.

Mr. BELL (Hamilton): And the whiskey.

Mr. EULER: I have no knowledge whatever of that case; if it were done in that way I have no doubt the departmental officials had good reasons for so doing.

Mr. ERNST: Is it honestly the considered opinion of the law officers of the crown that this parliament has power to pass laws affecting British or other ships beyond three miles from low water mark on the coast line of Canada?

Mr. EULER: Is my hon. friend referring to territorial waters?

Mr. ERNST: I am referring to the three mile limit, say three miles from the extreme point of the Nova Scotia coast. Within that three mile limit these waters are territorial, but is it the considered opinion of the law officers of the crown that we can legislate for twelve miles beyond the low water mark?

Mr. EULER: Only for ships of British registry.

Mr. ERNST: Then I venture to say that this law will be held ultra vires the first time it comes before the courts. This principle was so held by the privy council in 1897.

Mr. EULER: I can only repeat what I have already said, that the bill was drawn with the assistance of the officials of the Department of Justice.

Mr. ERNST: Then I have not a very good opinion of the law officers of the department.

Mr. BENNETT: Surely the Prime Minister is interested in this matter. If we claim the right, not as a sovereign state but as a self-governing dominion, to pass certain legislation, we cannot claim the right to place ships flying the flag of Great Britain in any different position from the ships of any other country. That is obvious, and if you now propose that a British ship can be seized within twelve miles of Nova Scotia if it carries a cargo of liquor, obviously that law must stand or fall on a determination of the question whether or not you can apply the same

rule to ships flying the American flag or the Norwegian flag, and surely it is clear that you cannot do so. In addition to that, the parliament at Westminster passed the Territorial Waters Jurisdiction Act, largely because of a certain decision in which thirteen judges took part. It is a matter of interest to us that on that case sat the only Canadian who ever has been a member of the High Court of Justice in England. Those judges divided very acutely upon the question. The imperial parliament then passed this Territorial Waters Jurisdiction Act, and the jurisdiction thus defined is three miles out to sea from low water mark. In the light of that legislation, and following the decision in the Nadan case, how can this parliament pass a law with respect to any ships other than its own beyond the three mile limit?

Mr. EULER: It applies only to our own ships.

Mr. BENNETT: No; the minister was very careful to say that it applied to ships of British registry as well.

Mr. EULER: I understand that there is only one registry. I am not familiar with these legal points, but I believe there is only the British registry, and that we have no strictly Canadian registry of ships.

Mr. BENNETT: Yes, we have ships registered at St. John, Halifax and Yarmouth. The minister need not offer any apologies for his lack of knowledge; he approaches his problems as few ministers do, with a very frank desire to secure the legislation he wants, and it is our duty merely to point out to him as far as possible the difficulties in the way. If we can assist him to overcome those difficulties, we have done our duty. I am now pointing out that the Territorial Waters Jurisdiction Act of England and these decisions to which I have referred clearly show that this parliament cannot possibly pass legislation which will affect ships other than Canadian ships beyond the three mile limit. If we desire to have this law apply beyond the three mile limit we should negotiate such a treaty as Great Britain negotiated with the United States, to which there was so much opposition and which a great many people in England think improper. The United States claimed that they had jurisdiction over a British ship the minute she came within the three mile limit, and that therefore they could seize the liquor cargo of the ship and do various other matters of that kind which necessitated the sealing of the liquor on the ship before she came into harbour. Finally Great Britain yielded to the establishment of the twelve mile limit. Now I say this to the minister: I do not think he is one of those who desire to get credit for something that, when he does it, he knows is no good. I have seen ministers who desired to take great kudos for what had been done in parliament, for the legislation enacted—with their tongue in their cheek, knowing very well it was just a gesture. Perhaps the minister will put this matter before the law officers of the department; for I believe no government has power to pass a law which will enable anyone to seize outside the three mile limit, a British ship registered in London, England, or in Glasgow, Scotland, having on board a cargo of liquor being smuggled into Canada.

Mr. EULER: I appreciate what my friend has said, and no doubt he is as anxious as I am to obtain the results desired. He has rather anticipated what I intended to say, that of course I will consult the law officers of the crown in regard to the matter. It may be that I am wrong in this, but I suggest to the committee that the resolution be allowed to pass, and this point can be discussed and, if necessary, an amendment inserted when the bill actually gets into committee. I think that might be regarded as satisfactory.

Mr. BENNETT: Yes, I think so, if the minister will take it that we are not in any sense acceding to the terms of the resolution; for that, I think, is something which we find it a little difficult to do.

Resolution reported, read the second time and concurred in. Mr. Euler thereupon moved for leave to introduce Bill No. 198 to amend the Customs Act.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ST. CLAIR TRANSIT COMPANY

Mr. W. T. GOODISON (West Lambton) moved the third reading of Bill No. 23, to incorporate the St. Clair Transit Company.

Mr. A. A. HEAPS (North Winnipeg): I have a notice of motion in the votes and proceedings in reference to this particular bill. I beg to move in amendment:

That the said bill be not now read a third time, but be referred to the committee of the

whole with instructions to amend it so as to insert the following in substitution of section 22 of said bill:—

The employment of labour in the construction, maintenance and supervision of the said bridge shall be subject to the terms and conditions of the fair wage clauses set forth in the order in council, No. 1206, of June 7, 1922, and any amendments thereto.

Canadian materials and labour must be used in the construction of the said bridge, so far as it may be practical to do so, and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

Mr. GOODISON: I am quite willing that the hon. member's amendment be accepted.

Amendment agreed to, and the house went into committee on the bill, Mr. Johnston in the chair.

On section 22—Labour and materials.

Mr. HEAPS: I beg to move that the following be inserted in lieu of section 22:

The employment of labour in the construction, maintenance and supervision of the said bridge shall be subject to the terms and conditions of the fair wage clauses set forth in the order in council, No. 1206, of June 7, 1922, and any amendments thereto.

Canadian materials and labour must be used in the construction of the said bridge, so far as it may be practical to do so, and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

Mr. CHURCH: I have no objection to the amendment; I believe Canadian labour and materials should be utilized in the construction of this bridge; but I opposed this bill in the private bills committee because I believe the government of Canada should lay down a policy in regard to these international bridges. The national railways have moved the shops from Stratford where they were to Port Huron and they have spent millions of dollars in developing Port Huron, but apparently now they are satisfied to keep the through traffic and to hand over the local traffic to the promoters of this bill. Who are these promoters? Some of them are officials of the Canadian National Railways. One man is a Canadian National engineer, another a salesman, another a loan company manager, another a barber, another a lumber merchant, and so on. I oppose this bill on public policy grounds because I believe the government should lay down a policy in regard to these international bridges. The reason why the promoters have to come to parliament in connection with these bridges is because they are international, they affect navigation. We have some proposed bridges on the St. Lawrence, some on the Niagara and some on the St. Clair. What is the government going to do with regard to the general principle involved in all these bills? Where is the Minister of Railways and what is the policy of the government? Just last Thursday the governor of New York state, Mr. Smith, laid down a policy for his country. He said that these bridges are to be built by the people for the people, and that if any profits are to be made out of the tolls on these bridges, they shall revert to the state of New York. He is big enough on behalf of his government to lay down as a public policy that the profits shall not go into the pockets of private promoters but shall belong to the public. The governor of New York state has practically vetoed two bridge bills which this parliament has passed, and which are similar to the one before the chair to-night. Governor Smith is reported as follows:

"Such bridges should be built by the state or states or by one or more governmental subdivisions or by a public municipal authority similar to the port authority," the governor declared in his blanket veto of the three measures. "If such a bridge is to be built over international waters it should be constructed jointly by the United States in conjunction with the Canadian government or by the state of New York in conjunction with the Canadian province affected."

Such projects, the governor felt could be financed at lower cost by the state or federal governments, while, he added, "they are in their very nature public; to authorize privately-owned toll bridges is a step as backward as to authorize privately-owned highways, under the wording of these acts, the franchise is practically made perpetual."

"If it pays private corporations to erect these bridges," the governor's memorandum continued, "it will certainly pay the state to do it. If tolls are to be charged, the state should be the recipient of the tolls, and they should not be in excess of what is required to operate and maintain property, pay the interest on the bonds and make the necessary annual contributions to the sinking fund for their retirement."

I criticize the Canadian National Railway for surrendering this territory to private parties for private gain. This particular bridge should be made a feeder for the Canadian National's through traffic. This parliament has spent a large sum of money developing Port Huron, and Sir Henry Thornton is going to surrender this territory, where a good deal of local traffic by motor bus and motor truck could be picked up for the national railway. Everybody knows that motor truck and bus competition has been an important factor in depriving the Canadian National Railway of a large part of its earning power, and yet here we are in this parliament without a public policy, proposing to pass bills to erect two or three bridges at

Sarnia, two or three more in the Niagara district, and two or three across the St. Lawrence, but if this parliament will not look after the rights of the people, the governor of the state of New York is looking after the rights of the American people. He has vetoed these bridge bills and declared that these international bridges shall belong to the people of the United States for all time to come, and that tolls shall be regulated, and that the bridges shall be under joint operation and joint control. I am very much surprised that the government railway should surrender territory in this way. Just the other day they surrendered territory which they had exclusively at Port Colborne, and they gave the Canadian Pacific Railway running rights over their system, nothwithstanding that this parliament will spend over $100,000,000 on the new Welland canal. This bill should be referred back to the private bills committee, and the Canadian National railway authorities should be brought before that committee. When this bill came before the private bills committee, the Canadian National Railways had lobbyists right in the committee room, canvassing members of the committee in favour of this private owned company which would take away the Canadian National Railway's bread and butter. The time has come for a showdown in this parliament. It is time for the Minister of Railways to declare what is the policy of the government regarding these international bridges. The government were asked in the prvate bills committee to lay down their policy, but they had nobody there to lay down a policy.

I have no objection to the amendment that is before you, Mr. Chairman. A labour clause came before the committee and I strongly supported it, but on grounds of public policy I am urging that this bill should go back to the private bills committee, where the government should announce its policy. If the policy that I have enunciated of joint operation and control of international bridges is good enough for the state of New York, it should be good enough for the state of Michigan and for the state of Ohio.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

BELL TELEPHONE COMPANY OF CANADA

The house in committee on Bill No. 43, respecting the Bell Telephone Company of Canada—Mr. Edwards (Ottawa)—Mr. Johnston in the chair.

On section 1—Power to increase capital.

Mr. CHURCH: I have given notice of an amendment to this bill, Mr. Chairman. It is now twenty minutes past eight, and I intend to talk until nine o'clock. I am surprised that this proposal of the Bell Telephone Company to increase its capital stock from $75,000,000 to $150,000,000 should meet with no protest from the committee or from this house, and particularly from the Progressives, who are supposed to be adherents of the principle of public ownership. This company is nothing but an American monopoly, which has crossed the border into Canada. It first came to parliament in 1880 and got its incorporation, under chapter 67. It came back again in 1882, and asked for amendments which were incorporated in chapter 95; in 1884 it came back again for further amendments, chapter 88; in 1892 it came back again and got further amendments, chapter 67; in 1894 it applied for further amendments, which were incorporated in chapter 108; in 1902, chapter 41, it applied for an increase in its capital stock; it came back again in 1906, and got another hand-out from this parliament, by chapter 61; in 1920, which was the last time we saw them around this chamber, by chapter 100 the company was practically given the title deeds to the country and granted a monopoly throughout the whole of Canada. As a result what happened? In the provinces of Alberta, Saskatchewan, and Manitoba they established government owned telephone systems in order to be free of this masterful American monopoly. The late Sir Adam Beck proposed that the province of Ontario should establish a government owned telephone system, but corporation activity killed the proposal.

There is practically no regulation of the Bell Telephone Company. Almost every rate application that has been made by the company to the Board of Railway Commissioners has been granted in toto. The company is a law unto itself; it is supposed to own the heavens above, the earth beneath, and the waters under the earth. When the municipalities applied to the railway commission to remove the discrimination in telephone rates the commission decline to hear oral argument and told counsel to file written argument—which no doubt was put in the wastepaper basket by the so-called rate regulators. In brief, you might just as well abolish the railway act so far as effective control of this corporation is concerned and go back to the old law of supply and demand as a rate regulator.

In 1917 the Drayton-Acworth report recommended that before any applications for in-

creased rates were granted by parliament they should be reported on by the Board of Railway Commissioners for Canada. Why was not that course taken in this case? Why should this company be singled out for favoured treatment? The Northern Electric Company is part and parcel of the Bell company. The Northern company has practically a monopoly in the supply of telephone apparatus and there is no regulation of its charges to the parent company. In fact, the Board of Railway Commissioners found that the Northern Electric Company was outside their jurisdiction and could not be required to submit its records for inspection in connection with the recent application of the Bell company for increased rates. The hon. member for South Toronto (Mr. Geary) has introduced a bill this session to amend the railway act in relation to the investigation of subsidiaries of telephone or telegraph companies like the Northern Electric, and I submit that it should be passed before one line of this bill is adopted. For the information of the house let me quote from that bill:

"1. Section three hundred and seventy-five of the Railway Act, chapter one hundred and seventy of the revised statutes of Canada, 1927, is amended by inserting the following subsection immediately after subsection twelve thereof:—

"(13) The board shall have jurisdiction to inquire into and investigate the affairs of any company, corporation or firm in which any telephone company or telegraph company subject to the jurisdiction of the board has, in the opinion of the board, a controlling interest as shareholders or partners, or of which such company, corporation or firm in the opinion of the board is a subsidiary, and to examine the books, accounts, vouchers and papers of the said company, corporation or firm, and for such purposes and to that extent the said company, corporation or firm shall be subject to the jurisdiction of the board."

In my opinion the Minister of Railways (Mr. Dunning) ought to take over the hon. member's bill, because unless it is treated as a government measure there is very little prospect of its being enacted this session. I hope that before this $75,000,000 hand out to the Bell company is granted the hon. member for South Toronto will insist that his bill become law in order to confer on the Board of Railway Commissioners jurisdiction over such a company as the Northern Electric, which is purely a subsidiary of the Bell company, formed for the purpose of supplying to the parent company telephone apparatus at fabulous prices.

The government of Ontario opposed the application of the Bell Telephone company for increase of rates to which I have already referred. They were represented before the railway commission by Mr. Reid, who did well there, and he has since seen fit to write a letter to that public ownership organ, the Toronto Globe. The Globe up to a few years ago was always considered to be the mouthpiece of the Liberal party, but latterly it has been somewhat critical in its attitude towards its old-time friends. It was not the Globe that deserted the Liberal party; the Liberal party deserted Liberal principles and the Globe upheld Liberalism. The Globe is a supporter of public ownership of public utilities. I am interested in the attitude of the Liberal party towards this bill. In the late election our opponents went up and down the country charging that the Conservative party was the party of the "big interests." Where is the Liberal party to-night regarding this bill? In the railway committee did the government voice any opposition to this obnoxious measure? Did the government lay down any policy for such a hand out as this —an increase in capital from $75,000,000 to $150,000,000 by this company, with scarcely a tittle of evidence presented to the committee as to any necessity for the increase? I am not here to attack this or any other public utility. I have considerable sympathy for most of our public utility companies, for they are having a hard time to make ends meet in face of the heavy increase in taxation and the greatly enhanced cost of labour and materials; but I do say that before any such increase as is proposed by this bill is granted there should be a thorough and impartial investigation of the Bell Telephone Company and of the subsidiary Northern Electric Company by the railway commission as to the necessity for this particular increase of capital. What do they propose to do with this extra $75,000,000? Does anyone argue that if this bill passes to-night the Bell Telephone Company will devote this money to extensions? No. I venture to say that from $25,000,000 to $50,000,000 of it will be a split of common stock or just a melon to be cut up among the shareholders, paying dividends running up to $50,000,000 on all classes of stock issued, with the result that the telephone users will have to shoulder an added burden in rates on this watered stock. In the hydro-electric system the rates are based upon the actual investment in the enterprise; but when people in the cities buy, say, a quart of milk or a loaf of bread they pay not only the actual worth of that milk and bread, but also extra millions in rates represented in dividends paid out on the various common stocks of no par value.

I venture to say that when this stock is issued and placed on the market a large block of it, anywhere from ten to forty million dollars, will be common stock which will represent not a dollar put into the undertaking. The telephone users of the country will pay for it. In the past two years an application has been made to the Board of Railway Commissioners by this company for an increase in rates. This application was heard, evidence having been taken over a period of several weeks or months. On a motion made in the house in the dying hours of one session, the Minister of Railways said he would bring down a return showing the contracts of the government and the national railways with the Bell company in the matter, which contracts created a discrimination greater than any that had previously existed. The municipalities appealed to the Board of Railway Commissioners asking to have removed this unfair and altogether unjust discrimination. But what does the government of Canada do? Through the national railways the government entered into a private contract over the heads of the commission whereby the government and the national railways get certain cut rates from the Bell Telephone Company at the expense of the rest of Canada. The government itself, for its own purposes, made that private arrangement with the company for the reduction of rates, with the result that telephone users in Ontario and Quebec, through the discrimination which the company showed in favour of the government on the one hand and the Canadian National Railways on the other, were compelled to shoulder an unwarranted burden. Furthermore, the governor in council declined to hear the representatives of the municipalities; after sitting a day and a half they summarily dismissed their application.

The people of this country expect, if public rights are to be respected in this parliament, that some brakes shall be put on this monoply. In this connection I have here a letter which I think it well to read to the committee. It is written to the Globe and is signed by counsel for the Ontario government, Mr. R. A. Reid. He appeared before the railway commissioners and in this letter, dated March 26, he refers to this application, stating:

> With the sanction and approval of the Dominion government and by order of the Board of Railway Commissioners for Canada, the telephone rates of the Bell Telephone Company of Canada were recently increased all over the provinces of Ontario and Quebec, and a new and additional burden of taxation was thereby imposed upon all of these telephone users of over $2,600,000 per year.

This was the hand-out which the company got from the Board of Railway Commissioners, who are supposed to regulate these matters, but who as a matter of fact regulate nothing. Far from expecting any control of rates from this body, you might just as well repeal the Railway Act which created the board. I submit that it would be far better for freight, passengers and express if we repealed the Railway Act and reverted to the old law of supply and demand. The good old free trade law of supply and demand would be a more potent factor in regulating public service corporations than the Board of Railway Commissioners. What with that $2,600,000 and this extra $75,000,000 now asked for, the Bell Telephone Company expect to get from this parliament a grant of $77,600,000. The letter goes on:

> This increased burden of taxation upon the people was granted upon the application of the American Telephone and Telegraph Company of New York City, through the Bell Telephone Company of Canada, which it controls, and this new form of increased taxation upon the public was allowed without any legal or logical reasons being given therefor, and without any specific and definite findings being made on the most important issues and questions raised at the hearings in that rate case. The case decides nothing, except the bald grant of an increase of telephone rates; the issues will sooner or later have to be fought all over again before a new and reorganized railway commission. The present railway commission at Ottawa refused the people of Ontario and Quebec the right to argue their case in person before the board, and were supported in this treatment of the public by the government.

In doing so the Board of Railway Commissioners violated the Railway Act. They broke the law when they refused to hear representations from Montreal, Toronto and the municipalities of Ontario and Quebec, because the act—the very charter creating the commission —requires that they shall determine, take evidence and hear counsel on all sides of every case presented and upon the facts adduced render decision. So that they violated the law when they refused to hear counsel representing those opposed to this outrageous request—because it is outrageous. That is the only word that can adequately describe what this company is seeking from parliament at the present time. And it is an American trust; that is all it is; for it is owned in the United States. I have here the shareholders' book which I shall refer to in a moment. The letter goes on:

> There are now before the Dominion parliament at Ottawa for consideration two bills, one being put forward by the Bell Telephone Company of Canada, asking the permission to allow that company to increase its capital stock from $75,000,000 to $150,000,000, or an increase of $75,000,000. In truth and substance this is

really an application by the American Telephone and Telegraph Company of New York, which controls the Bell Telephone Company of Canada. Now, the Bell Telephone Company of Canada is incorporated under a special statute, and must submit to have its whole affairs investigated, and an account given to the parliament of Canada of the manner in which it has dealt with all its former stock and bond issues authorized by its act of parliament.

Let me ask what became of the stock issues of 1882, 1884, 1892, 1894, 1902, 1906 and 1920. Did the railway committee ever have the facts of these sales of stock before them, to whom it was sold, the names of the directors of this company as well as the shareholders, the directors of the subsidiary companies and so on? Not one word was said in this connection before the committee last week; this application was passed with no adequate or proper investigation at all. Under the act incorporating the Bell Telephone Company of Canada the company is required to give the names of the shareholders and all the other particulars to this parliament, including all syndicates, bankers, companies and persons to whom such stock and bond issues were sold as well as particulars as to what was done with the proceeds from such sales, but this has never been done.

There is another bill now before the house which will compel the investigation of all companies owned or controlled by telegraph or telephone companies in Canada. This is a very necessary and proper bill, which I hope will be taken over and passed by the government this session. If this is not done the regulation of these companies will become a sham and a farce in this country. The first bill should not be allowed to become law unless the second bill is placed on the statute book at the same time, for obvious reasons. During the recent Bell Telephone rate case before the Board of Railway Commissioners it was conclusively proved that this company over a period of years has continually issued stock to its shareholders at the par value of $100 when that same stock was selling on the market at prices ranging from $125 to $193 per share, with the result that in addition to the dividend of 8 per cent the shareholders have benefited to the extent of the increased cash value of the stock. More stock has been issued and is still being issued from time to time than is necessary to obtain the actual money required, and to this extent financial authorities assert that the stock is watered. In order to pay dividends on this unnecessary capital the users of telephones have had to pay increased rates. This is simply making a gift to the shareholders at the expense of the treasury of the company. This practice should not be allowed to continue; a provision should be included in this bill by which the general public should be given the first opportunity to purchase any of the additional stock issued by this company at the market price. Another provision should be included to prevent the company from using any of its capital stock or bonds in the purchase of the property of any other telephone company, because such dealings usually result in the rates being increased. The company should be prevented also from using the proceeds from the sale of stock for the purchase of old, used, second hand, salvaged material which has been repaired by the Northern Electric Company and reinstalled in the plants of the Bell Telephone Company, because the property assets and values of the company are affected in this way. It seems to me that if we are to have anything done with regard to these American-owned companies another Sir Adam Beck must be found; they are calling out for such a man to-day in every province of Canada. I would that Canada had a Mussolini to wield the big stick on some of these American-owned and controlled public utilities. He has said: "A country does not belong to those who inhabit it to-day; it is an inheritance from the past, a possession for the present and a trust for the future"; yet here we are binding posterity to excessive over capitalization and being asked to permit this American concern to increase its capital stock from $75,000,000 to $150,000,000 in violation of all the laws of this country and in violation of the recommendation contained in this Drayton-Acworth report which provides that before any of these companies are permitted to increase their capital stock a report should be made by the railway commission as to the necessity for such increase.

The subsidiaries of this company are a law unto themselves; the Northern Electric Company is under no public control. Another paragraph in this letter written by Mr. Reid, who was counsel for the government of Ontario before the railway commission, deals with the Northern Electric Company. If the second bill becomes law it will be possible to go into the affairs of the Bell Telephone Company and its subsidiary concerns and to lay all the cards on the table. It will enable an investigation to be made of the prices, profits, costs, expenses and rates in connection with the Northern Electric Company as well as the charges for telephone material, apparatus and equipment supplied to the Bell Telephone Company. The Northern Electric Company is owned and controlled by the Bell Telephone Company, manufacturing all the telephone apparatus required by that

company, but the Northern Electric Company charges the Bell Telephone Company such prices as it pleases for its apparatus and equipment, and there is no way of finding whether the profits and charges are reasonable or unreasonable, excessive or exorbitant. There is nothing to prevent the Northern Electric Company from raising the price of the equipment supplied to the Bell Telephone Company at any time they may see fit to do so. It has been maintained that we have no power, authority or jurisdiction which would enable us to investigate the affairs of this concern, because it is not a telephone company. This bill to which I have referred, therefore, should pass and become law.

There is another reason why it should become law. All the telephone companies of the western provinces are supplied by the same concern, the Northern Electric Company, and it becomes important for the telephone users of western Canada to know whether they are being charged excessive prices for telephone apparatus and equipment, and whether the profits made at their expense by this unregulated and uncontrolled monopoly are reasonable or unreasonable, excessive or exorbitant; and the same thing applies to the telephone companies in the maritime provinces.

I do not see any members of the Progressive party in the house. No doubt if it were about the peace department or some other academic resolution they would all be present; but when it comes to using the big stick on the Bell Telephone Company and the Northern Electric, which is selling apparatus to the municipally owned plants of Alberta, Manitoba and Saskatchewan, then there are only two or three or four Progressives in the chamber. Because they call themselves Progressives does not make them progressive. I hope they will be progressive on this bill. I see one of the Progressives, the hon. gentleman from Calgary, and I know he is for public rights and will be progressive in respect to this matter. I know that last year the junior member for Winnipeg put up a big fight on the Carillon electric light and power bill, and I think he should put up a fight on this bill also.

This particular Northern Electric Company is supplying the telephone companies of Canada with apparatus, and they hide behind a tariff wall of from 27 to 30 per cent duty on their apparatus, equipment and supplies. There is no reason why this duty should not be done away with entirely, because this duty is added to the price. The manufacture of this telephone equipment, apparatus and supplies would be no monopoly in Canada if there were no duty, and, in addition, it would allow British manufactured apparatus and equipment of a better quality, finer workmanship and superior value to come into Canada and be used by Canadians, instead of their being compelled to use obsolete and antiquated apparatus.

There should also be a public inquiry and hearings before a committee of parliament dealing with these two bills. I am surprised that the province of Ontario should submit to the Bell Telephone Company. They did that before Sir Adam Beck was dead a year. They are very active over the Ontario Temperance Act and things like that, but when it comes to appearing before a committee against this monopoly which is taking millions of dollars a year out of the pockets of the people of Ontario, why was not the government of Ontario represented? Is it due to the fact that the influence of Sir Adam Beck is lost and that what he stood for has no supporters to-day? I think you can count on your fingers all the supporters of Sir Adam's policy in Ontario. There should be a public hearing so that the telephone users and municipalities might be permitted to appear before such a committee and present their views on the methods and operations of these companies, and the manner of their dealing with stock and bond issues, their revenues, returns and accounting methods, so that they may come under more efficient and effective regulation and control by government authority. It is desirable to ascertain why there are always enormous surpluses and reserves in the Northern Electric Company, while at the same time there are large paper deficits in the Bell Telephone Company, which controls the Northern Electric and to which it pays large sums of money for apparatus and equipment, rendering periodical applications for higher telephone rates an apparent necessity.

All the apparatus, equipment and material purchased from the Northern Electric or through the Northern Electric is charged by the Bell Telephone Company to operating expenses or as a capital outlay to be paid for from the proceeds of the sale of its stock and bonds, and yet the Board of Railway Commissioners for Canada and the Bell Telephone Company and the Northern Electric Company say that these things and matters are all withdrawn from any inquiry or investigation by the railway commission; that that body has no right to examine into any such transactions and is bound without question by such prices as the Northern Electric Company sees fit to charge for such apparatus, equipment

and supplies. The commission did not go into this matter of financing at all. For that reason this second bill should not pass.

In conclusion I also wish to draw attention to the fact that in the United States a company known as the Western Electric, at Chicago and New York, is formed and performs the same work there for the American Telephone and Telegraph Company as the Northern Electric Company does in Canada. A labour paper published in Washington states that the American Federation of Labour are urging congress to probe the Bell Telephone Company across the border and the rates charged by this combine. This American workers' journal gives amazing facts as to how they crossed into Canada, and says that they fight labour unions. This paper, called Labor in the issue of January 21, 1928, says on page 1:

> The telephone business is virtually a monopoly. It is engaged in interstate commerce. It is a public utility, yet the United States government has exercised virtually no control over its practices. This is particularly true in regard to rates. This three-billion-dollar public utility, doing business across state lines in every state in the union, is exempt from that kind of regulation which means most to the public, rate regulation.

There is a splendid article here giving the low-down on the telephone monopoly, one of the most profitable monopolies in the world. There is a large cartoon showing the telephone monopoly with its arms stretched out over the United States and Canada and saying "Well here I am! What are you going to do about it?" The article goes on to say that the American Telephone and Telegraph Company does seventy-two per cent of the telephone business, and dominates the rest.

The hour for private bills having expired, the Speaker resumed the chair.

SPECIAL WAR REVENUE ACT AMENDMENT

The house again in committee on Bill No. 170, to amend the Special War Revenue Act—Mr. Robb—Mr. Johnston in the chair.

Section 1 agreed to.

On section 2.

Mr. BENNETT: What does section 2 mean? What sort of tax are you going to impose?

Mr. ROBB: This is for the better administration and collection of the tax. As I explained when the bill was in committee before, it was discovered that certain individuals imported different parts of an automobile, made it up for their own use, and thus escaped the tax which would have been paid had the automobile been manufactured in Canada.

Mr. BENNETT: But the clause states just the exact opposite of that.

Mr. ROBB: It is understood that when they bring in the parts and assemble them, they manufacture them.

Mr. BENNETT: The clause reads:

> When goods of any class mentioned in schedule I are manufactured or produced in Canada—

Those words mean exactly what they say—"manufactured or produced."

> —and are for use by the manufacturer or producer thereof and not for sale, such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada and sold, and the sale shall be deemed to have taken place when the goods are used or appropriated for use. The minister may determine the value of the said goods for the tax.

Think what that means. I have a factory in which I produce boots and shoes. One part of that factory produces, we will say, laces. When the lace goes into the shoe and the shoe goes out on the market, this clause applies. Surely that cannot be intended, because the operation is a completed one.

Mr. ROBB: That is not the intention.

Mr. BENNETT: But that is what the clause says.

Mr. ROBB: No. For instance, a bus company might buy a chassis and bring it in; it might buy another part—

Mr. BENNETT: Or manufacture it.

Mr. ROBB: —in Canada or import it.

Mr. BENNETT: The clause says, "manufactured or produced in Canada."

Mr. ROBB: It is not manufactured until it is assembled. They do not sell it; they use it in their own service, and they thus evade the tax which would be paid if they had bought it from a regular manufacturer. That is what this clause is intended to cover.

Mr. BENNETT: The clause says:

> When goods of any class mentioned in schedule I are manufactured or produced in Canada—

Not imported.

> —and are for use by the manufacturer or producer thereof—

That is, he is producing or manufacturing them to be used by him in his business. They make a completed product.

—and not for sale, such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada.

Of course they are, because the clause says that they have to be manufactured or produced in this country. The thing is nonsense; an absurdity of that kind should not be put on the statute book without the protest of any who understand the English language. Let the minister apply his common sense, as he said the other evening, as against the technical knowledge of someone else.

Mr. ADSHEAD: Should the wording not be "not manufactured in Canada"?

Mr. ROBB: A chassis is not an automobile; it is a part of an automobile. It becomes an automobile when it is assembled, and the experience of the department has been that people have been buying different parts and assembling them, and thus evading the tax.

Sir HENRY DRAYTON: That is the sales tax?

Mr. ROBB: Yes.

Mr. BENNETT: Will the minister do me this one favour and look at the clause. It reads:

When goods of any class—

A chassis is goods.

—mentioned in schedule 1 are manufactured or produced in Canada—

Manufactured does not mean assembled.

—and are for use by the manufacturer or producer thereof—

That is the man who makes the chassis.

—and not for sale, such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada and sold—

Mr. THORSON: "And sold." That is the difference.

Mr. BENNETT:

—and the sale shall be deemed to have taken place when the goods are used or appropriated for use.

That is not the case which my hon. friend has put. A man has a factory; he manufactures one part of an automobile in one part of the factory, another part in another, and then he assembles the automobile. This clause says that this shall be deemed to be a sale of a part because the goods happen to be manufactured in Canada. As the hon. member for East Calgary has just pointed out, if you mean anything at all, you mean "not manufactured in Canada." It must be that or nothing.

Sir HENRY DRAYTON: Why does my hon. friend not simply say—

Be deemed to have been sold.

—instead of saying—

Be deemed to have been manufactured or produced in Canada and sold.

—when they have been manufactured or produced here?

Mr. STEWART (Leeds): Is this what the Minister of Finance means? We will assume that an automobile manufacturer wishes to use in his business say a dozen trucks. He does not sell these trucks, but under this legislation he shall be deemed to make a sale of them when he uses them for the purpose of his business.

Mr. ROBB: That is not the intent of the clause.

Mr. STEWART (Leeds): That is what I understood the minister to say.

Mr. ROBB: It covers only passenger vehicles. I repeat that it is intended to get after bus companies who buy different parts, assemble them, keep them for their own use, and under the act have heretofore evaded the tax.

Mr. BENNETT: Then let somebody prepare a clause that will cover what the minister wants.

Mr. EDWARDS (Frontenac): Suppose you use the words:

When chassis of any class mentioned in schedule 1 are manufactured or produced.

The minister has admitted that chassis are goods. Suppose you use the word "chassis" instead of "goods".

Mr. EULER: There is no tax on chassis. An automobile does not become taxable until it is an automobile, which means the assembling of the chassis with the other parts.

Mr. BENNETT: Chassis are goods.

Mr. EULER: But they are not adaptable for passenger use until they are assembled with the other parts. Then they become taxable.

Mr. MANION: Suppose you left out a couple of lines and let the clause read:

When goods of any class mentioned in schedule 1 are manufactured or produced in Canada—

Leave out the part modifying that.

—such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada and sold.

It simply states that when they are manufactured or produced in Canada they shall be deemed to have been manufactured or produced in Canada. Why repeat that? It has no sense as it is.

Mr. EULER: The schedule applies only to automobiles adapted for passenger use. These chassis are not automobiles at all: they are only parts until they have been assembled, and that is the process of producing them. When the assembling is done, it becomes an automobile.

Sir HENRY DRAYTON: People have been making these parts here; the sales tax does not apply unless there is a sale, and so long as they use them of course there is no sale.

Mr. EULER: Exactly.

Sir HENRY DRAYTON: Then all I am suggesting is that you simply say what you mean. Strike out the words, "be deemed to have been manufactured or produced in Canada," and simply say, "be deemed to have been sold." and then make the tax immediately applicable.

Mr. BENNETT: Does either the Minister of National Revenue or the Minister of Finance, think for a single moment that legislation of any value at all is being enacted when it is provided that if any goods are manufactured or produced in Canada they shall be deemed to have been manufactured or produced in Canada?

Mr. EULER: They are for the use of the manufacturer. You have to read it in conjunction with that.

Mr. BENNETT: That does not change it at all.

Mr. EULER: I do not think it makes any difference.

Mr. BENNETT: It makes all the difference in the world. You will not be able to collect duty under this section as it is.

Mr. ROBB: My hon. friends are both good lawyers, and for my part I am prepared to strike out the words, "manufactured or produced in Canada," so that it will read "deemed to have been sold."

Sir HENRY DRAYTON: That is it.

Mr. EULER: I move to strike out in the fifteenth line the words, "manufactured or produced in Canada and."

Amendment agreed to.

[Mr. Manion.]

Mr. BENNETT: The word "such" in line fourteen should also be changed.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Change in number of tariff items.

Sir HENRY DRAYTON: What is the effect of this?

Mr. ROBB: It is to conform with the customs schedules.

Section agreed to.

On section 5—Consumption or sales tax.

Sir HENRY DRAYTON: What is the effect of this section?

Mr. EULER: This is merely to correct an omission. Until now the wholesale licensed manufacturer who imported goods free could sell them free of sales tax, but where they were produced in Canada the sales tax applied. We want to make it clear that the sales tax applies also when he imports the goods.

Section agreed to.

On section 6—Sales tax not payable on certain goods.

Mr. EULER: This provides that we shall get the sales tax on liquors that are sold and claimed to be exported but for which no landing certificates or actual proof of export can be shown. It is the recommendation of the royal commission, and I think it is quite right. We have had one case decided in our favour in the courts, although the decision may be appealed. We claim that we are entitled to sales and gallonage taxes amounting to $5,000,000 from brewers and distillers, and we want to make certain that we do not have to go into the courts to collect what we think belongs to us.

I move, Mr. Chairman, that after the word "bond" in the twentieth line the following words be inserted, "by the manufacturer thereof."

Sir HENRY DRAYTON: I am not quite sure that I understand what the minister has in mind. I assume, in the first instance, that he does not wish to do anything to hinder the export business of Canada, and that on the other hand he wants to keep Canadian costs down so that the Canadian producer may be well equipped to meet his foreign competitor. As I understand it the position is this: Notwithstanding everything that we have been doing, the minister is still of the

opinion that a great deal of liquor is illegally exported, and it is thought that we should get our tax on it.

Mr. EULER: No.

Sir HENRY DRAYTON: If that is not the case, what else can there be in it, because there is to be no tax if it is shown that the export is legal? The section says that this is not to be applied to cases where foreign landing certificates satisfactory to the minister are produced as proof that the goods have been landed at the place designated in the export entry. I take it that what that means is simply this, that that certificate would show illegal exportation, not only illegal exportation so far as the laws of Canada are concerned—the minister shakes his head. Well then, the idea is that the department is of the opinion that notwithstanding everything that has been done towards aiding the United States in connection with their enforcement, there is still a considerable quantity of liquor illegally entering that country from Canada. Am I right in that?

Mr. EULER: No.

Sir HENRY DRAYTON: If I am not right in that, what is the object of this amendment?

Mr. EULER: The words that have just been inserted, "by the manufacturer thereof," should clear the matter up. To be quite frank, the exportations of liquor now going out of Canada at Windsor or along the border to the United States are perfectly legal, but our contention is this, and this is the crux of it, that the manufacturers, the distillers or the brewers, are not the exporters. That is exactly the point upon which the case against Gooderham and Worts was fought out in the courts a week or two ago. We contend that the goods are sold in Canada to somebody who comes from the United States to, say, the port of Windsor; and because of the fact that the sale takes place in Canada it is subject to the sales tax. That is the whole story. We want to make absolutely certain that in future we can collect that sales tax. And why should we not? The exporters of liquor and beer and ale are now paying the excise tax of $9 a gallon, which they would not have to pay if they could prove that the goods were actually exported by them. Why should they not pay the gallonage tax and the sales tax? I see no reason why they should pay one and not the other. More than that, in many cases they collect the sales tax and do not turn it in to the government. They collect that sales tax for the day when they may have to pay it by process of law, and then charge it against their income, thus escaping the income tax as well. Under those circumstances I do not feel that they deserve much consideration. When they make a bona fide export sale outside the country and send the goods out under the bond of a guarantee company, as we now demand, and show proper landing certificates—we are very careful that they are genuine landing certificates—then they are exempt from this tax, as they ought to be, because it is a bona fide export sale. But with regard to sales that go across the border—and I am not trying to interfere with export trade—we do contend—and most legal men agree with us—that when that sale is made in Canada it is subject to sales tax.

Sir HENRY DRAYTON: That puts quite a different complexion on the matter from what I understood. My hon. friend contends that a local sale shall be taxed as such and shall not be covered up by a fictitious export entry?

Mr. EULER: Exactly.

Sir HENRY DRAYTON: He is quite right in that of course. Is that covered all along the line? For example, take imports of Scotch whiskey, is there a tax on the sale after it arrives here?

Mr. EULER: There is a tax on all importations.

Sir HENRY DRAYTON: I am speaking of the sales tax on the sale that takes place in Canada.

Mr. EULER: The tax is applied on the importation. It is just a single tax.

Sir HENRY DRAYTON: Let me put it the reverse say. There is a local tax sale here. What about the man who imports this Scotch whiskey and exports it to the United States? My hon. friend here is only getting at the manufacturers. Had he not better clean the whole thing up and get after the dealers?

Mr. EULER: We get the tax on the Scotch whiskey when it comes in.

Mr. CHAPLIN: Not if it comes in in bond.

Sir HENRY DRAYTON: We get the ordinary customs tax on the whiskey coming in, and we have the corresponding excise tax on the product of our own manufacturers. Now, take the case where a man brings in the whiskey and exports it, what machinery is there to cover that transaction?

Mr. EULER: We collect the duty when the whiskey comes in. We have got our revenue out of it; we are not particularly concerned after that.

Mr. CHAPLIN: Does the minister say that on goods imported and held in bond we get the excise tax?

Mr. EULER: No, when it is cleared.

Mr. CHAPLIN: What happens when goods are left in bond for a time and then exported?

Mr. EULER: I presume the hon. gentleman is refering to goods brought in in transitu.

Mr. CHAPLIN: In the case of liquor brought into a bonded warehouse at Halifax, then shipped to another bonded warehouse at Windsor, and thence shipped presumably to the United States; what happens?

Mr. EULER: I can best answer my hon. friend by stating that all those bonded warehouses are going to be discontinued; orders have already been given for the purpose.

Mr. BENNETT: That is a good answer.

Mr. EULER: There are no bonded warehouses in Ontario.

Mr. BENNETT: Section 6 provides:

Notwithstanding anything contained in the preceding subsection, the consumption or sales tax shall not be payable on goods,—
(a) exported,—

That is, exported in bond by the manufacturer thereof. The tax would still be payable upon goods—whiskeys—exported by one who had bought them and paid thereon the customs tax and the sales tax. He is a legitimate dealer and has a right to export them; but still under this section he would be liable for another sales tax, which is just what the minister says he does not desire. Is not that the position?

Mr. EULER: No. The tax applies only on the manufacture or production of goods in this country. On the importation he pays the sales tax.

Mr. BENNETT: Suppose he sells for export again.

Mr. EULER: There is no sales tax twice.

Mr. BENNETT: There should not be; but is that not the effect of the section?

Mr. SPENCER: Could not this discussion be conducted a little louder so that all members may know what is going on?

Mr. ERNST: We did not think you were interested.

Sir HENRY DRAYTON: What about the other paragraphs?

[Sir Henry Drayton.]

Mr. EULER: They are merely re-enacted; they are already in the act.

Section agreed to.

On section 7—Reductions and refunds, etc.

Mr. EULER: The Justice department is of the opinion that the following will better express what is desired, and I therefore move that this be substituted for section 7 as it stands:

7. Section ninety-one of the said Act is amended by adding to subsection one thereof the following paragraphs:—

"(d) When a manufacturer becomes licensed hereunder, of the tax paid in respect of any partly manufactured goods on hand at the date of his license, but only when such partly manufactured goods have been used in, wrought into, or attached to taxable articles manufactured for sale and sold;

(e) When a wholesaler becomes licensed hereunder, of the tax paid in respect of goods on hand at the date of the license but only when such goods are sold. The refund shall be computed at the rate of tax prevailing at the date of the license."

When a manufacturer became licensed under the act, not previously having held a license, he had to pay the sales tax. Now he becomes licensed, and when he sells after that the sales tax is collected. Therefore it might be paid twice. Consequently we allow him a refund or credit for the tax paid in the first instance.

Sir HENRY DRAYTON: Does the main section apply for the refund or credit?

Mr. EULER: Yes.

Mr. BENNETT: Has the minister added any exceptions to the sales tax this year by order in council?

Mr. EULER: None that I can recall—none whatever.

Amendment agreed to.

Mr. EULER: We disposed just now of the sales tax on liquors which are evidently exported, but we have omitted to include the gallonage tax. I presume the committee will accept the following amendment:

That the following be inserted as section 8:
Subsection 3 of section 80 of the said act is repealed and the following substituted therefor:

(3) Notwithstanding anything contained in this section such excise tax shall not be payable when such automobiles or cigars are exported under regulations prescribed by the minister. The tax imposed by this section shall be payable on ale, beer, porter and stout unless such goods are exported in bond by the manufacturer thereof and foreign landing certificates, satisfactory to the minister are produced as proof that said goods have been landed at the place designated in the export entry.

Sir HENRY DRAYTON: Are we getting automobiles mixed up with illegal liquor shipments?

Mr. EULER: When automobiles are exported there is a drawback.

Sir HENRY DRAYTON: Is there any change in regard to automobiles?

Mr. EULER: No.

Sir HENRY DRAYTON: The whole effect is to apply the gallonage to this item under which the minister thinks we have been losing revenue?

Mr. EULER: That is all.

Amendment agreed to.

Mr. EULER: I have another amendment; as section 9:

That subsection one of section 106 of the said act be repealed.

In 1927 a provision was passed whereby a penalty of five per cent was imposed upon those who did not make their sales tax returns each month. We find it impossible to calculate what the penalty should be until there is actually a sales tax return. The provision is not a very practicable one, as we have discovered, and we are therefore repealing it. There are still two penalties left. In the first place we can proceed in the courts against the man who does not or will not make a monthly return; he can be fined. In addition to that there is the penalty of two-thirds of one per cent per month, or 8 per cent per annum for failure to pay so long as he does not pay. That is all. We are really reducing the penalty somewhat, but we have still the power to proceed and to fine a man for refusing or neglecting to make his returns. And of course there is the further penalty—if you care to call it a penalty—of interest at the rate of 8 per cent per annum.

Sir HENRY DRAYTON: This might be an appropriate occasion for the minister to let us know how he is getting on with the sales tax. We know from what has taken place in the past—I confess I am not at all up in the recent history of the matter—that some people altogether escaped paying the sales tax while the honest merchant was at an absolute disadvantage in comparison with a dishonest competitor. There was a large percentage of firms who, to say the least, were not very much troubled. My hon. friend, I know, wants to remedy that and I hope he is getting along pretty well in his endeavour. Perhaps he will tell the committee how the matter stands in regard to arrears. I refer particularly to the arrears shown in Montreal, for example, in 1926. What has my hon. friend done?

Mr. EULER: I cannot at the moment give the exact figures, but perhaps I might tell the committee what we have done or tried to do. There were considerable amounts in arrear, some dating pretty far back, running into millions, in which must be included, of course, sales tax arrears against manufacturers of liquors and beers and wines. These are now in the courts. Excluding these, there is possibly still in arrears the sum of $2,000,000. It was considerably larger than that, as a matter of fact. As I explained in the house last year, we found it very difficult promptly to collect all arrears. In some instances they had been outstanding for so long a time that some of the firms concerned had gone into bankruptcy while others were absolutely unable to pay. So that our only hope of obtaining these revenues was to nurse them along and do the best we could with them. But we do not accept the statement of any business man that he cannot pay; we do not just take that at its face value. We send in auditors and fix the amount we think he can pay, and we see to it that he does pay. That is all so far as arrears are concerned. But we have made some changes to ensure that there shall be no further accretions to the arrears. All those liable to account for sales tax must make their payment at the end of the month succeeding the one in which the sale was made. If the sale was made in July the return and payment must be made by the end of August, and if the business man does not make that return he is prosecuted. If he does not make his payment by about the middle of the month he is given notice and requested to pay, but we do not waste a great deal of time. If he does not pay by the fifteenth of the month he is promptly sued for payment. There was some objection at first; the measure was thought rather harsh. It is working out pretty well, however, and I can assure the committee that we have not made one single exception. We take action promptly and invariably with regard to what we call current arrears.

Mr. BENNETT: Within what time do you take action?

Mr. EULER: Within about fifteen days.

Mr. CHAPLIN: Is it necessary to give thirty days beyond the end of the month?

Mr. EULER: The statute provides that we must give thirty days' notice. Possibly that might be changed, but that is the present regulation. And within about fifteen days action takes place.

Mr. CHAPLIN: Let us take a concrete example of goods having been shipped in the first ten days of the month. Do you give the man thirty days' notice beyond the end of that current month? That would mean fifty days. That is altogether too long; it is longer than a reasonable business house gets even with a cash discount. Goods that are ordinarily sold are sold on from fifteen to twenty days. I submit the time is entirely too long.

Mr. EULER: As a matter of fact most of them thought it was short enough, but I am quite prepared, if the committee thinks it advisable, to make the term shorter. It is working satisfactorily now. As the act stands to-day it is provided that the tax shall be paid not later than the last day of the first month succeeding that in which the sale was made.

Mr. CHAPLIN: I have suggested a concrete example. On goods sold in the first ten days of this month, April, the tax need not be called for until thirty days after the end of April.

Mr. EULER: That is, the end of May.

Mr. CHAPLIN: Yes, and that in my opinion is ridiculous.

Mr. EULER: My hon. friend should take the month as a whole. Suppose the sale were made on the thirtieth day of April, as undoubtedly some sales will be made. It does not seem to me unreasonable to allow until the end of May, and that is only thirty days.

Mr. CHAPLIN: Most people in business pay twice a month, on the fifteenth and at the end of the month. Nearly all the merchants my hon. friend mentioned will pay that way, and that is the proper way for the department to collect the money.

Mr. EULER: Offhand I should say that if a sale is made on the thirtieth day of the month it might be rather hard to expect them to pay for the full month at the end of the thirtieth day, when perhaps they have not even made up their sales for the month.

Mr. CHAPLIN: If the minister would just follow me on the question of the fifteen days, it means that on the sales made from the first to the fifteenth of the month the money does not have to be paid until the end of the month, while on the sales made between the fifteenth and the thirtieth, the money is paid on the fifteenth of the month following.

Mr. EULER: On most seasonable goods credit is given for ninety days, and sometimes for as long as six months.

[Mr. Euler.]

Mr. CHAPLIN: I would like to know where that is done; those people will not be in business very long. Most of the goods I have anything to do with are sold on a credit of ten days.

Mr. EULER: I should like to add that 97 ports out of 149 have absolutely no current arrears at all, and in the other cases steps are taken immediately or almost immediately to ensure that the amounts are collected. I have gone on the assumption that the concern which cannot pay its current sales tax is hardly worth nursing along; the tax is fair and should be paid promptly. We have reduced the old arrears considerably, and we are proceeding fairly satisfactorily with the remainder, doing the best we can.

Sir HENRY DRAYTON: My hon. friend does not quite get the point. This is not an ordinary matter of business at all; it is not any question of having time within which to get in your profits and look after your business and all that sort of thing. This money does not belong to the trader at all; it is received by him in trust. The money belongs to the country and should be paid at once; these accounts should not be allowed to run along at all. We have emphasized this principle time and time again. I know my hon. friend has a great many things to take care of, but I would make a suggestion to him. I do not know exactly how this is being enforced now; I do not know whether it is being enforced in the way the income tax can be looked after, simply by a certificate of non-payment with an execution issued offhand. There should be no need of going to court at all; there should be no delays of that kind. This money should be collected simply on the certificate of default, with no court standing between the people and their money. There is a great distinction between this money and ordinary commercial debts; here we have simply a trustee who collects for the people and who has no right to hold the money he collects; he should pass it on at once.

Mr. MALCOLM: I should like to make an observation in connection with this question. I think my hon. friend is rather severe when he speaks of this as trust money, it is trust money when the manufacturer collects it, but not until that is done; he holds nothing in trust until he gets it. With respect to what the hon. member for Lincoln (Mr. Chaplin) has said, probably in his business, goods are mostly sold at ten and fifteen days, but there is a tremendous amount of business in this country which is billed at the thirty days

first following. I know of a good many businesses running into millions of dollars where these are the shortest terms given a customer, and where a man collects sales tax for the Dominion of Canada without any recompense for the bookkeeping he has to do or the accounts he loses together with the sales tax. The thirty days first month following is not too long to give him. In some large businesses the terms may be ten and fifteen days, but in a great many concerns they are thirty days. In the dry goods business, selling for spring or fall delivery, and in the business in which I am engaged, the usual terms are ninety days, with the cash discount, to induce people to buy seasonal goods ahead of time. I do not think the thirty days first following is too long, taking the average of Canadian business, considering that the manufacturer collects this tax with no payment for the bookkeeping he has to do, and also taking into consideration the fact that he gets no return for his losses.

Sir HENRY DRAYTON: But the tax is not payable until it is collected.

Mr. MALCOLM: It would be if it were paid as rapidly as my hon. friend from Lincoln suggests.

Sir HENRY DRAYTON: Not at all, this is not a matter of commercial credit being given or withheld. As I understand it, it is the duty of the manufacturer to pay that money when he collects it, and he collects it at once.

Mr. EULER: No, it does not matter when he collects it; he has to pay it in the time given.

Sir HENRY DRAYTON: Then this is reasonable.

Mr. BENNETT: Nothing could better illustrate the undesirability of this tax than the discussion which has taken place this evening. It illustrates clearly that the only form of taxation which should be imposed to meet this situation is a turnover tax, if you have regard to that kind of tax at all. The point made by the hon. member for West York is one which I think might well be acted upon by the minister. Whether it be thirty days, sixty days or ninety days is not important, but he should have the power to ask for a writ of execution merely on a certificate, to receive the money which is being improperly retained in the hands of the man who has collected it.

Mr. EULER: In what court would you proceed?

Mr. BENNETT: The Supreme court of the province. The old writ of sequestration, which was issued at the instance of the crown for the purpose of gathering in all the property of a man indebted to the crown, is an illustration of the principle referred to by my hon. friend. How many cases are now outstanding; how many actions are now outstanding; how many suits have not been concluded, and how many efforts are being made to collect moneys due the crown? Over $2,000,000 is owing this country at the moment for sales tax.

Mr. EULER: There are between 500 and 600 actions pending in the courts.

Mr. BENNETT: My hon. friend has answered my question; there are 500 or 600 actions pending in the courts. Imagine the crown with that many actions in hand to recover money belonging to the crown! The old laws of a hundred years ago permitted the crown to take immediate and summary action with respect to matters of this kind. Immediately the money is actually in the hands of the person liable to pay he should be made to pay, for he is only a trustee with respect to that money. What the Minister of Trade and Commerce said is equally true; it is not right to harass a man to pay money he has not received.

Mr. EULER: How would you distinguish? You cannot audit every statement.

Mr. BENNETT: Surely you can rely upon the honour of the man if, when the time comes to recover the money which is not paid within a given time, you simply say, "Well, we propose to issue a writ of execution which will either bring us the money or a satisfactory reason why we have not received it."

Mr. EULER: How would you know when the manufacturer or the wholesaler received the money?

Mr. BENNETT: By his own return.

Mr. EULER: He would not make a return of every individual sale. The terms may vary according to the different firms; one firm may give sixty days while another firm gives thirty, yet you must have some sort of uniformity in your system of collecting.

Mr. BENNETT: My friend has not yet grasped the point. As soon as the money is in the hands of the manufacturer it belongs to this country; that is the point. What happened during the days when I knew a little more about these things than I do at the moment? There was one firm in Toronto, for instance, which owed this country vast

sums of money. I am not sure that it has not since gone into liquidation. Had there been an efficient and effective control over that matter, that condition could not have arisen, because it was a business in which they got their money right at once. I do not want to mention their business. It was practically a cash business—cash within thirty days; they got that money from their customers, and, as the minister says, they set up their reserves and that kind of thing; then when the time came that the government wanted their money, the company wanted it in their business. The way to deal with such a case is in the summary method which is at least two hundred years old, by the issue of a writ of sequestration. The Postmaster General (Mr. Veniot) will remember that in New Brunswick the writ of sequestration was applied. I was a young man then and acted for the government there. The same principle could be applied here, the writ of execution where the minister is satisfied that the money has come into the hands of the company. I do not like this matter of paying five or six hundred lawyers. You recognize that lawyers all over the country are employed if they are favoured. If my information is correct, there are a vast number who should be sued, but who are not.

Mr. ROBB: There does not appear to be much difference between us on either side of the house as to the desirability of collecting the tax promptly. I think it is fair to my colleague the Minister of National Revenue to say that the arrears that we have been recently discussing and the number of lawyers employed in collecting those arrears are not due particularly to business since the minister took possession. I agree with the leader of the opposition as to the desirability of getting rid of this sales tax as rapidly as possible, and that is the policy we are proceeding upon.

Amendment agreed to.

On the title.

Mr. BENNETT: Might it not be well to consider adding a section such as has been suggested by the member for West York, and leave the bill in committee?

Mr. ROBB: I suggest that we let it come out of committee, and then if we want to amend it, we can do so on the third reading.

Mr. BENNETT: No; if it is done that way the bill would have to be reprinted.

Progress reported.

[Mr. Bennett.]

DEPARTMENT OF NATIONAL HEALTH AND VETERANS' WELFARE

PROPOSED AMALGAMATION OF DEPARTMENTS OF HEALTH AND SOLDIERS' CIVIL RE-ESTABLISHMENT

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment) moved that the house go into committee to consider the following proposed resolution:

That the Department of Health and of Soldiers' Civil Re-establishment be amalgamated in a single department to be called the Department of National Health and Veterans' Welfare, presided over by a minister of the crown; that the powers and duties of the minister be defined; and provision be made for the appointment of a deputy minister, the making of regulations, and the employment of such other officers, clerks, and employees as may be deemed necessary.

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

Sir HENRY DRAYTON: I think the minister might make some explanation. I would like to know what the idea really is. We now have a committee with very wide powers inquiring into what ought to be done in the interests of the soldiers. Has the minister considered having this question dealt with by that committee? The soldiers' re-establishment is a long way off from being completed. It might be well for the minister to consider the advisability of getting whatever light he can on this subject from that committee, which is now functioning.

Mr. KING (Kootenay): The resolution is along the line of the suggestion by His Excellency on the opening of the session, that the departments of Health and of Soldiers' Civil Re-establishment be amalgamated into a single department to be known as the Department of National Health and Veterans' Welfare. The Department of Soldiers' Civil Re-establishment came into being in 1918, with a view to assisting the men who were then returning from overseas to re-establish themselves in civil life. Shortly after the war ended the department absorbed the Military Hospitals Commission and took over its functions. A little later they took over largely the staff of the Pension board and have been functioning accordingly. The experience of the last few years would indicate that the work of the Department of Soldiers' Civil Re-establishment to-day is to a great extent that of health activities in reference to those men who were disabled overseas. It is true there is still some work being carried on in the matter of re-establishment. It is proposed by this amalgamation to maintain for a time at least

the veterans' bureau as a unit within the Health department, and the work will be continued probably along the lines followed from its beginning. The work of re-establishment, the work of administration as far as the Pension board is concerned, and the treatment of the vet shops, which as a matter of fact is health work, will be continued in the veterans' welfare bureau. As far as the bill itself is concerned, if when it reaches the second reading it is the view of the house that the matter is of such a character that it should be referred to the committee now dealing with soldier matters, I shall be very glad to accept that suggestion and have it so referred.

Mr. CLARK: I would like to ask the minister the reason for the word "national" coming into the name, and why change the name from "Soldiers' Re-establishment" to "Veterans' Welfare"?

Mr. KING (Kootenay): I think my previous remarks dealt with re-establishment. As a matter of fact the department to-day is really a welfare department dealing with pensions, hospitalization and vetcraft work, which is a form of treatment, and some consideration was given to the question of changing the title. In amalgamating the two departments we felt that if we could call the new department the Department of National Health and Veterans' Welfare, that would probably meet with the view of parliament and also of the country generally.

Mr. LADNER: Does the minister not think that the term "Veterans' Welfare" might imply some sort of charitable organization? Would it not be better to have such a name as "Soldiers' Affairs," or something more proper and dignified and indicating in a better way the real purpose of the department? After all, the department will have to carry on a good deal of work which is not really welfare work as that is understood. The term "welfare" has a popular meaning, and it seems to me both undignified and hardly applicable to the business which the government has to do with respect to ex-service men and soldiers generally. It would be far better to use a name such as—and this has just come to my mind offhand—Department of National Health and Soldiers' Affairs, or Department of Health and Soldiers' Affairs. I think the minister will find, when he gets his bill through and the measure comes before the public, that the name "Veterans' Welfare" is not as appropriate as some others.

Mr. CLARK: I concur entirely in the view of the hon. member for Vancouver South, except possibly as regards the name "Soldiers' Affairs." I see no reason for changing the present name.

Mr. LADNER: I concur in that.

Mr. CLARK: I understand this department will still embrace pensions?

Mr. KING (Kootenay): Yes.

Mr. CLARK: How is that veterans' welfare? It is not a dignified name. The designation should remain as it was, because "Department of Health and Soldiers' Civil Re-establishment" is a dignified name and one generally understood by the country. I see no reason for inserting the word "national". After all no one can have any doubt that the Department of Health refers to the health of the nation. Why not insert the word "National" before "Finance", before "Trade and Commerce", before "Agriculture"? For instance, why not have the "Department of National Interior"? We might just as well have National Secretary of State and so on, as the Department of National Health. There is no distinction whatever. This department obviously applies to the health of the nation and the word "national" is superfluous. To change the name from "Soldiers' Civil Re-establishment" to "Veterans' Welfare" would not be of any assistance in dealing with soldiers' problems. The old name is one recognized by the soldiers generally and it should not be changed to a name which, as my hon. friend has just said, implies something in the nature of charity.

Mr. KING (Kootenay): It does not. I think it is important to adopt the designation, "Department of National Health," because we have provincial health departments in every province. It could be called the Dominion Health Department or the National Health Department. It is different from the Interior department and other departments of government and I think the change is warranted. I cannot see any great advantage to anyone in continuing the term "Soldiers' Civil Re-establishment", which is a long, cumbersome name, and one which does not to-day represent the activities of the department, because, as I have said, the major activities are not those of re-establishment. The name does not matter so much. The proposed name has been before the public for some months now and I have not heard through the press or correspondence any objection to the term "Veterans' Welfare." It should not be intimated for a

moment that that name would indicate the setting up of a charity department. That is not the intention.

Mr. LADNER: Have the public really been apprised of the term "Veteran's Welfare?" I for my part did not know of it until I heard it to-night, and I think ninety-nine per cent of the people do not know of it.

Mr. KING (Kootenay): It is rather surprising that my hon. friend has not taken the trouble to read His Excellency's speech, because it is set out there that such was our purpose.

Mr. LADNER: I know the source of the speech.

Mr. KING (Kootenay): One would have expected that my hon. friend, who is usually well informed, would be informed in that regard.

Mr. LADNER: Is there any objection to using the expression "Soldiers' Affairs?"

Mr. MACKENZIE KING: That might be ambiguous.

Mr. LADNER: It certainly has not the implication of the term "Veterans' Welfare."

Mr. CHURCH: This amalgamation is not in the public interest. It will work out as a department of all health and no soldier. The public is disappointed at the way in which the soldier has been bandied about by this government. He was first tacked on to the Department of Militia. Then the government made a football of him, creating a new department, a Department of Soldiers' Civil Re-establishment. Sometimes the minister of that department was here; sometimes he was an absentee landlord. Now it is proposed to have a health department and to tack the soldier on to that. The government are making a political football out of him, and no economy will be effected by the proposed change. If there is to be a department it should be a department of returned soldiers. The returned soldier has not been treated as he should have been by the various governments that have represented the people of Canada. It takes months and months to get a soldier into a hospital. Some time ago I sent forward a letter from the Reverend Canon Skey, one of the leading Anglican rectors in the diocese of Toronto, requesting that some poor returned soldier who was out of his mind should be put in the Christie street hospital in my constituency. This man's wife had to go out to work. After the home had been visited on several occasions by the canon and others, it was felt that the returned soldier, who was suffering in body and mind as a result of the war, should be in the Christie street hospital. I wrote to the minister, but he was out of town. I wrote to the deputy and I received a reply that I could apply to the Board of Pension Commissioners, or some other high court of justice, or the privy council perhaps, and all that red tape before anyone had any power to take any action. We have to-day a proposed amalgamation. It seems that the returned soldier is the only agency to which the government will apply economy, although they are spending money like water in the Department of Public Works. Along the St. Lawrence river you can see a wharf almost every mile, and if anybody has not got a wharf in Ontario and Quebec he must have been derelict in his duty; but when it comes to effecting economies, the economy is always against the poor returned soldier. This wonderful Department of Health which is to be amalgamated with Soldiers Civil Re-establishment, what does it do? As a matter of fact most of the health work is done by the municipalities and by the provincial governments. It is they who maintain the hospitals, and when an epidemic comes along this government gets off scot-free and the work is shunted off on to the provinces and the municipalities. In the city of Toronto there are thousands of returned soldiers out of work, and they are going in hundreds across to the United States, having been driven out of Canada by the economic and soldier policy of this government. In my constituency and in every constituency in Toronto a soldier has to pay a dollar and join the Liberal ward association to get a job even as a temporary clerk in the post office at Christmas. Now these departments are to be amalgamated under the high sounding name of National Health and Veterans' Welfare. In my opinion this new department is nothing but camouflage, but let me tell the minister that you can fool the returned soldiers no longer. The returned soldier is becoming sick and tired of being bandied about by this government from the customs to the post office from the Department of Soldiers Civil Re-establishment to the Civil Service Commission, and having to pay a dollar and join the ward association in order to get a temporary job at Christmas. A returned soldier could not be employed in the Toronto post office at Christmas unless through a Liberal patronage committee.

The returned soldier is made a political football of in Canada, and if there is one class of people for whom a separate department should be created and maintained, no matter what the cost, it is the returned soldier. But

he is the only person the government economises against to-day, at the expense of his health, at the expense of having no grave in which to rest his bones in the cemetery unless he pays a dollar and joins the ward association.

There will be no economy effected by this amalgamation. This new department is to be presided over by a minister of the crown, and no doubt it will be a nice easy department to preside over. All the minister will have to do is to attend the sittings of parliament, and then take a trip home, and let the deputy minister and the assistant deputy and a great retinue of officers and clerks carry on in the recess at the expense of the returned soldier. There will be an absentee landlord presiding over this high sounding amalgamation and conglomeration. Good-by and good night to the returned soldier if anything will be accomplished in his interests by such an innovation as this. No doubt under this new department the returned soldier will continue to get all the pick and shovel jobs, for that seems to be the favourite job which is handed out to the returned soldier, but when it comes to appointing someone to the senate, what a difference! Some young gentleman who served in the ward associations and not in the war is given the preference, and it is the same with appointments of judges. You talk about increasing the salaries of judges, but I ask what about giving some greater measure of compensation to those who risked their lives for the benefit of Canada and are now suffering in the poorhouses in the city from which I come, where they have to pass the hat around and hold tag days to get enough money to tide the returned soldiers over the winter months of the year.

Here we are considering a resolution to amalgamate the Department of Health with the Soldiers Civil Re-establishment into one single department, no doubt with a single object—to wipe the returned soldier off the map altogether. We can spend two and a half millions for the care of cattle, and millions more to put down bug and insect pests and hog cholera, but not a five dollar bill when a soldier gets sick. He goes to the hospital and cannot get medical treatment. I know dozens of men who have been turned away from the hospitals. I wrote to the chairman of the committee on pensions—I wish they were all as good as he is—regarding a deputation that was ready to come down from the city of Toronto, and I was told that the committee had no time to consider their memorandum of complaints which had been sent on to me as the representative of this soldier constituency of Toronto Northwest, which includes the Christie street hospital, asking for reforms at the hands of this parliament. The committee had no time to consider their memorandum, but we have lots of time to discuss an amalgamation that, so far as the returned soldier is concerned, will not amount to anything, and you might just as well let him depend on charity, as he has to do very largely in the district from which I come. In the city of Toronto they have had to open soup kitchens for the unemployed and appeals are being made by different missions, including the Revillie one, which are seeking money from the business men in order to provide the returned soldier with a loaf of bread and clothing to cover his body over the winter months. On the front page of a recent edition of a Toronto paper you will see an appeal signed by the secretary of one of these societies and the Poppy day Committee asking that cast off clothing be sent to such and such an office, because there are many children of returned soldiers who have not enough clothing. If there is one department that should be a department by itself, presided over by an active minister who will give all his time to the work, it should be a department that will look after the welfare of the soldiers from coast to coast. They are dying off by hundreds and thousands every year, and the economic policy that is being followed by this government is depriving them not only of a living but of a pension as well. I was told by some of the Toronto university graduates who have just returned from the Olympic games that there is hardly anybody in Germany out of work. While we are talking about peace resolutions and all of that, Germany is taking care of her veterans. In Germany the veteran does not need to work at all. Doctor Hudson, a very fine young doctor of the Varsity team, told me he talked with many men in the city of Berlin, and they told him that their soldier policy was this, that all the veterans who fought in the late war were retired on a pension. The able-bodied young men are given employment under an arrangement by which in the event of trouble they are to be ready to enlist and go to the front again, but the veterans get a pension equal to their civil pay. In Canada from 25 to 30 per cent of our returned soldiers get no pension at all. Many of them are not 100 per cent efficient and cannot get work. They are out of work to-day in the Toronto district through no fault of their own. I protest against such economy. I say it is false economy, and the public do not ask for that kind of economy. If there is one place where economy is being practiced by this govern-

ment to-day, it is against the returned soldier. In my opinion the health department should be an active department by itself. This country with only one-eleventh the population of the United States has about seventeen government departments as against seven or eight active departments in the republic. I wish to protest against this amalgamation. It is not in the public interest, and first and last it is not in the interest of the returned men.

Mr. ADSHEAD: There is no one in the house who has a warmer spot in his heart for the returned men than I have, and I may be permitted to answer my hon. friend who has just taken his seat (Mr. Church). The returned soldiers' committee of which I am proud to be a member is sitting on the cases of returned soldiers, and, irrespective of party, the members of that committee are endeavouring to bring in a report that will in every respect do full justice to our returned men. When we have brought in our recommendations, should the government see fit to reject them, then would be the time to condemn them in the terms which my hon. friend has employed; but until that time arrives and we have fully considered what shall be done in justice to our returned soldiers, I think such condemnation is premature.

In my opinion the title "Veterans' Welfare" savours too much of charity. Only today I received a letter from the city of Calgary asking for a small contribution to the Board of Public Welfare, which deals with charitable cases. Perhaps the returned men themselves might be able to suggest a better name. At any rate for the time being I would suggest to the minister that the title be held in abeyance until a more suitable name is forthcoming. As regards the other portion of the title of the proposed amalgamation, "National Health", I think it is wisely chosen, because there are already provincial departments of health.

Mr. MANION: I wish to support what has been said by hon. members with regard to a change of the proposed title. I do not see any advantage in the word "National"; I think it is superfluous. In my opinion the title might very well be cut down to "Department of Health and Soldiers' Re-establishment." This title would be appropriate to the two branches forming the amalgamation, and would be recognized by the soldiers themselves as a continuation of the department that has carried on in the past. I am disappointed in one feature of this proposal—it does not bring about any economy. Some time ago I pointed out that there was an increased expenditure in the two departments of some $35,000 although they are under one minister. I presumed they were united for purposes of economy, but, as is so characteristic with this government, no economy of management has resulted so far. I think the minister should decide without further discussion to pass the whole matter over to the committee dealing with returned soldiers' problems so that it may be fully considered by them.

Mr. BLACK (Yukon): Has any demand been made by the returned men's association for this change of title to "Veterans' Welfare"? I would suggest to the minister that the soldiers' branch of the amalgamated department being the most important, if the present title must be changed the new united department should be termed "Department of Soldiers' Re-establishment and Health."

Mr. KING (Kootenay): I am desirous of getting a name that will be appropriate to a department of the character now proposed. I notice that in 1918, when Sir Robert Borden introduced the measure to bring into being the Department of Soldiers' Civil Re-establishment, he stated that within a reasonable number of years it would probably go out of existence altogether. There is a feeling that we have arrived at the stage where this department could be amalgamated with the Department of Health and the two departments thus made more helpful to the whole organization. I suggest that the resolution be allowed to carry, and when the bill based thereon reaches second reading we can discuss the title and other matters pertaining to the amalgamation.

Mr. MANION: That is distinctly on the understanding that the name which appears in the resolution will be open to discussion?

Mr. KING (Kootenay): Yes.

Mr. ROSS (Kingston): I think there is something altogether wrong in this resolution, because this is not a department of national health; that is, it cannot interfere in any way with provincial jurisdiction.

Mr. KING (Kootenay): It covers national health matters, that is all.

Mr. ROSS (Kingston): Will the minister explain how he could have interfered in the recent typhoid epidemic in Montreal, which was a menace to the health of the whole Dominion? I agree that there should be a federal health department, and if it is possible so to constitute it without interfering with provincial jurisdiction, I am agreeable to its

formation; but I fail to see how it can be made to function effectively. In these days an epidemic of typhoid fever or any other disease is a crime, and with all the scientific machinery now at our disposal it is inexcusable if more than a few days are required to find out the source of the epidemic. But I repeat, this Department could not interfere with provincial jurisdiction, and consequently the title "department of national health" is a misnomer. In the second place I object to the proposal to make the Department of Soldiers' Civil Re-establishment secondary to any other department of government as is being done here. When you associate it with this other department you are thinking of the enforcement of narcotic regulations and laws governing other offences and not of the real interests of the returned man. I believe also that it was promised, when the Department of Soldiers' Civil Re-establishment was formed, to keep it separate from any other department. In my opinion that department and its work should be independent of any other; nor should it be hidden under any other name. The department should be held prominently before all the people of the Dominion, and to make it an adjunct of a department of national health—to christen it at this late date a department of "veterans' welfare" —is to take a step in the wrong direction.

The work of soldier re-establishment has not diminished except to a very small degree. I do not know what departments are wiped out or are proposed to be wiped out by this bill, but I certainly think that this particular department should be kept prominently before the country. The mere fact that there is a special committee of the house to consider its affairs is sufficient proof of its importance. I therefore again emphasize the desirability of keeping it independent of any other department. I should like to know who suggested that the affairs of the returned soldiers should not be considered by a special committee or that a special committee had not the time to deal with them. The members of the committee have not taken that stand. One man is as important to us as a dozen or a hundred; the case of one man is as worthy of consideration. I think it is a mistake to proceed with this resolution; I do not believe it is popular. Some little investigation held here —I wish it had been under better auspices— may have been the reason for introducing this measure, but in my opinion the Department of Soldiers' Civil Re-establishment is important enough to give it precedence; nothing has been shown to warrant its being made secondary to any other department.

Mr. GEARY: May I add to what the last speaker has said an expression of my own feeling to the same effect. If the minister would drop this resolution for the time being and let it stand on the order paper, considering the various changes that have been suggested, I think he would be doing a wise thing. "Veterans' Welfare" is not a proper name to give the department, and the men do not want it. Why talk about veterans' welfare? They are not getting charity.

Mr. KING (Kootenay): It is not intended as charity.

Mr. GEARY: But the implication is there in the use of the word.

Mr. KING (Kootenay): Not at all.

Mr. GEARY: Of course it is. And it is an Americanism. Veterans' welfare, like community welfare, and other terms of that sort is an Americanism, and one that carries in the public mind implications which should be avoided in connection with the veterans and their affairs. I do not suggest another word, but I do suggest that the minister would be well advised to see whether he could not think of something more appropriate. Moreover, I do not think that an important department such as this, affecting so many men, women and children, should be tacked on to any other department. If you want to have two departments presided over by one minister, well and good. It would not make any difference in expense if the two were managed under one minister, but to amalgamate the two departments would be to do something which would be resented. The fact that they were tacked on as an adjunct to some other department would not meet with the approval of the veterans, who are entitled to feel that their affairs are administered by a department concerned mainly with their interest. So far as the words "National Health" go, I do not know what national health is. It is a wide term that might be applied to the people of Canada as a whole rather than to the people of any particular province or city. But if you were to speak of city health I do not know that anyone would understand you, unless perhaps you had in mind something having to do with drains or sewers or public undertakings of that sort. It is sufficient to have a "department of health"; you need not limit nor extend the term. Certainly you do not so by prefixing the word "national." If the minister would take the matter under advisement with a view to meeting some of the objections that have been advanced, I think it would be satisfactory for the moment.

Mr. KING (Kootenay): I suggest that we pass the resolution and allow the bill to have its first reading, and on the second reading of the bill the question could be discussed. If it were the wish of the committee then to change the name it could be done. The resolution deals merely with the amalgamation, which is a proposal of the government, and which I have no doubt will receive the support of the house.

Mr. LADNER: If we pass the resolution as it stands do we not thereby adopt the name?

Mr. KING (Kootenay): The name could be changed in committee on the bill.

Mr. LADNER: Why not change it now?

Mr. KING (Kootenay): Not to-night.

Mr. CLARK: If what the minister says is correct, and if he desires the resolution to carry to-night, then he should have gone further and proposed the elimination of the words "to be called the Department of National Health and Veterans' Welfare." Then the resolution would read:

> That the Department of Health and of Soldiers' Civil Re-establishment be amalgamated in a single department presided over by a minister of the crown.

If that were done the name could be chosen in committee on the bill. If however the minister insists, as apparently he is insisting, on the retention of the words I have quoted, then it is no longer a question with him of finding a suitable name, inasmuch as he is asking us to endorse the proposed title, which we are not prepared to do. I feel there is unanimity in the committee in opposition to the present name. Furthermore, the hon. member for Fort William has raised a vital point which has not been referred to by the minister. I assumed, when there was to be an amalgamation of two very important departments, that the result would be greater efficiency and considerable economy. But apparently no economy can be effected; rather, an increase in expenditures will be the result. I see the minister shakes his head, but the suggestion has been made twice by the hon. member for Fort William and has never been controverted by anyone on the other side of the house. Indeed, the hon. member says that the estimates show it. It seems obvious that if no economy is to be effected there is no advantage in amalgamating the departments. Surely greater efficiency can be secured in connection with soldier re-establishment in a single department than in one which embraces two departments. This I consider a very vital matter and the minister has not discussed it. When I made some remarks a little while ago the minister said that the word "national" was necessary inasmuch as there were departments of health in the provinces. It is true there are provincial departments of health. But there are departments of agriculture in the various provinces. Why not introduce a bill to change the name of the Department of Agriculture to that of "the Department of National Agriculture" so as to distinguish it from the provincial departments? If the minister's suggestion is sound it must mean that the provincial departments of health are overshadowing that of the Dominion. It must mean that, and surely it is a sign of weakness when we have to add the word "national" to bring to the attention of the people the fact that there is a Department of Health in Ottawa. Why not also introduce an act to change the name of the Prime Minister to that of "National Prime Minister?" There are prime ministers in the provinces also?

Some hon. MEMBERS: No.

Mr. CLARK: Why not? It is the same principle. That applies to all the departments, and I suggest that if the minister is sincere in his desire to pass this resolution, these words should be dropped. He should also justify the amalgamation of these two departments by showing that some economy will be effected and that greater efficiency will result.

Mr. KING (Kootenay): The question of the name is open for discussion, and as I said before it is my desire to secure a name which will be suitable and which will properly indicate the functions of these two departments. I wish now to establish the principle of amalgamation. In regard to economies, these will result very considerably in the work of administration. It is true that the estimates which have been tabled do not show these economies, because the estimates were made up prior to the work of reorganization and amalgamation. That will be made plain when the estimates come up, and possibly on the second reading of this bill.

Mr. MANION: Does the minister suggest that when the estimates are being dealt with some reductions will be made?

Mr. KING (Kootenay): Yes, if the house thinks it wise; as yet we do not know what the economies will be, because the reorganization is not complete. We know that a considerable saving will be made in our audit branch, but a reorganization of this character

takes a very considerable time. If it is the desire of the committee we might amend the resolution by striking out the words "National Health and Veterans' Welfare" for the present, and when the bill is in committee a name will be substituted which we trust will meet with the approval of members on both sides. I think we are all in agreement that if we accept the principle of amalgamation it is desirable to secure a name which will appeal to those interested in the work to be done.

Mr. KAISER: I have every sympathy with any and every effort put forth by the Dominion of Canada to make the path of our returned soldiers easier, yet I think that the government should begin to see the importance of national health. During the greater part of my life I have been connected with public health work, and I claim that our country has not even a vision of what can be done by an aggressive, well conducted and well versed department of health. Canada to-day spends about 35 cents per capita on public health, while in order to have efficient service an expenditure of about $2.50 per capita is required. That simply shows the great gap between what we are endeavouring to do now and what might be done. I have been very much impressed by the remarks with regard to the recent epidemic in the city of Montreal. If the Dominion government had had a means of marshalling the forces of the country to grapple with that epidemic, the very serious situation which existed never would have come about. We should have a department of epidemiology. The infant mortality and maternal deaths in this country are simply startling; there is sufficient work in either of these branches of the work to call for aggressive action. I would prefer to see the Department of Health absolutely separate, to take over the matter of national health in line with what other countries are doing. I think there is sufficient work in this Dominion to keep that department busy if they would only buckle down to it.

Mr. EDWARDS (Frontenac): I am glad the minister has agreed to leave out for the present the suggested name of this new department, because it does not ask us who vote for the legislation to commit ourselves to that name as would be the case otherwise. The objections which have been raised are very strong; at all events, they appeal to me as being such, but I am not prepared to accept the idea of amalgamation, and I wish to express my opposition to that. From the standpoint of the amount of money which necessarily must be expended in looking after the soldiers of this country and from the standpoint of the number of individuals directly or indirectly involved, which would include the women and children connected with returned or disabled soldiers, this department should stand alone. It should be a separate department with a minister and a deputy minister of its own. Under this proposed resolution the deputy will be deputy minister of Health and deputy minister of Veterans' Welfare. As far as the deputy minister of Health is concerned I do not think we could do better than the gentleman who occupies that position at present; he is certainly a very competent man, a medical man as you would naturally expect. I do not wish to place any limitation on his ability; probably he would efficiently fill the position of deputy minister of Militia or deputy minister of Veterans' Welfare, but it does seem to me that he will be more at home and more in his element while acting as deputy minister of Health than he would be in acting as deputy minister of Veterans' Welfare.

Mr. KING (Kootenay): Why?

Mr. EDWARDS (Frontenac): For very obvious reasons. He has been trained along medical lines, and for that reason is a very competent deputy minister of Health.

Mr. KING (Kootenay): Does my hon. friend know that the deputy minister has had very considerable war experience and military training?

Mr. EDWARDS (Frontenac): That may be, but he is not going to live forever; I suppose he has no eternal lease on life, and I am discussing the principle now. I am not saying that the present deputy minister of Health might not make a competent deputy minister of Veterans' Welfare, but I do say that a man whose whole training has been along medical lines would be more in his element in directing the affairs of the Department of Health, while a man who has had experience along military lines or who had been closely identified with soldier problems would be more at home as deputy minister of Soldiers' Civil Re-establishment. If there are any individuals in the Dominion of Canada who are entitled to special consideration it is those who fought and were disabled in the war. I have no objection to the gentleman who occupies the position of Minister of Health also bearing the title of Minister of Soldiers' Civil Re-establishment, but I do say there should be two distinct and separate departments, one dealing with soldier problems and one with health, each with a deputy minister. We owe that to the men who have sacrificed so much, and to their dependants.

who in many cases must be considered indirectly as wards of the nation. I merely wish to say that while the minister apparently thinks we should adopt the idea of amalgamation, I wish to express my opposition to the idea. I do not think it is a wise one. There should be two distinct departments, and there should be a deputy minister for soldiers' problems and a deputy minister of Health as well.

Mr. GEARY: I suppose the question will be open later?

Mr. KING (Kootenay): Yes. The resolution will bring in a bill, and the principle of the bill will be under discussion.

Sir HENRY DRAYTON: Before we further consider the suggestion of the name, I wonder what is the real reason for the change? I do not think we have got it from the minister. Has the minister, for example, any reports that there will be better service, greater consideration given to that which is by all odds the more important department of the two, that of soldiers' re-establishment, which spends infinitely more money and requires infinitely more time than the activities which can be followed by a Dominion department of health? If we have any such reports, I think we should know what they are and who make them. At all events, at some considerable expense to the department of re-establishment there has been an investigation or a series of investigations made, I think, quite near where I come from, West York, and we have the Hunter and McGregor combination working there. Have they brought in recommendations for this?

Mr. KING (Kootenay): Not affecting this proposal.

Sir HENRY DRAYTON: Have they made any recommendations showing how better service can be given to the returned soldiers?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: Will the minister let us have any reports there may be showing that there will be better service to the soldiers?

Mr. KING (Kootenay): There was a report a short time ago showing the nature of the work of the department. Anyone taking the time to read that report will realize that ninety to ninety-five per cent of the work of that department is health work. Then there was an investigation made some time ago by Mr. G. W. Scott, submitted on the 29th of October, in which he deals with the proposed amalgamation, and it is shown in that report that there would be an advantage in the matter of economy and in the matter of efficiency in the amalgamation proposed.

Sir HENRY DRAYTON: Would the minister read the material sections?

Mr. KING (Kootenay): There are a number of recommendations. The recommendation dealing with pensions is one of them.

Mr. GEARY: It has nothing to do with pensions here.

Mr. KING (Kootenay): No, except that we will carry the work of pensions under the new amalgamation, as we do now. The general recommendations made by Mr. Scott—we cannot cover the situation fully unless we go more thoroughly into the report—are as follows:

(a) Giving to the Board of Pension Commissioners such staff as will enable them to function fully as an entirely separate body for the purpose of deciding upon the eligibility of pensioners and their dependants and calculating pensions payable.

And then he deals with transferring certain activities to the Department of Finance, and goes on to say:

(c) All other activities now directed by the Department of Soldiers' Civil Re-establishment should be transferred to the Department of Health.

(d) An official of the Department of Health should be appointed as secretary of the Board of Pension Commissioners.

Those are the recommendations which Mr. Scott made. In dealing with the affairs of the department, I think you will find he shows that the work is largely of the nature of treatment or health work, and the work of the vetcraft can be considered as a form of treatment; but on the whole that the amalgamation will be an advantage in the matter of administration, and also would lead to very considerable economy.

Sir HENRY DRAYTON: Who is Mr. Scott?

Mr. KING (Kootenay): He is associated with Ross & Company, of Montreal, auditors.

Mr. CLARK: Whose is the other report?

Mr. KING (Kootenay): The annual report of the Department of Soldiers' Civil Re-establishment, the report, which will bear out my statement.

Mr. CLARK: Will the minister read the report which recommends this amalgamation?

Mr. KING (Kootenay): Of the D.S.C.R?

Mr. CLARK: Yes.

Mr. KING (Kootenay): No; that shows the number of cases, the number of clinics, the number of cases being re-established year by year, and as I say, it will show that 90 to 95 per cent of that work is health work among the men.

Mr. CLARK: I am glad the minister has cleared up this last point, because when he spoke first it sounded as though 95 per cent of the work of the two departments was health.

Mr. KING (Kootenay): No, I did not mean that.

Progress reported.

At 11 o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, April 11, 1928

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

ANNUAL REPORT TABLED

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I desire to lay on the table the annual report, in English and French, of the Canadian National Railway system; also a statement, in English and French, of revenues and expenses regarding the eastern lines, as defined in the Maritime Freight Rates Act of 1927, for the six months ending December 31, 1927.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 199, to amend the Dominion Lands Act.

Mr. GUTHRIE: Explain.

Mr. STEWART (Edmonton): The purpose of this amendment is to permit the extension of the homesteading privilege to others than those mentioned in the amendment of 1925. It is to extend the privilege of granting a second homestead to those who have proven up prior to January 1, 1928. This is being done in order to meet the request of a large number of people in the prairie provinces who think that this privilege should be extended to allow farmers and their families to move into the northern portions of the district, and the father of the family to secure a second homestead.

The other amendment is a minor one with respect to school lands.

Motion agreed to and bill read the first time.

56103—122½

INSURANCE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 200 to amend the Insurance Act (lapsed policies).

Some hon. MEMBERS: Explain.

Mr. CHURCH: The object of this amendment is to require annually a sworn statement by insurance companies of their lapsed policies. Of the new business written annually, forty to fifty per cent is lapsed, surrendered or confiscated. This bill gives the superintendent of insurance power not only to check up the revenues, but also to protect the policy holders who have paid in less than three years' premiums, and who at present lose all the premiums they have paid in if they should happen to be out of work and are unable to continue paying the premiums. This will be a protection both to the public and the government.

Motion agreed to and bill read the first time.

PRIVILEGE—MR. DUFF

Mr. WILLIAM DUFF (Antigonish-Guysborough): I desire, Mr. Speaker, to speak to a question of privilege. I have been interested in public affairs in this country for some thirty-three years, and during that time I have always been ready, when my opponents met me on the political platform or elsewhere, to extend to them the courtesies which I expected from them. Yesterday afternoon, when the resolution of the Minister of National Revenue (Mr. Euler) was under discussion, dealing with proposed amendments to the Customs Act, the hon. member for West Hamilton (Mr. Bell) in my absence arose in his place and made certain statements. Those statements will be found at page 1892 of Hansard of yesterday. First, the hon. member said:

> Then will the minister inform the committee if there was no breach of the Canadian law when the steamer Kennedy was taken in for hovering in the Northumberland straits with $20,000 worth of Scotch whiskey belonging to a company of which the hon. member for Antigonish-Guysborough was president?

A little further on will be found the second statement:

> If the minister is correct in that, perhaps he will be able to inform the committee why the $20,000 worth of wet goods carried by the Kennedy was afterwards handed back?

Now, Mr. Speaker, as I said a moment ago, I was not in the house yesterday to answer those statements. If they are true, I would have nothing more to say; if they are untrue, then the language permissible to me under the

rules is not sufficiently strong to express my indignation. Of course, I regret that the hon. member is not in his place, and I would gladly wait for him to take his seat if I were not afraid that my hon. friend the Minister of National Revenue (Mr. Euler) will not within the next fortnight or month be in a position to go on with the legislation amending the Customs Act which is now before the house. Consequently I feel that in fairness to myself I must deal with this matter immediately.

Two years ago, during the course of the general election, the hon. gentleman addressed a public meeting in my home town of Lunenburg, where he had full opportunity to deal with the Kennedy matter, but seated with him on the platform were prominent Conservatives of the locality, and throughout his speech he never once dealt with smuggling, boot-legging and rum-running on the Atlantic or Pacific coast; he confined himself entirely to what had been taking place on the Quebec border. That shows the courage of the hon. gentleman. Yesterday he said:

—the steamer Kennedy was taken in for hovering in the Northumberland straits—

I deny absolutely that the steamer Kennedy was taken into Pictou for hovering in the Northumberland straits during any period. There is no such vessel as the steamer Kennedy.

An hon. MEMBER: The W. C. Kennedy.

Mr. DUFF: Don't worry; I am coming to it; take your medicine. There was a schooner called the W. C. Kennedy—and this is not the first time that a few of my Tory friends have referred to it. It was brought up before the special committee of this house which investigated the customs department in the session of 1926. It was also brought up by some more of my Conservative friends before the customs commission, and last year I had the privilege of coming to Ottawa, at the country's expense, and giving evidence before the commission with regard to the W. C. Kennedy.

It is quite true that I had the schooner W. C. Kennedy built in the year 1920 for parties in Newfoundland, but as they could not take delivery of her I formed a company to take over the boat. She is a little three-masted schooner. If I remember correctly, I sold the W. C. Kennedy in 1923, about six months before she was illegally seized—mark you, not legally, but illegally seized—in Northumberland straits, nine and a half miles east by south of Pictou island. At the time of this illegal seizure I had no interest whatever in the schooner, and I had nothing whatever to do with paying the deposit of $400, which I have been accused of doing, not openly by a few individuals but surreptitiously.

Now, sir, the really serious charge is that I was president of a company which owned $20,000 worth of scotch whiskey, or, to put it in the words of the hon. member for West Hamilton:

—$20,000 worth of Scotch whiskey belonging to a company of which the hon. member for Antigonish-Guysborough was president.

I say that this statement is not true. Perhaps under the rules I cannot characterize it as false, but I do say that it is absolutely untrue; there is not a scintilla of truth in it. I never was an officer of any company or any body of individuals that purchased Scotch whiskey or liquor of any kind to smuggle into Canada. I was never the president of, nor had I any connection with, any company that smuggled liquor into Canada. I never had any connection with any person who either purchased, smuggled or sold or handled whiskey or any other liquor in Canada. Before the commission in Ottawa I made a sworn statement that I never bought liquors, that I never smuggled liquors to sell, and that I never sold liquors. Under the circumstances I submit, Mr. Speaker, that it is grossly unfair for any hon. gentleman to get up on the floor and make such unfounded statements in respect to another member which cannot be proven, as was done by the hon. member for West Hamilton, in respect to myself.

PRIVATE BILLS

Mr. SPEAKER: In order to facilitate the business of the house, I suppose I might call the numbers of these bills and make one motion for their first reading. By unanimous consent I will do so.

It is moved by Mr. Jacobs, seconded by Mr. Wellington Hay, that Bills 167, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, and 186 be now read the first time.

Motion agreed to on division.

FIRST READING—SENATE BILLS

Bill No. 167, for the relief of Katie Abramovitch.—Mr. Jacobs.

Bill No. 172, for the relief of Claire Ellen Burke.—Mr. Anderson (Toronto).

Bill No. 173, for the relief of George Edgar Gooderham.—Mr. Young (Toronto).

Bill No. 174, for the relief of Pearl Hazel Clement.—Mr. Arthurs.

Bill No. 175, for the relief of John Arthur Towers Irvine.—Mr. Church.

Bill No. 176, for the relief of William Henry King.—Mr. Clark.

Bill No. 177, for the relief of John Pepper.—Mr. Garland (Carleton).

Bill No. 178, for the relief of Caroline Mildred Potter.—Mr. Edwards (Waterloo).

Bill No. 179, for the relief of Fanny Alrheta Schaefer.—Mr. Clark.

Bill No. 180, for the relief of Ivy Ethel James Sergent.—Mr. Robinson.

Bill No. 181, for the relief of Angelo Spadafore.—Mr. Garland (Carleton).

Bill No. 182, for the relief of Lena Zimmerman Staples.—Mr. Hocken.

Bill No. 183, for the relief of Audie Bertha Stewart.—Mr. Pettit.

Bill No. 184, for the relief of Gertrude Aileen VanderVoort.—Mr. Casselman.

Bill No. 185, for the relief of Roy James Vollans.—Mr. McPhee.

Bill No. 186, for the relief of John Young.—Mr. Clark.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ALBERTA COAL LANDS—PATENTS

Mr. ADSHEAD:

1. How many acres of coal lands are there in the province of Alberta to which patents in fee simple have been issued?

Mr. STEWART (Edmonton):

1. The area of coal mining rights disposed of by sale in the province of Alberta for which patents in fee simple were issued is 238,008.47 acres.

In addition, under rights conveyed with surface on old short form patent for 12,533,-340 acres.

PARLIAMENTARY RESTAURANT—OUTSTANDING ACCOUNTS

Mr. BANCROFT:

1. What is the amount of outstanding accounts for meals supplied in parliamentary restaurant previous to January 1, 1928?

2. By whom are these amounts owed, and what is the amount of indebtedness in each case?

Mr. SPEAKER: This question should be dropped, as the gentlemen—not now members of the house, I am pleased to say—who owed the restaurant certain amounts have discharged their indebetedness, on the principle that the fear of the Lord is the beginning of wisdom.

Dropped.

LIGHTSHIP NO. 24—COAL

*Mr. SMITH (Cumberland):

1. What emergency necessitated lightship No. 24 fueling approximately 70 tons of American coal at Halifax, Nova Scotia, on 26th November, 1927?

2. Was Canadian coal not available in Nova Scotia on that date?

3. What price was paid for the American coal suplied?

Mr. CARDIN: Mr. Speaker, this is the answer to the question:

1. The necessity of getting the lightship back on her station at the earliest possible moment.

2. Canadian coal was doubtless available at several points in Nova Scotia at that time.

3. $7.50 per ton.

DEPARTMENT OF MINES—RESEARCH BUREAU

Mr. ESLING:

1. Have any specific achievements in metallurgy been recorded to the credit of the research bureau of the Dominion Department of Mines during the past ten years?

2. If so: (a) what were the nature of such achievements; (b) are any of such achievements in commercial use in Canada; (c) if so, where?

Mr. STEWART (Edmonton):

1. Yes. The Department of Mines has contributed very materially to the development and application of the flotation method for the concentration and separation of the minerals in complex sulphide ores, and to determining the best treatment method for specific ores; to the beneficiation of iron ores; to the cyanidation of gold ores and the treatment of refractory gold ores; to the development and application of a new process for the treatment of ilmenite ore; to the production of electrolytic iron from pyrrhotite and pyrite ores with elemental sulphur as a by-product; to the preparation and utilization of non-metallic minerals.

2. (a) The separation of chalcopyrite and pyrite; (b) Yes; (c) Eustis mine, Eustis, Que.; Britannia mine, Howe Sound, B.C.

(a) The separation of chalcopyrite, zinc blende and pyrite; (b) No; (c) Investigation now in progress to produce three commercial products, a copper, a zinc and a pyrite concentrate from the Aldermac mine ore.

(a) The separation of galena and zinc blende; (b) Yes; (c) Tetrault mine, Notre Dame des Anges, Que.; Dunwell mine, Stewart, B.C. Investigations have been conducted on ores of Reader mine, Calumet I., Que.; Geneva mine, Geneva, Ont., a number of the Slocan mines B.C., Monarch and Kicking Horse mines, Field B.C.; Malaspina mine,

Powell river, B.C.; Yankee Girl mine, Ymir, B.C., and many others.

(a) The separation of chalcopyrite from pyrrhotite and pyrite; (b) Yes; (c) Hidden Creek mine, Anyox, B.C. Was at the Huntington mine, Eastman, Que. Will be at the Horne mine, Noranda, Que.

(a) The separation of chalcopyrite, galena and zinc blende; (b) No; (c) Investigation has shown that it is now possible to concentrate the difficult ore of the Stirling mine, Cape Breton, N.S.

(a) The separation of chalcopyrite, zinc blende, and iron sulphide; (b) Yes; (c) Flin Flon mine, N.W. Manitoba. Investigations have been conducted and are in progress on ores of the Sherritt-Gordon mine, N. W. Manitoba, and the Amulet, Aldermac, and Abana mines in western Quebec, which will probably be in the production stage within the next few years.

(a) The separation of cholcopyrite, pentlandite, and iron sulphide; (b) Yes; (c) To some extent at Coniston and Copper Cliff from the copper-nickel ores of the Sudbury district.

(a) Concentration of molybdenite ores; (b) No; (c) Was at the Moss Mine, Quyon, Que. Investigations were carried out on every variety of molybdenite occurrence in Canada.

(a) The concentration of galena from iron pyrite and calcite; (b) No; (c) Was at the Frontenac mine, Perth Road, Ont. Other investigations on lead ores include the Alma mine, Camborne, B.C., and the Ogema mine, Dorion, Ont.

(a) The concentration of sphalerite in zinc ores; (b) No; (c) Investigations have been conducted on zinc ores from the Abana and Aldermac mines and other zinc properties.

(a) The treatment of refractory gold ores; (b) Yes; (c) Argonaut mine, Argonaut, Ont.; Gold Hill mine, Boston Creek, Ont.; Central Manitoba mines, East Central Manitoba.; Rex mine, Herb Lake, Manitoba. Investigations have been conducted on ores from the Reno mine, Ymir, B.C.; Cadwallader Creek, B.C.; Matachewan, Kirkland lake, and many others.

(a) The flotation of the mineral sulphides containing the precious metal values in the tailings from cyanide plants; (b) No; (c) Has been tried out with success on the tailings from the Kirkland lake milling plants.

(a) The treatment of ilmenite ore for the separation of the iron and titanium content to produce a high grade titanium oxide for pigment and other purposes; (b) No; (c) Semi-commercial plant is operating in England on Canadian ilmenite. Commercial plant to be built in Montreal in the near future.

In the preparation and utilization of non-metallic minerals the following contributions have been made:

(a) The concentration of graphite by flotation methods; (b) Yes; (c) Guenette, Quebec. Black Donald mine, near Calabogie, Ont.

(a) The elimination of impurities from sandstone and silica sands; (b) Yes; (c) Canada Glass Products, East Templeton, Que., and other occurrences of sandstone and silica sands in the Dominion.

(a) The concentration of garnetiferous gneisses and schists for the production of abrasives; (b) No; (c) Plant operated near Bancroft for some time. Many occurrences in Ontario and Quebec have been investigated

(a) The separation of china clay and silica sands; (b) No; (c) Process developed for the Huberdeau deposits, St. Remi, Quebec.

(a) The preparation of volcanic ash; (b) Yes; (c) Waldeck, Sask.

The preparation of many other non-metallic minerals has been investigated, such as calcite, barite, celestite, fluorspar, mica, soapstone, bentonite, etc. Experimental test and research work must always be ahead of commercial application and hence quite a number of achievements listed above have not yet been put to commercial use.

The importance of the experimental test and research work conducted is recognized by the mine operators and consulting engineers, who make the fullest use of it and are constantly seeking advice on the treatment of ores and on their milling problems.

HOMESTEAD ENTRY—GEORGE MARTIN

Mr. EDWARDS (Frontenac):

1. Was the N.E. ¼ 24-5-27 W. 2nd M. leased to one George Martin?
2. Did the said lease expire in October, 1927?
3. Did Mr. J. M. Roberts, Secretary, Department of Interior, Ottawa, advise any person or persons on March 1, 1928, that this land was to be thrown open for homestead entry?
4. Were posting notices giving date when this land would become available for entry sent out by Mr. J. A. Reid, agent of Dominion lands at Moose Jaw, on March 10, 1928?
5. Did Mr. J. A. Reid on or about March 15th notify any person that he had instructions from Ottawa to reserve this land pending further advice?
6. Why has this land been withdrawn?
7. Is it the policy of the government to give the preference to returned soldiers applying for homestead entry on such lands?

Mr. STEWART (Edmonton):

1. Yes.
2. Yes.

3. Yes.
4. Yes.
5. Yes.
6. In order that the department might make another investigation as to the character of the land, a question having arisen as to its suitability for agricultural purposes.
7. Yes. Under the provisions of subsection 3 of section 7 of the Dominion Lands Act. (Chapter 113, R.S.C., 1927.)

MR. ALEX. JOHNSTON

Mr. POULIOT:

1. Was Mr. Alex. Johnston, Deputy Minister of Marine, absent from his office in the Hunter building, at Ottawa, from July 2, 1927, to August 20, 1927?
2. If so, (a) from what date to what date, (b) what was the reason of his absence, (c) where did he go?
3. How long does the annual vacation of the Deputy Minister of Marine last?
4. How long has he been absent from his office, each year, since his nomination?

Mr. CARDIN:

1. No.
2. (a) He was absent from his office from July 7th to August 2nd inclusive;
(b) On departmental business for 18 days;
(c) To Halifax, Antigonish, Sydney and St. John.
3. There is no regulation governing the annual vacation of deputy ministers. Hitherto the Deputy Minister of Marine has not been in the habit of taking regular annual vacations. During many of the years of his incumbency he has not taken any vacation. On one occasion only he took a vacation on account of ill-health extending over a period of about four weeks.
4. There is no record of the time he has been absent from his office since his appointment.

IMMIGRATION OF RETIRED BRITISH OFFICERS

Mr. ROSS (Kingston):

1. Did the Department of Immigration and Colonization initiate a policy to bring retired British officers to Canada?
2. If so, in what year was the policy initiated?
3. How many settlers came to Canada under this policy?
4. If any, where were they settled?
5. Is this policy still in force, and what efforts are being made to encourage this class of settler?
6. How many such settlers have been secured in 1927?

Mr. FORKE:

1 to 4. The Department of Immigration and Colonization did not institute a policy to bring retired British officers to Canada, but efforts in the direction of settling a number of such officers on the land in Canada were put forward by the Soldier Settlement Board in 1923, at which time the board functioned independently of this department. Information was received from overseas that several thousand officers with considerable capital were to be retired from the British forces in the old country and in India, and with a view to effecting the settlement of some of them on the land in Canada, Major E. J. Ashton, commissioner, of the Soldier Settlement Board, and Col. Robert Innes, at that time director of agriculture for the board, proceeded to England and India respectively, where they interviewed numbers of the officers referred to. As a result of the visit of these officials, 109 officers were actually sent from England to Canada under the direction of the settlement board while 29 came from India, all with the intention of engaging in farming under the direction of the board. These officers, with two or three exceptions, had capital in hand ranging from £300 to £3,000 and they were destined as follows: Prince Edward Island, 2; Nova Scotia, 32; New Brunswick, 3; Ontario, 37; Manitoba, 1; Saskatchewan, 13; Alberta, 12; British Columbia, 38—making a total of 138.
5. No.
6. Covered by No. 5.

VANCOUVER ELEVATOR

Mr. MANION:

1. What is the elevator capacity at Vancouver?
2. How much wheat passed through the elevators at Vancouver in the year 1927, also in the years 1926 and 1925?
3. To whom are the elevators rented at the port of Vancouver?
4. How much grain was handled by the Vancouver harbour board elevator No. 1, in the crop year 1923-24?
5. Is there any intention on the part of the government to build any further elevators at the port of Vancouver at the present time?

Mr. CARDIN:

1. 7,425,000 bushels.
2. 1925: 34,868,000 bushels; 1926: 43,207,244 bushels; 1927: 42,006,874 bushels.
3. The harbour commissioners' elevators are rented as follows: No. 1, Pacific Terminal Elevator Company; No. 2, Alberta Pool Elevators Limited; No. 3, Burrard Elevator Company.
4. The harbour commissioners' records are kept on the basis of the calendar year. From the beginning of the operation of elevator No. 1 by the harbour commissioners on August 23, to December 31, 1923, the deliveries of grain from elevator No. 1 amounted to 11,266,940 bushels. From January 1 to July 31, inclusive, 1924, the deliveries from elevator

No. 1 amounted to 41,336,133 bushels. This makes the total for what is known as the "crop year," 52,603,073 bushels.

5. The matter of constructing additional storage accommodation to elevators Nos. 1 and 2 at Vancouver is under consideration by the Vancouver Harbour Commissioners.

INTERNATIONAL BIBLE STUDENTS' RADIO LICENCE

Mr. SPENCER:

1. Is the government considering refusing to continue the license of the broadcasting station C.H.C.Y. Edmonton (International Bible Students)?

2. If so, for what reason?

Mr. CARDIN: I answered a similar question the other day, and in view of the fact that I may have something to say later on in this regard I suggest that the question be dropped.

Mr. SPENCER: Stand.

Mr. WOODSWORTH: It seems reasonable, Mr. Speaker, that an answer should be given by the minister on an important matter such as this. Absolutely no reason was given for the cancellation of licences.

Mr. SPEAKER: Stands.

PEMBROKE POST OFFICE

Mr. COTNAM:

1. Is it the intention of the Post Office department to place the post office at Pembroke, Ontario, under control of the Civil Service Commission?

2. If so, when will said change take place?

3. If not, on whose recommendation will a new postmaster be appointed?

Mr. VENIOT: While I have not the answer here, the question could hardly be replied to except in one way. If it will please the hon. member I will give the answer orally. All post offices with an annual revenue of over $400 are under the Civil Service Commission. This office, therefore, comes under that head.

IMMIGRANTS—NOVA SCOTIA

Mr. CANTLEY:

1. How many immigrants settled in the province of Nova Scotia during the years 1913, 1921-22-23-24-25-26-27?

2. What was the nationality of such immigrants?

3. How many of said immigrants settled on farms?

4. How many were coal miners?

5. How many mechanics?

6. How many domestic servants?

7. Were those who settled on farms assisted by the federal government: (a) by way of assisted passages; (b) by advances for purchases of land, stock or implements?

8. What was the total amount of financial assistance so rendered?

9. What proportion of those who took up farms and were given assistance by the government afterwards abandoned their holdings?

Mr. FORKE: 1 and 2.

	Fiscal Years							
	1912–13	1920–21	1921–22	1922–23	1923–24	1924–25	1925–26	1926–27
British—								
English	3,561	1,284	644	405	712	392	473	911
Irish	262	99	31	25	129	147	76	146
Scotch	751	354	177	187	251	145	83	317
Welsh	96	38	11	13	29	15	9	30
Total	4,670	1,775	863	630	1,121	699	635	1,404
African, South	.....	1	.....	.....	.....	2	.....	.....
Arabian	1	.....	.....	.....	.....	.....	.....	1
Armenian	10	.....	.....	5	6	3	3	1
Australian	.....	1	1	1	2	5	.....	.....
Austrian	104	1	.....	1	6	2	1	.....
Belgian	191	86	8	.....	23	12	3	6
Bermudian	.....	.....	.....	2	3	2	.....	.....
Bohemian	35	.....	.....	.....	.....	.....	.....	5
Bukowinian	29	.....	.....	.....	.....	.....	.....	.....
Bulgarian	158	.....	.....	.....	15	3	.....	.....
Chinese	26	2	12	3	3	2	2	.....
Croatian	11	.....	.....	.....	.....	.....	.....	.....
Czech	.....	8	1	1	14	.....	.....	6
Dutch	24	73	.....	.....	11	16	2	3
Finnish	18	2	.....	.....	31	39	1	19
French	576	95	13	34	22	8	16	21
Galician	5	.....	.....	.....	.....	.....	.....	.....
German	338	.....	3	.....	18	8	5	15
Greek	195	2	4	2	8	3	2	4
Hebrew	135	26	143	36	27	38	21	52
Hungarian	12	.....	.....	1	1	28	.....	.....
Italian	334	175	58	35	292	49	11	51

	Fiscal Years							
	1912-13	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27
Jamaican	1	1	1					
Jugo-Slav		3	1		12	6	3	
Latvian						1		
Lithuanian			1	7	12	1		3
Magyar	35						3	
Maltese	5	3	1					1
Mexican	3							
Negro	104	61	7	8	4	11	9	12
Newfoundland	809	706	263	1,059	3,743	802		
New Zealand	4	1		3		2		
Polish	482	30	35	12	49	31	9	16
Roumanian	14	3	3		21	54		
Russian	2,990	8	2	5			1	1
Ruthenian	275						3	30
Scandinavian—								
Danish	18	22	12	18	46	65	17	9
Icelandic				1		2		
Norwegian	208	7	1	3	34	61	4	18
Swedish	74	9	2	5	26	25	6	4
Serbian	26							
Slovak	7							3
Spanish	6	57						
Swiss	13	4			21	3	1	
Syrian	35	6	2	2	34	11	5	17
Turkish	6					1		
Ukrainian		3				1		
U.S.A. citizens via ocean ports	7	9	1		3	7		
Venezuelan					1			
West Indian	247	37	2	4	5	8		
Total continental, etc	7,571	1,442	577	1,248	4,493	1,312	128	298
From the United States	7,565	951	430	289	333	74	88	113
Total immigration	19,806	4,168	1,870	2,167	5,947	2,085	851	1,815

For the year 1913, destination of immigrants, for Nova Scotia, cannot be given, the Maritime Provinces being shown as a unit that year.

3 to 6. Statistics are not available except for the fiscal year 1926-27. The figures for that period are prepared from the declarations made by immigrants at the time of entry and they show the following numbers of the classes referred to as being destined to Nova Scotia:

Farming class	536
Mining class	275
Mechanics	108
Domestics	260

7. (a) Only those who came from the British isles under the assisted passage agreements. It is impossible to say definitely just how many there were of this class.

(b) No.

8. The department cannot give the total amount of financial assistance to settlers who came to Nova Scotia under the empire settlement agreement as the settlers are not classified in our accounts according to provinces.

9. 10 per cent.

JAMES BAY AND HUDSON BAY ISLANDS

Mr. PECK:

1. Are any of the islands in James bay and Hudson bay under the jurisdiction of either of the provinces of Ontario and Quebec?

2. If so, which are they and to what province are they respectively attached?

Mr. STEWART (Edmonton):

No. 1. The islands in Hudson bay and James bay are part of the Northwest territories.

No. 2. Answered by No. 1.

INTERNATIONAL SCHOONER RACE

Mr. ERNST:

1. Is it the intention of the government to assist the schooner Bluenose in the proposed schooner race from Sandy Hook to Spain?

2. If any such financial assistance is to be granted, how much will the government's contribution be?

Mr. CARDIN:

1. Representations which have been made to the Minister of Marine and Fisheries by the member for Antigonish-Guysborough and others to the effect that, in the event of its being decided to enter a Canadian schooner in the proposed international race from Sandy Hook to some port in Spain, assistance in the form of a money grant should be given by the federal government, are under consideration.

2. Under consideration.

PORTS OF ENTRY, NOVA SCOTIA

Mr. MacDONALD; (Cape Breton South):

1. How many ports of entry are in the following counties: Queens, Shelburne and Yarmouth, Nova Scotia?
2. What are the names of the officials at the various ports of entry?
3. What is the salary of each officer?
4. What is the revenue of each officer?
5. What are the outports of the said counties?
6. What are: (a) the names of officers; (b) the salary of each; (c) the revenue of each office?

Mr. EULER:

1. Five.

2, 3, and 4:

Port—name of official—salary—revenue.

Barrington Passage, N.S.; Gray, Wm. W.; $1,200+$180 (Registrar of Shipping); $954.04.

Liverpool, N.S.; More, E. D., $1,380+$180 (R. of S.); Sawyer, H. E., $1,260; $17,872.75.

Lockeport, N.S.; position vacant, previous incumbent, J. R. Ruggles, salary $1.380; $993.97.

Shelburne, N.S.; Bruce, A. C., $1,380+$180 (R. of S.); $14,776.90.

Yarmouth, N.S.; Wyman, M. C., $2,340+$240 (R. of S.); Boyd, Jos. Wm., $1,920; Hood, S. C., $2,040; Horton, R. B., $1,260; LeBlanc, J. L., $1,260; Miller, G. G., $1,200; Pothier, J. D., $1,980; Rogers, Arthur, $1,740; $85,490.91.

5 and 6.

Outport—name of officer—salary—revenue.

Clarke's Harbour; Daley, John W., $660; $1,054.52.

Port La Tour; Smith, James D., $360; $11.40.

Caledonia; Chute, J. D., $200; $841.60.

North East Harbour; Greenwood, J. L., $200; $50.95.

Port Clyde; Strang, W. B., $460; $285.23.

Sandy Point; Goodick, A. S., $780; $25.37.

Lower East, Pubnico; Amiro, Chas. V. $840; $169.02.

Tuskett; Hatfield, A. S., $200; $170.67.

EXPORTS UNDER TREATIES

Mr. ROBERGE:

What is the total value of Canadian exports: (a) to Australia; (b) to New Zealand, for each respective year since the trade treaties between said countries and Canada have been in force?

Mr. MALCOLM:

Exports of Canadian produce from Canada to Australia and New Zealand since the present trade arrangements went into force:

Period	To Australia	To New Zealand
October 1, 1925, to March 31, 1926..	$ 9,542,182	$ 9,737,132
Fiscal year, 1927..	18,965,881	13,538,513
11 months ended February, 1928..	13,184,555	10,363,430

BUTTER IMPORTS

Mr. ROBERGE:

What quantity of butter has been imported yearly into Canada from: (a) Australia; (b) New Zealand, since the trade treaties between said countries and Canada have been in force?

Mr. MALCOLM:

Imports of butter into Canada from Australia and New Zealand since the present trade arrangements went into force:

Period	From Australia Pounds	From New Zealand Pounds
October 1, 1925, to March 31, 1926..	2,485,502	2,342,966
Fiscal year, 1927..	801,324	4,904,536
11 months ended February, 1928..	384,272	10,947,425

STEAMER VIGILANT—REPAIRS

Mr. ERNST:

What amount has the government or any department thereof, expended in repairs to the steamship Vigilant during the calendar years 1926, 1927 and to date in 1928?

Mr. EULER: Calendar year 1926—Not in the service of the government.

Calendar year 1927—$1,565.18.

Calendar year 1928 to date—Nil.

BIGWOOD, ONTARIO, POST OFFICE

Mr. SIMPSON:

1. Has the post office at Bigwood, Ontario, been removed from the building of one H. Porlier to that of Henry Depuis?
2. If so, for what reason, and upon whose recommendation was the change made?
3. Has the Postmaster General or the Post Office department received petitions signed by the patrons of this office asking that it be returned to the original location?
4. If so, what action, if any, is being taken to meet the request of the petitioners?

Mr. VENIOT:

1. Yes.
2. Mr. Porlier was only acting postmaster. Mr. Dupuis was given permanent appointment; consequently, office was changed to his location. Change made on recommendation of the member for the constituency.
3. Yes.
4. None, as department has information that site is central.

BINDER TWINE INSPECTIONS

Mr. BANCROFT:

1. How many inspections of binder twine were made during the year 1927?
2. Was any of the twine inspected found to be shorter than the length guaranteed on the tag?
3. If so, how many of the inspections showed such shortage?
4. In how many cases was the shortage found to be 2½ per cent or more?
5. In how many cases did the shortage exceed the 5 per cent allowed by law?
6. Was any of the binder twine inspected found to be over the length guaranteed on the tag?
7. If so, in how many cases did this occur?
8. What quantity of twine, if any, was confiscated as a result of these inspections?
9. Was any twine relabelled as a result of these inspections?
10. Will the government introduce an amendment to the act this session cutting down the 5 per cent leeway allowed under the present act?

Mr. MOTHERWELL:

1. 164.
2. Yes.
3. 88.
4. 54.
5. 29.
6. Yes.
7. 68.
8. None.
9. Two lots were seized and held until correctly labelled. One firm was fined $130.
10. The matter is under consideration, but probably not.

ANGLO-EGYPTIAN TREATY

Mr. GARLAND (Bow River):

1. In the draft treaties recently presented by the British government to the Egyptian government, is His Majesty the King the party?
2. Is it "His Majesty the King in respect of," etc?

Mr. MACKENZIE KING:

1. Yes.
2. The plenipotentiary appointed by His Majesty is stated to be empowered "for Great Britain and Northern Ireland."

LOSS OF STEAMER KAMLOOPS

Mr. COWAN:

1. What effort, if any, was made by the Department of Marine and Fisheries to assist in the search for the steamer Kamloops when lost with all its crew in November, 1927, in a storm on lake Superior, after leaving Port Arthur with a cargo of wheat?
2. When was the Kamloops reported lost?
3. Was assistance to locate the vessel and crew requested by owners of the Kamloops?
4. If so, was any assistance given in the search for the Kamloops and crew by the department, and when?
5. What equipment is provided on lake Superior by United States government for protection of vessels and crews under United States registry?
6. What would be cost of providing life saving speed boats and equipment for use on lake Superior?

Mr. CARDIN:

1. Vessels taking off lightkeepers on lake Superior were instructed to search for the steamer Kamloops.
2. She left Sault Ste. Marie, Ont., for Fort William and Port Arthur, Ontario, on December 4th, 1927, since which date no official information has been received of the ship, which has been missing ever since.
3. Yes.
4. Answered by No. 1.
5. The following coast-guard stations: *Deer Park, Mich.; Duluth, Minn.; Eagle Harbour, Mich.; Grand Marais, Mich.; Marquette, Mich.; Portage, Mich.; *Two Hearted River, Mich.; Vermilion, Mich.; Whitefish Point, Mich.
6. The cost would be governed entirely by the number and class of boats and the amount of equipment that would be provided. A vessel for operation on lake Superior during the period of lake navigation would cost approximately $250,000 to $300,000, depending on salvage outfit and equipment supplied.

*Station is not at present in full active duty service, owing to reduced force.

QUESTIONS PASSED AS ORDERS FOR RETURN

RADIO—BROADCASTING STATIONS

Mr. CHARTERS:

1. How many broadcasting radio stations are there in Canada and where situated?
2. By whom are said stations operated?
3. How many radio licenses have been issued for the current year in Canada.

FEDERAL GRANTS TO FAIRS OR EXHIBITIONS

Mr. EDWARDS (Frontenac):

1. On what basis does the federal government make grants to fairs or exhibitions?
2. Are they based on attendance or on amount offered or paid in prizes?
3. How are such grants classified and the amount for each class?
4. What has a fair or exhibition to do in order to qualify for the government grant in each class?
5. How much money has been paid out by way of government grants to fairs or exhibitions in each year from 1924 to 1927, inclusive, in each province?
6. During the years mentioned what fairs or exhibitions in each province received government grants, and what amount in each case?

LEAGUE OF NATIONS—EXPENSES

Mr. CHURCH:

1. What remuneration, living expenses, and other incidentals were paid to those in each case who attended the League of Nations the past six years, representing the government in any capacity, with the names of our representatives in each case?

2. What has been the total cost of the league per annum to Canada since its inception to date?

Mr. MACKENZIE KING: Mr. Speaker, this question should be dealt with as an order for return. In bringing down the order the government proposes, in answer to the first section of the question, not to restrict the figures to the past six years but to give the expenses for all representatives since the inception of the league, as is requested in the second section in regard to the total cost of the league per annum.

Mr. SPEAKER: Stands as an order for return.

UNOPPOSED MOTIONS FOR PAPERS

VANCOUVER HARBOUR BOARD

Mr. MANION:

For a copy of the budget submitted to the Department of Marine and Fisheries of the Vancouver harbour commission, by the late R. E. Beattie, of the Vancouver harbour board, in the summer of 1924.

DUTY ON FRUITS AND VEGETABLES

Mr. YOUNG (Weyburn):

For a copy of the recommendations made by the Canadian Horticultural Council as submitted to the Minister of Agriculture, fixing the value for duty of fruits and vegetables to be applied during the coming season under the provisions of section 43 of the Customs Act.

INLAND REVENUE PROSECUTIONS, ALBERTA

Mr. GARLAND (Bow River):

For return showing all inland revenue cases prosecuted by members of the Alberta provincial police, in their capacity as inland revenue officers, showing moiety of fines paid to each from January 1, 1922, to date inclusive.

HUNTER COMMISSION

Mr. BLACK (Yukon):

For a return showing the charges and complaints in writing, including affidavits of complainants, charging political partizanship against officials of the Department of Soldiers' Civil Re-establishment upon which a commission was issued on the 30th June, 1927, to Alfred Taylor Hunter under the Inquiries Act.

ALBERTA GOVERNMENT RAILWAYS

Mr. BLATCHFORD:

For a copy of all correspondence, telegrams and documents of all kinds exchanged between the federal government and the government of the province of Alberta, in connection with the joint offer made by the Canadian Pacific Railway Company and the Canadian National Railways for the purchase of the Alberta government railways.

CALEDONIA, N.S., CUSTOMS AND EXCISE OFFICE

Mr. ERNST:

For a return giving full details of the total cost of the Customs and Excise office at Caledonia, in the county of Queen's in the province of Nova Scotia: (a) for the year ending March 15, 1927; (b) for the year ending March 15, 1928.

PORT MOUTON, N.S., CUSTOMS OFFICER

Mr. ERNST:

For a copy of all correspondence, telegrams or other documents between the Department of Customs and/or any other department of the government and/or the Civil Service Commission and any other person or persons, respecting the dismissal of Clifford Swain as customs officer at Port Mouton, Queen's county, Nova Scotia, and the appointment of his successor in office, and any and all orders in council in relation thereto.

CANADIAN NATIONAL RAILWAY LANDS IN NOVA SCOTIA—TAXES

Mr. ERNST:

For a copy of all correspondence, telegrams or other documents between the Department of Railways or any department of the government and the government of the province of Nova Scotia, and any or all orders in council, relating to the payment of taxes on Canadian National Railways lands in the province of Nova Scotia.

20TH HALTON RIFLES, HEADQUARTERS

Mr. ANDERSON (Halton):

For a copy of all correspondence, memoranda, reports and other documents in any way relating to the proposed purchase of the Barber house in Georgetown, Ontario, as headquarters for the 20th Halton Rifles.

ST. LAWRENCE WATERWAY

DEVELOPMENT OF WATER-POWER AND IMPROVEMENT OF NAVIGATION

Mr. T. L. CHURCH (Toronto Northwest) moved:

That, in the opinion of this house, immediate action should be taken, without further and unnecessary delays, to enter into a treaty with the government of the United States for the immediate development and generation of water-power on the St. Lawrence river and its deepening and development in the interests of navigation, and that a greater St. Lawrence waterway is an immediate and economic necessity for the welfare and best interests of Canada.

And that this house is further of the opinion that the government should undertake the construction and operation of this canal as a

public undertaking itself and the power incident herein should be developed and generated at cost by the government for the people under public ownership and not alienated to private interests for gain or exported for use outside Canada.

He said: This resolution, Mr. Speaker, deals with one of the most important questions to come before the people of Canada since confederation, and I am sorry that more time cannot be found in which to discuss it. This is admitted to be the greatest economic problem facing the people of the North American continent to-day. It should not be considered as a political or party matter; it is not a local or provincial question but a great economic matter which affects every man, woman and child in the two great countries bordering on the great lakes. We have time to discuss all kinds of academic subjects which are brought up during the session, but we find very little time to devote to basic problems such as this, which will affect many of the great activities of our country. We have a great many rules and regulations in this house, some of them over one hundred years old; no one can bring up any question for the good of the country without being reminded that someone made a rule or regulation many years ago which has the effect of preventing a discussion of that particular matter. This question, however, is all-important, and should be approached from the national standpoint of the greatest good to the greatest number. We are not allowed to bring up any question in which the matter of finance is involved, but as we all know almost everything we would like to bring up has to do with the finances of the country in one way or the other. Just a few moments ago we found that the question of finance has something to do with even our own little restaurant question. Nothing can be taken up in this house without bringing up the question of money; under our rules only the government can bring up such matters. When a private member tries to do something to help solve some of the great economic problems of the country the Prime Minister will get up and throw a few bouquets, after which he will tell us that the question affects the finances of the country and therefore cannot be discussed. Handicapped and hemmed in as we are in this house by our antiquated rules and regulations, which are contained in the dead text books of the past, it is very hard for a member of parliament to discharge his duty to his constituents in considering any of these great problems which lie before us.

Never in the history of the party system in this country has such a great opportunity come to any political party to solve one of the great, outstanding problems of our nation. I would that Canada had an Adam Beck at present to take up this question which deals with power, light and transportation; I would that Canada had a Mussolini, who would do something in a practical way for the people of this country. Instead, we have a government which relies on the law courts for the solution of problems of this kind. The question of the Alberta natural resources is on its way to the Privy Council and no one knows when it will come back again; in the meantime we are not allowed to discuss it. Is this a free parliament or is it not? Are we attending a mock parliament or a real parliament? If we are free, any member should be able to speak on questions of this kind without waiting for some court to bring in a decision.

We also have boards of strategy on some sides of this house, and we are not supposed to bring up anything which has not been approved by these boards. We had one such board on this side of the house, which used to bring up questions which kept us here until three or four o'clock in the morning, and no one was allowed to think for himself. Even then, most of the problems which were brought up were not heard of outside the walls of this building. What was the result? When the ballots were counted we found ourselves over here in this Potter's field.

Matters have not improved since we obtained our new status; we now have a minister plenipotentiary in Washington, from whom we can hardly secure the production of papers or any information as to what is going on. There has been a great change in the form of the returns made by our new representatives as compared with those which we formerly received from the British Ambassador in Washington. Our representative signs himself "Envoy Extraordinary." He is extraordinary, in my opinion. He is also our minister plenipotentiary, but what has he been doing in connection with this matter? We have spent millions of dollars on officials, commissions, mock parliaments and so on, yet we have had only one report dealing with this matter. To my fellow members on this side of the house I would say that unless we are up and doing the Liberal party will carry through this great undertaking. We will have an election in a few years, and I believe that within a few weeks we will have at least a declaration from hon. gentlemen opposite that an agreement has been negotiated dealing with this all-important matter.

Why should these matters be referred to the Privy Council? That tribunal seems to

be a very handy agency to take up these matters and throw out a life-line to the government of the day when they do not wish parliament to discuss them. In my opinion the political party which takes up this question in earnest will be in power in this country for a good many years, and I think we should be devoting all our energies to that end. The development of the St. Lawrence outranks in importance all other questions in the public life of this Dominion, past or present. Now is the time to deal with it, because it is vitally important that it be settled at the earliest possible moment. I hope this question will be brought up again, and I also hope that before it comes up in the house next time the government will see fit to have representatives of the Senate and the House of Commons go to Brockville or Prescott, where they can board a steamer and proceed directly to the places where these operations will take place, because seeing is believing.

Mr. Hoover visited the scene and he is a gentleman who now stands as one of the heads of the great Republican party, had an open mind on this problem, but after going through the ship canal with us and seeing the plans and the work being done on the Welland canal, he became, as he is to-day, a warm supporter of this waterway from the business and the economic standpoints.

There are certain questions which should be answered. What is the seaway? Is such a deep channel necessary? What must be done to improve it? What will it cost? How is an international agreement made? What agreement is necessary? Can we afford the seaway? And then it will be proper to say a few words on the political side of this question, on the engineering features, on the economic and international phases and to discuss briefly how it reacts upon the labour market.

A few years ago—on the 26th of April, 1922—there was a debate in this house on a similar resolution of mine. The arguments in favour of this waterway were set out by me then along the lines I mentioned a moment ago.

Since then we have had strong reports made in favour of this improvement by the International Joint Commission representatives of both countries, which prove conclusively from an engineering standpoint, from the power standpoint, and from an economic standpoint that this particular highway to the sea is necessary and practical. The great advantage of the St. Lawrence river is that it is one of the principal natural waterways to the sea. The cost should be divided between the two countries. It is a speed highway, avoiding long delays. We have engineering and commercial assurance of three facts: first, that it can be done, that it is practicable; second, that the cost will be less than that for any other route which has been spoken of; and third, that it will make possible the development of millions of horsepower and the saving of millions of tons of coal every year.

Canada has dealt differently with railway traffic from what it has with water-borne traffic. In the case of water-borne traffic, our canal system does not reveal any well developed policy. The deepening of the Welland canal is an important link in the St. Lawrence scheme and should have been finished long ago if the work had been prosecuted with the same vigour which marked the development of the Chippewa-Queenston power canal. There have been some objections raised to it. Some say it will be an economic failure and a waste of public money. The answer to that is that the power alone will pay for the work, and that is set out in the report of the International Joint Commission. Then it is said that the cost of power will be prohibitive, The answer to that is that the commission's report says it will not be.

Then it is charged that the fogs and ice make the St. Lawrence route too hazardous to be of practical use; although it is admitted that it is all right for six or seven months. The answer is that the fogs and ice on the Atlantic play havoc with the steamship service there as well.

It is objected that ocean vessels cannot navigate the restricted channels or afford the delays of lockage in canals. The reply is that the objection is not sound, the report says so, and it deals to the extent of twenty pages with that argument.

It is said that there will be no return tonnage and that one-way traffic cannot be developed. The answer is that the west is a great consumer and there will be a new development of package freight, and a new type of ship which will be able to sail the lakes and the ocean as well. We have a great many old whaleback type boats now sailing the great lakes and going down to the Atlantic seaboard.

The statement is made that the purpose is to enable Canada to control the export grain trade. The answer is that that is not so.

It is asserted that the project is designed to destroy the competition of the barge canal. The answer is that it would cater to a different form of trade and would be a feeder to the barge canal.

Then it is said that the power is not needed. The answer is given by the Ontario Hydro-Electric Power Commission.

The last objection is that it would expose the United States to the peril of invasion by Great Britain. The answer is that we have had a hundred years of peace between the United States and Canada, and we have been digging canals for over a hundred years. There is only one difference between this canal and the others, and that is that it is proposed to be a little deeper.

I might say that I cannot understand some of the objections to entering into the particular treaty which is urged here; they are more parochial than anything else. For the past hundred years and more the two nations have jointly been using the St. Lawrence river and the improvements therein made. Treaties have been entered into, all matters of navigation and rights have been negotiated. To-day it is not a question, as I view it, of getting or giving an advantage, but it is a matter of continuing the policy that is as old as the two nations, that of using the waters of the St. Lawrence jointly and freely for the benefit of both nations. Neither government will forfeit a single right or privilege which they now have, in order that the two governments may jointly develop this river. Whether a ditch is to be four or thirty feet deep does not involve any new international or political question; or whether the improvement is on the American side or the Canadian side, or which government spends the money.

You are not breaking any new ground in entering into this new agreement. You are not raising any new international questions. I could quote from international treaties from 1792 till the present time to substantiate that point. We are not charting a new course, we are not raising new international questions, but we are travelling a road which has been used for a hundred years. All we are asking you to do is to modernize and bring up to date these channels so that the public and commerce can use them.

The last joint reports of the engineers representing the two governments, in 1921 and 1924 and 1926, both support locating a major part of the improvements on what may be called the international section on the United States side of the international boundary. Whether the international section will be on the Canadian side or on the American side, does not matter very much. On the Canadian side there must be a straight right of way; but on the American side it will be a curved course. Whether the one or the other is adopted is a matter for further negotiation between the governments; and I do not know what the new report says about that. It is interesting to note, however, that according to the engineers, for economic reasons, it should be on the American side. I want it in Canada if possible. I do not believe that the United States or Canada wishes to take any advantage on that account. All that it desired is to take advantage of this opportunity to benefit navigation. The first move is to negotiate a treaty. That is set out in the first clause of the resolution.

If there was less red tape between Washington and Ottawa we would have had all the papers on the table long ago. Are we to wait until they appear in the United States newspapers, or are we to get them on the table of the house now? The engineers who made this international report of 1922 rejected the New York plan and adopted the St. Lawrence plan. The case for the St. Lawrence plan has been set forth; it has weathered every possible opposition and attack on both sides of the border, and it stands to-day approved. We have to-day economic emancipation written across the face of this report. It has taken seven years of hard and insistent fighting, but the case of the St. Lawrence has been made and won. The fight has been worth the struggle for it has meant striking the shackles from forty million people in this land. The last and most pleasant task is that of bringing the two nations together in treaty. Let us write a new chapter in world peace, in international co-operation, in economics. Let us unlock a new treasure house of wealth. If the party on this side of the house will not undertake this work, the government has the greatest opportunity that any party ever had in its history.

A few minutes ago I asked the question: What is this seaway? From the head of the lakes at Port Arthur and Fort William across the ocean as far as Liverpool it covers a distance of 4,500 miles, and there is deep water navigation over all that distance with the exception of two short sections. One is at the old Welland canal, where the canal is fourteen feet deep, and the other is a twenty-four mile strip between Prescott and Cornwall. On the Welland canal section this country is spending $133,000,000 for a new canal. Our contention is that these two shallow sections of the waterway exclude us from the ocean, and because of the limited size of the eastern section it becomes necessary for cargoes from the upper lakes to be transhipped at Port Colborne. This double transfer is slow and expensive; it means extra delay and labour, and at best only a portion of the great lakes commerce finds its way through Port Colborne to the sea. As

a result of this we are losing business to our competitors, the United States, at Buffalo through the Erie canal.

A deep channel is necessary. A start has been made on the Welland canal, and the first half of the greater St. Lawrence waterway, namely, the Welland canal, is well on the way to completion. The second half of the shallow waterway is the twenty-four mile stretch between Prescott and Cornwall. The St. Lawrence seaway is to take the place of the fourteen-foot St. Lawrence canal now in use and to continue the deep channel of the upper lakes on to the Atlantic. Its completion will permit great lakes' ships to reach ocean ports on the lower St. Lawrence, and will allow ocean-going ships of less than 27-foot draught to enter the great lakes. The physical effect will be to make the ports of the great lakes ocean ports. It will give to them, and to the farmers and manufacturers in the interior, the benefit of ocean rates to overseas markets. The economic effect will be to lower transportation costs. The seaway will increase the returns to the producer. It will foster new enterprise; it will throw open new markets; it will permit a normal development of our national life, and in general it will promote the common welfare.

What has to be done is to develop the two short strips at Welland and at Prescott, and also at the Galops islands and rapids which I have mentioned to-day. It is agreed that this is the best solution of the problem. I do not wish to dilate now on the rival plans. It is considered advisable to start this St. Lawrence plan with the twenty-four mile stretch from Prescott to Cornwall and the power development from the work will pay its share of the construction cost of the improvement. The report says that the scheme will cost $264,000,000. If you deduct the value of the inherent power which will be developed, the cost for a good seaway will be $123,000,000. The cost of this improvement, if built as a twenty-seven foot ship channel alone, and without any power, would be $173,000,000. By developing power in the international section and charging its fair share of the combined cost of navigation and power to power, and building the rest of the seaway without power, the navigation cost is reduced to $123,000,000. If power is developed in the Canadian section, this entire navigation cost will be increased and the canal distance shortened, thus providing better navigation at an effective net cost chargeable to navigation amounting to $148,000,000. Thus you have a cost of $123,000,000 for a good seaway, or $148,000,000 for a better seaway.

[Mr. Church.]

Before this work is gone ahead with, an agreement must be made between the United States and Canada. I asked a few moments ago: How is an international agreement to be reached? Under the constitution of the United States, the president has full power to negotiate a treaty with Canada, stating the terms and conditions under which the seaway is to be constructed. The agreement then goes to the senate, where, in order to be ratified, it must receive a two-thirds vote of those present. The Canadian procedure is for the government of the day, speaking for the party in power, to enter into the treaty desired, and to submit the agreement to both houses of parliament for majority vote approval. What agreement is necessary? By treaties already existing, particularly the Washington treaty of 1871 and the Boundary treaty of 1909, the two nations have defined their rights, duties and privileges with respect to the great lakes—St. Lawrence waterway, including the canals and locks, uniting them into one highway of commerce. In either case the only requirement is that the civil laws of either country shall be observed by the citizens of the other while making use of waters that for navigation purposes are declared by these treaties to be equally and jointly the property of both.

The only question outstanding between the two nations is that of further improvement of a waterway already improved, but inadequate for the traffic now demanding passage and originating within the interior of both nations. It is merely a question of detail what plan of improvement shall be adopted, where the money shall be spent, and how the construction work shall be administered. It differs from preceding improvements in this, that in all other cases, that is the locks at Sault Ste Marie or the new Welland canal, either government could and did complete the job single-handed. The United States government did the work in the case of the locks at Sault Ste Marie and the Canadian government in the case of the locks in the Niagara district. In the case of the St. Lawrence seaway, the international boundary, the course of the river channel, the problems of dam construction, all combine to make joint improvement both necessary and desirable.

Details of agreement as to plans, details respecting the joint outlay and supervision of the joint improvement while building, furnish the reasons for a further agreement between the two people. No additional rights or privileges are necessary to either nation; no concession of any territorial or jurisdictional rights is called for on the part of

either nation. All that is required is a written agreement as to when and by what means the seaway already existing and in use shall be enlarged and made equal to the requirements of modern commerce.

Can we afford the seaway? Yes. The power inherent will pay for the construction. Is it practicable? The St. Lawrence commission of the United States in its report to the president under date of December 27, 1926, state:

> The construction of a shipway of sufficient depth to admit ocean shipping from the Atlantic to the great lakes will lessen the economic handicaps of adverse transportation costs of a vast area in the interior of the continent. Within the United States it embraces all or large portions of the states of Ohio, Indiana, Kentucky, Illinois, Iowa, Missouri, Kansas, Nebraska, North and South Dakota, Montana, Wisconsin, Minnesota, Michigan, Pennsylvania and New York. It includes a large part of Canada. Within this area there are more than forty million inhabitants who gain their livelihood from its basic industries. It produces a vast surplus both from agriculture and from manufactures, much of which demands long transportation. It has been estimated that the values in a single year to the farmers alone would equal the capital cost of the waterway.

The conclusion of the commission is as follows:

> The construction of the shipway from the great lakes to the sea is imperative both for the relief and for the future development of a vast area in the interior of the continent.

What will Canada do? We do not know. The best answer to this question is to state just what Canada has already done. Canada has been digging for a hundred years and all Canada would have to do would be to join in more digging for a deeper canal between the two countries. The Great Lakes-St. Lawrence route has been used as a highway of commerce since first discovered.

In 1779 Canada began building canals and locks to pass the rapids in the upper St. Lawrence. Before the end of the eighteenth century she built the first lock at the Soo. Between that time and the present she has built and twice enlarged the Welland, built and twice enlarged the St. Lawrence canals, built the modern Canadian lock at the Soo, improved the lower St. Lawrence from the ocean to Montreal, and has only recently let the contracts for the last portion of the 27-foot Welland ship canal now building. This has cost Canada not less than $230,000,000, of which amount $115,600,000 is chargeable to the unfinished Welland ship canal, due for completion in 1930. In the meantime the United States has expended at the Soo and in the main channels of the great lakes, $44,700,000.

Now I come to the international treaties of which I spoke. Time will not permit me to read them all, but I will mention them. Let me first ask, what has so far been done toward making the great lakes and the St. Lawrence an international highway for commerce? If we look at these treaties respecting the great lakes, the connecting rivers and the St. Lawrence river, it will be found that the free and mutual use of the great lakes and of the St. Lawrence river has been enjoyed by the people of Canada and of the United States from the time of the close of the revolution until the present day. It is true that disputes have arisen. It is true that laws passed by the one country or the other have been looked upon as restrictive, but the fact remains that never in all that time has the actual use of the St. Lawrence or of the great lakes and their connecting channels been denied by either nation to the citizens of the other. That fact is of profound significance, for while the "natural" right to navigate the lower St. Lawrence was denied to the citizens of the United States by Great Britain, the privilege and the practical use of that channel was not denied.

The legal title of the United States in the great lakes and in the St. Lawrence rests upon a firm foundation. That great highway was once completely within the possession of France, secured to her by right of discovery. In 1763 all right and title to the dominions of France east of the Mississippi passed to Great Britain. Twenty years later, by the treaty of 1782, the British dominions in North America were divided and the boundary line between the new nation of the United States and the remaining British possessions was indicated as the mid-channel of the great lakes and the connecting waters, including the St. Lawrence to the northern boundary of New York.

By clause 8 of the treaty of 1782 it was agreed that:

> The navigation of the river Mississippi, from its source to the ocean, shall forever remain free and open to the subjects of Great Britain and the citizens of the United States.

Then we have the treaty of 1794, known as the Jay treaty, which provided for joint relations. Then in 1814 the treaty of Ghent sets out the rights of the parties with respect to the St. Lawrence, and by article 2 provides:

> The intercourse between the United States and his Britannic Majesty's possessions in the West Indies and on the continent of North America shall not be affected, but each party shall remain in the complete possession of its rights with respect to such an intercourse.

In 1817 the Rush-Bagot agreement for limitation of naval armaments on the great lakes

was proclaimed, and since that time these international waters have been without gun or ship or fortress intended as a threat on the part of either toward the other.

In the treaty of 1842 the mind of the two nations is still further shown as drawing together to one common purpose, when in article 2 of that treaty they agree:

> It being understood that all the water communications and all the usual portages along the line from lake Superior to the lake of the Woods, and also Grand Portage, from the shore of lake Superior to the Pigeon river, as now actually used, shall be free and open to the use of the citizens and subjects of both countries.

Again, by article 3 of that same treaty, the river St. John forming part of the boundary between the United States and Canada, and in part a stream wholly within the province of New Brunswick, was declared "free and open to both parties and shall in no way be obstructed by either." Article 7 of the same treaty declares that the channels in the river St. Lawrence on both sides of the Long Sault islands and of Barnhart island, as well as the channels in the river Detroit on both sides of the island Bois Blanc, and between that island and both the American and Canadian shores, and the channels between the various islands lying near the junction of the river St. Clair with the lake of that name, shall be free and open to the ships and the vessels of both parties.

Then we have what is known as the Reciprocity treaty, which reaffirmed the same rights. Then in 1871, the Washington treaty was concluded, and article 27 of that treaty provides that the commerce of both nations shall enjoy common and equal rights and privileges within the canals or navigable waters of either. Here we have in this treaty of 1871 the bedrock of common property rights to the navigation of the St. Lawrence as distinguished from any possession or claim of possession of rights extending beyond navigation, upon which to establish the lasting structure of an agreement that will provide a seaway from the great lakes to the Atlantic.

The duty of both nations is to improve the St. Lawrence. But the story is not yet complete. Once more the two nations met in 1909 and concluded the boundary waterways treaty, which reaffirmed the doctrine that the United States and Great Britain have joint rights both as to navigation and power in these rivers. I would direct the attention of the house to the last paragraph of that treaty, which reads as follows:

> It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of lake Michigan and to all canals connecting boundary waters now existing or which may hereafter be constructed on either side of the line.

It will be noted that the language of the treaty covers canals "which may hereafter be constructed." We possess now every navigation right necessary. Police power we do not seek. The Welland canal, for instance, is wholly within Canada, and the police powers are under the jurisdiction of Canada. We have used these canals for nearly one hundred years and there has never been any trouble. This United States bogey has been raised by a lot of the power interests and the electric ring, and they have done more to bring this electric ring into Canada than any other agency.

What is the United States prepared to do? The United States has expended, in the dredged channels of the Great Lakes between lake Superior and lake Erie, $44,000,000. We have spent $230,000,000 on our canals.

I notice that an important declaration was made in favour of the St. Lawrence waterway by the chairman of the Montreal harbour board, Hon. W. L. McDougald. The arguments that have been used against the development of this waterway have been largely parochial. The Hon. Mr. McDougald takes very strong ground in favour of this waterway. He quotes the report of the joint commission, as follows:

> As to the economic practicability of the waterways, the commission finds that, without considering the probability of new traffic created by the opening of a water route to the seaboard, there exists to-day between the region economically tributary to the great lakes and overseas points, as well as between the same region and the Atlantic and the Pacific seaboard, a volume of outbound and inbound trade that might reasonably be expected to seek this route sufficient to justify the expense involved in its improvement.

He goes on to give the volume of grain shipments through the port of Montreal, as follows:

	Bushels
1921	138,454,000
1922	155,000,000
1923	120,200,000
1924	165,650,000
1925	166,200,000
1926	135,000,000
1927	195,000,000

He also states that after the canals were deepened to fourteen feet, the tonnages increased as follows:

	Tons
1900	1,310,000
1925	6,200,000
1927	8,000,000

He also states that in addition to the movement of Canadian grain through the port of Montreal, the St. Lawrence has at-

tracted a large and increasing quantity of American grain, amounting last year to 91,000,000 bushels. He goes on to refer to the investigations which have been made by the Dominion Water Powers branch of the Department of the Interior into the power question, and says that if something is not done there will be a large shortage of power soon. He further states:

I give it as my considered opinion as chairman of the board of harbour commissioners of Montreal, and as the opinion of the technical staff of the harbour commission, who are in daily touch with shipping and of the moving of various commodities in and out of that port, that the business of that port will not be diminished, but on the contrary will steadily increase from year to year, and the proposed deepening of the St. Lawrence waterways will greatly accelerate the rate of increase in the volume of business handled by Canada's national port of Montreal. One of the main factors in achieving this beneficial result will be the undoubted lowering of the costs of the all-water grain movement from the head of the lakes, the minimum estimate of which, arrived at by all authorities, is a saving of three cents a bushel. Many experts say the saving will be as high as six cents a bushel but we are sure it will be at least three.

That is also the figure which the joint commission estimated.

Why is the lake Erie basin much more highly industrialized than the Ontario basin? Simply because it has the benefit of these deep waterways, with the result that Toledo, Detroit, Buffalo and other cities in that basin are large industrial centres.

Mr. SPEAKER: Forty minutes.

Mr. HERMAS DESLAURIERS (St. Mary) (Translation): Mr. Speaker, should we consider the wording of the resolution of the hon. member for Toronto Northwest (Mr. Church), we are naturally led to believe that he wants the United States to put up half the necessary expenditure to build a dam across the Long Sault rapids and dredge a canal 27 feet deep, from Montreal to the head of the Great Lakes. Secondly . . . .

Mr. CHURCH: The hon. gentleman is making a speech.

Mr. DESLAURIERS (Translation): Secondly, after the project is completed, he wants this enterprise to be owned by the state, and that Canada alone should reap the benefits. He seems to forget the aspirations of our neighbours and ignore one of their mottoes.

Mr. CHURCH: Mr. Speaker, I rise to a point of order. I started to speak at a quarter to four, and it is now only twenty past four. I looked at my watch and at the clock when I rose.

Mr. SPEAKER: I have the officers of the House to guide me in this matter. The hon. gentleman spoke for forty-one minutes.

Mr. DESLAURIERS (Translation): He seems to forget their aspirations and ignore one of their mottoes which is part of their institution: "If you want a thing well done, do it yourself."

Judging from the tenor of his resolution, we might have expected that he would give proof of the urgency of his project and that he was also prepared to silence, in forty minutes, objections of a constitutional or physical nature but especially those of an international order. He did not do so. First, in regard to the constitutional viewpoint, the attitude he takes in this house seems to me untimely, owing to the fact that the provinces intertested in this project, according to the jurisprudence recently enacted in connection with the ownership of shores and beds of navigable rivers, forces the Dominion government not to interfere as long as the general interest of the country is not at stake.

Now, none of the provinces which are free to act in this matter have, at present, taken any official stand in regard to this project. Until the Privy Council has made up its mind we can but look upon this resolution as being out of order.

Moreover, considering that this resolution implies an expenditure of public money, I doubt, according to the rules of the house, that a private member has a right to submit such a measure.

From the physical standpoint, we cannot assert that the construction of a dam across the Long Sault rapids is beyond the reach of civil engineering. However, we may venture to say that at this spot nature would create such serious difficulties in the way of such an enterprise as to render it both uncertain and detrimental to the country's interest.

On December 15, 1908, Messrs. Anderson, Lafleur and Butler, engineers of the Department of Marine, made a report to the Dominion government which in substance was, that no one could forsee the consequences of the building of a dam with artificial causeways in the narrowest parts of the St. Lawrence, at Long Sault, where an immense sheet of water remains opened during the severe cold of our winters.

In fact, in that portion of international territory which extends between Prescott and Goose Neck Island, we have in winter, 18 miles of open water and a stretch of 13 miles of ice; between Goose Neck Island and Cornwall, we have 6 miles of open water and 15 miles of ice. In the open water frazil and

anchor-ice form during the whole winter. Much of it is carried down to Lake St. Francis; however every year this ice forms a natural dam or jam in shallow localities and bends of the river that spring weather alone can break up. Years of experience has enabled us to observe that near Cornwall, at Crail island, at Weaver Point—a place located between Barnhard island and the Long Sault island—at Bradford, great ice-fields form. When the Long Sault dam is completed it is but logical to conclude that the ice, not being able to find an outlet in Lake St. Francis, will accoumulate up the river, from the autumn to the spring, hence the overflooding of canals, inundations and unavoidable havoc will be the result.

In the course of the years 1840, 1879, 1887, 1895, 1898 and 1905—serious jams occurred inundating part of the county of Dundas, carrying away buildings, etc.—We were thus enabled to form an idea of the consequences of such jams: in a few hours the town of Longueuil was flooded owing to the rise of the waters above the systems of drainage of towns neighbouring the ice-fields. Montreal was forced to build up special ramparts to protect itself and was obliged to install pumps in its draining system to protect itself against the rising water. With his ice-breakers, the Minister of Marine renders great services in the lower St. Lawrence. The artificial causeways at Long Sault will unavoidably and regularly raise the waters, create floods and their natural consequences because, even after the dam has been constructed, the swiftness of the current will still exist, carrying the frazil formed on a stretch of 10 miles of open water which accumulates from the autumn; above this artificial obstacle, anchor ice will form and the spring will accumulate there its ice-fields from less agitated waters, with results that are easily conceived.

This formation of frazil has the effect of greatly interfering with water-powers by impeding the flow of water, which obliges companies like the Cedar Rapids to have recourse to dynamite and gangs of men to remedy this nuisance.

Does my hon. friend believe that by completely damming the Long Sault—with the accumulation of ice over a stretch of many miles—a water-power will be able to develop its electric energy efficiently and produce it at a lower rate than those of other localities where these natural obstacles would not be encountered, and these powers we would be at liberty to acquire?

Besides the inconveniences which I have just enumerated the construction of a dam at the upper end of Long Sault island and at the foot of Barnhard island the narrowest parts of the river, would mean the closing up of navigation through the Cornwall canal, an entirely Canadian enterprise; it would mean a diversion of 50 per cent of Canadian waters through the South canal, on American soil, when we own 76 per cent of these international waters; that would reduce the efficiency of the canals in regard to safeness of navigation and diminish the interest tourists have in this locality.

With the knowledge that nature creates an irresistable force when water and pack-ice come in conflict, may we not rightly believe, that at a given moment, in a river of the size of the St. Lawrence, this dam may give way and cause disasters along the flooded area—from Cornwall to Montreal—as it has happened in other countries and even in our own country. In the present instance, what would be the damages sustained in the town of Cornwall, at the Soulanges canal, and even in Montreal? The scheme must assuredly need a great deal of consideration.

If this enterprise carries with it serious physical objections which make it difficult and dangerous to put into practice, and to say the least uncertain, there are other obstacles no less important as to their consequences. I mean in regard to the international viewpoint. Here are the facts: "This international stretch of country, commonly known as the Long Sault rapids is actually governed by the treaty of Ashburton which states that the north and south canals should be free of all obstacles and should only be used for navigation." This treaty would first have to be abrogated. A dam would be built at the upper end of Long Sault island so as to divert 50 per cent of Canadian waters into the United States territory, 86 per cent of the water-power would be within United States territory, the outlay for the erection and development of the water-power and the dredging of a canal 25 feet deep, from Montreal to the head of the great lakes, would be equally shared by the United States and Canada. The United States would acquire freedom of access and trade on the St. Lawrence. There would be joint management of the enterprise. This is in a few words the plans of our neighbours. Judging by his resolution, the hon. member for Toronto Northwest is opposed to Canadian private interests regulating the level of the St. Lawrence waters; yet, what is most extraordinary, he would allow foreigners to perform this work! It is rather amusing to see him depart from the motto of his party and his own: "No trucking with the Yankees!" and then to meet him on the shores of the St.

Lawrence crying out at the top of his voice for co-operation with these same Yankees, in connection with this scheme which, after all, would transfer from Canada to the United States 500,000 horse-power, under joint management, as the output of the St. Lawrence is 200,000 cubic feet per second with a drop of 30 and some odd feet.

If the hon. member for Toronto Northwest will take the trouble to examine our international relations with our neighbours, in the light of history, before taking such a step, he will be one of the first to admit the danger arising from such an enterprise. It is entirely wrong for a good citizen who has the interest of his country at heart, who is loyal to the British crown, to subscribe to such a scheme. Yesterday only, in the matter of the diversion of the waters of lake Michigan, the rights of Canada were ignored by the hon. member's friends of to-day. We have not forgotten the annexation terms of the Alaska peninsula, the States of Washington, Minnesota, Vermont and Maine, once Canadian territory, and we are also fully aware how they look upon our rights in the Newfoundland fisheries.

Do we not know as a matter of fact that the debentures of the cities of Montreal and Toronto—not to mention almost all the debentures of our municipalities and provinces —are in the hands of New York financiers? We are aware that our lumber and pulp industries belong to them—80 per cent of the capital invested in those industries is American—and the same thing exists in our textile, rubber, glass and automobile industries. When we know the part played by United States capital invested in our water powers and mines, when we witness every day Americanism creeping into our literature, theatres, music and commerce, when financially the Canada of to-day seems to belong to them, one can naturally question whether the hon. member is still logical with himself in upholding his title of British citizen. If the love of his country, Canada, and that of his mother country do no more strike a sympathetic note in his heart, if in the presence of the American dollar his loyalty to the Empire has become but vain words and he wishes so eagerly to surrender to the United States the St. Lawrence, the armature of the richest colony of the British Empire, one may question whether he has shares in the seventy-one cruisers of the United States navy.

I protest against such schemes which aim at favouring the interests of our neighbours to the detriment of ours and places the weaker at the mercy of the stronger—pursuant to the solemn practice of ages—at a time when war taxes burden the Canadian citizen. A project comprising the dredging of the St. Lawrence to a depth of 27 feet and the development of a water power of 1,000,000, horse power would cost, according to the American estimate and those advocating the St. Lawrence waterway, a sum of $252,428,000 and $2,562,000 per year for its administration, yet we know that these figures are put forth simply to lead one astray, because that amount does not include the interest on the invested capital in the course of carrying out the work, neither does it include the outlay for the dredging of ports on the lakes, nor the further outlay for dredging the rivers which connect the lakes—for it is an accepted fact that ocean liners are not built for the lakes no more than lake vessels are built for the ocean. It is acknowledged that even if ocean liners could sail up the lakes, they could not compete with lake vessels, even if we made allowance for the trans-shipment of their cargoes at Montreal.

Why should we be drawn into such a scheme, when we have at our door a project far more advantageous from every viewpoint —entirely within Canadian territory—a shorter route, less costly and capable of developing 3,500,000 of Canadian horse-power against 1,000,000 horse-power under joint management, and which would permit us to be the masters in our home.

The United States possess 16 per cent of potential energy at the Long Sault rapids; if they are short of electricity, let them utilize that power by damming the south canal at the foot of the Long Sault island, and let them follow the same procedure as in the Cedar rapids development; they will then have all that belongs to them and not 50 per cent of our electric energy as the present scheme calls for. That is all we can concede to them on behalf of the "bonne entente."

Any person who has the least knowledge, who knows American mentality and its ways of doing business must understand the purport of Senator Malby's bill introduced in the United States senate; it amounts to taking possession of our water powers without consulting us.

We must bear in mind the statements of Senator Chas. Townsend when he submitted to the Bureau of the Secretary of State for Foreign Affairs, on May 25, 1913, and again on March 17, 1914, a bill which was no other than the project of the hon. member for Toronto Northwest.

This senator expressed himself very clearly when he stated that this measure had no

other aim than to prevent the construction of the Georgian Bay canal, a scheme entirely Canadian and approved by all the prime ministers of Canada; the purport of the measure was to allow the United States to make use of our water powers on the St. Lawrence, control the transportation of Canadian grain and give them a navigable route into the very heart of their country by connecting with the Mississippi river. We cannot blame them for endeavouring to promote the interests of their country to the detriment of ours. But what are we to think of a Canadian who sides with them against his own country? We may strive to emulate them to a certain degree, but we would appear very childish if we thought that our neighbours were going to spend hundreds of millions to develop millions of horse-power for us, and dredge water routes to promote our interests, when the whole year round they treat us to embargo and prohibitive legislation. Certainly not. Let us provide for the future as well as they do, for are we not aware that their coal resources have been wasted, worked without discrimination and to such an extent that, to-day, we can foresee the date of their complete exhaustion; do we not know that in 30 years the iron mines of the Ohio valley, like the coal mines of the Appalachian deposits will be exhausted? Therefore, if we have been far-sighted citizens, we shall be in a position to see the same advantages as those of the city of Pittsburg and the Ohio valley transferred to the Ottawa valley where iron deposits are abundant and unexplored. The development of these mines by water powers, instead of coal would be more economical and capable of competing loyally with any country in the world, we shall witness all this on condition that we remain masters in our own country.

Mr. H. C. HOCKEN (Toronto West Centre): I am wholeheartedly in support of the principle of the resolution which my hon. friend (Mr. Church) has introduced to-day. For a number of years I have been convinced that the construction of this waterway would do more to promote the prosperity of Canada than any other single enterprise that has ever been undertaken or that is in prospect at any time in the future; and it is with some degree of satisfaction, sir, that I go back to the session of 1924 in order, if you will permit me, to give to the house a few of the sentences I spoke on this question at that time. I was dealing then chiefly with what I considered to the best means of assisting the western farmers, the grain growers and those who come from the prairie provinces, and I said on that occasion that the farmers of the west would have more to gain from the cheapening of transportation than from the removal of any tariff. I continued:

I would exhaust the resources of this country in cheapening transportation from western Canada to the seaboard.

That is the statement I made at that time. I went on:

The great thing is the development of the St. Lawrence river so that ocean vessels will go up to the head of the lakes, as they did last year, and take cargoes of wheat right over to Liverpool. I do not think that is the inevitable or the natural development of that route; but if the St. Lawrence river were improved to give a twenty-five or thirty foot draft, big ships that take 500,000 bushels of grain would load at Fort William and would probably break bulk at the city of Quebec. . . A vessel holding 500,000 bushels of wheat would leave Fort William, go down to the city of Quebec and discharge into ocean boats which would go across to Liverpool, or to any other port in the world, in that way saving five to eight cents a bushel on wheat. If from five to eight cents a bushel could be saved on the wheat that was grown on the western prairies last year, the leader of the Progressive party can figure out what that means. That is one of the ways in which transportation can be cheapened. Water transportation, as we all know, can be done at much lower rates than rail transportation.

I venture to quote that statement made by myself in 1924, because not only have I seen no reason to change my views, but rather the course of my study of the question has led me to see greater advantages than I was able to discover then. In my opinion, the whole of Canada, from the Alberta boundary to the Atlantic ocean, would derive an enormous benefit from the construction of this waterway. I doubt very much that a large quantity of grain will ever go out by the Hudson Bay route. I voted for that undertaking, but not with any great enthusiasm. I believe the inevitable outlet for the produce of the west is to the head of the lakes by rail, and from the head of the lakes to Quebec by boats loading half a million bushels of grain, thence to be carried throughout the world to any port to which it might be consigned.

It is estimated that there will be a saving to the grain growers of Saskatchewan and Manitoba of ten cents a bushel on wheat. Let us suppose that it will be eight cents a bushel. One has only to consider the volume of wheat and other grain grown in that part of the country to realize what an enormous saving that will be. And remember that every dollar of that saving would go into the pockets of the farmers, the original producers. I believe that Ontario will benefit probably less than the west, certainly less than other provinces, because the province of Quebec will have then the two greatest ports in North

America. Not only will the grain of the northwest, and probably the cattle as well, go through Montreal to Quebec, but similar produce of twenty different states in the United States will be shipped by that route. We have to consider the organization that has taken place in the middle western states to promote this enterprise in order to realize how much dependence they place upon it as a relief from the high cost of transportation.

It has always been a matter of surprise to me that the western provinces of Canada should be so indifferent to this project while the middle western states of the republic should be so keenly alive to its advantages. I do not know how to explain that difference; I leave it to my hon. friends to my left. It may be that they have been so obsessed with the value of the Hudson bay route; that would explain it in part. But although this is a plan, the consummation of which is certain to save about eight cents a bushel on the transportation of their wheat, there has been remarkably little enthusiasm for it in the west. It would certainly result in an interchange of commerce among the different provinces which would do more than any other single thing to bring about that much desired national unity about which we are talking all the time. One has but to consider the volume of traffic that would pass over that portion of the St. Lawrence running through the province of Quebec to realize what it would mean to that province; and one can catch a glimpse of the prosperity that would result in the maritime provinces from the completion of this enterprise. It would make it possible to bring cargoes of 10,000 tons of coal right up to lake Erie. I do not suppose that Nova Scotia coal will ever do much on lake Erie, which is so close to the American mines. But Nova Scotia coal should go to Hamilton, where there is a great coking plant, to Toronto and to other cities along the lake Ontario coast. The maritime provinces would gain in another way. My opinion, which of course I venture with some hesitation—because I have reached the age when I have ceased to be dogmatic about anything—

Mr. FORKE: Hear, hear.

Mr. HOCKEN: You will get there too. My opinion, I say, is that these great bulk cargoes of wheat would go to Halifax; and either at Quebec or at Halifax there should be developed the greatest milling centre in North America. Flour leaving Canada should go from Halifax or Quebec, but to-day Buffalo is the great milling centre, because it is at the end of the water transportation route from the head of the lakes. We should make the end of that route somewhere on the St. Lawrence river or at Halifax, where flour could be shipped instead of wheat. If that development should take place, which I think is very probable, Nova Scotia and New Brunswick would become great cattle raising provinces; the by-products of the flour would provide feed for the cattle. These two provinces are well watered and suitable in every way for the raising of cattle, with the exception of feed, and with that one defect remedied they should become exceedingly prosperous in that particular industry. So it is not only the western provinces which will benefit through a lower cost of getting their produce to the markets of the world; it is not only Ontario, which would probably receive a great quantity of its package freight direct from the ocean, or the province of Quebec, through which all this traffic would pass and whose cities would grow enormously in consequence; the maritime provinces also would receive great advantages. We sometimes do not think of them as particular beneficiaries under this project, but they would prosper just as much as any other province in this whole Dominion.

I am not going into details just now, Mr. Speaker, because that perhaps will be done later, and I would not like to embarrass the government by laying down a policy for them to follow.

Mr. LAPOINTE: You are doing very well.

Mr. HOCKEN: I do not care whether this measure is introduced by the government or by the opposition; I am for it all the way through. The more I have thought about it during the last four years the more firmly I have become convinced that it is the greatest and most advantageous scheme which can be undertaken by the people of this country. It does not require much thought to realize that producers in the United States are going to enjoy equal advantages; they have to pay higher railway rates than are paid by hon. gentlemen from the west. They stand to gain perhaps more in proportion than the farmers on our Canadian prairies; therefore they are more deeply interested in this question than are the Canadian people, although without us they could not possibly go on with the enterprise. I absolutely support my hon. friend in what he has said, and I do so with enthusiasm; I trust that when the Prime Minister (Mr. Mackenzie King) brings down the correspondence having to do with this matter it will show that the government is deeply in earnest in its desire to carry on this great

enterprise as soon as arrangements can be made with the American republic to join with us in it.

Perhaps I differ from some of my friends on this side of the house in believing that this should be a joint enterprise, but as I have travelled from the head of the lakes down through the St. Marys, St. Clair and Detroit rivers and the Welland canal, it has been brought to my attention very clearly that already the United States has spent enormous sums of money in improving transportation channels even in Canadian territory. This country is now committed as fully as it can be committed to the joint enterprise; we have this joint work on the rivers from lake Ontario up to Fort William. The Welland canal is used by our friends from across the border on the same terms as it is used by our own people, and most if not all the channels between lake Erie and Fort William have been constructed partly at least by the expenditure of money on the part of the adjoining republic. So we have already undertaken this joint enterprise, and having regard to the amicable relations which exist and which I trust always will prevail between the two countries; having regard to the treaty under which they use our canals on the same terms that we use them, it seems to me there can be no argument against undertaking this great work in collaboration and co-operation with our friends to the south.

I just wanted to say these few words, Mr. Speaker, to put myself on record as being behind this enterprise just as strongly as possible. If I have any influence at all it will be exerted in support of the scheme, regardless of the source from which it may emanate, because I believe it is going to be a great thing for Canada and will do more to develop this country than anything else I can call to mind at the moment.

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, the hon. gentleman who has just resumed his seat (Mr. Hocken) states that he is strongly in favour of this project. I am also in favour of completing these waterways some time in the future, but I do not believe Canada is in a financial position at present to accept the heavy obligations which would be entailed. Altogether aside from that, a great deal is being promised which seems rather absurd. I have a paper here in which a writer makes the claim that on our western grain we will save 12 cents a bushel, while the last speaker stated that the saving would be from 5 to 8 cents a bushel. A year or so ago I looked up the cost of carrying grain by rail from the transfer points of Owen Sound and Collingwood to Montreal, and found it at that time to be 5.80 cents per bushel.

Mr. MANION: Where was that from?

Mr. MILLAR: From Owen Sound and Collingwood to Montreal. About 1908 or 1909 the entire cost of carrying grain from Fort William to Montreal was 4 cents a bushel; I think the hon. member for Fort William (Mr. Manion) will remember that, because he and I looked over the same book.

Mr. MANION: Yes, and I have the speech of the hon. member right here.

Mr. DUNNING: That was the all-water route?

Mr. MILLAR: I could not say; I think part was by rail, but it may have been all water.

Mr. DUNNING: It would not be part rail at the 4 cent rate.

Mr. MILLAR: The rate was 4 cents, anyway. Before this resolution came up I had intended to look up the rate for last year, but was unable to do so. I have heard it stated, however, that last year the rates were about 6 cents, and I have another statement here to the effect that a year ago the rate was 9 cents. This matter has no reference to the Welland canal; it deals only with the deepening of the St. Lawrence, so how are you going to save from 5 to 8 cents a bushel on wheat over a distance of only 135 miles when the whole rate from Fort William to Montreal varies from 4 to 12 cents? The whole proposition is absurd.

Mr. HOCKEN: Can the hon. gentleman explain the reason for the difference between the 4 cent and the 12 cent rates?

Mr. MILLAR: During the war the cost of everything went up; prices doubled and trebled, and that was the reason for the high rate.

Mr. EDWARDS (Frontenac): What was the rate last year?

Mr. MILLAR: I am not sure. I heard it stated it was six.

Mr. CAHAN: For weeks it was down as low as 4 to 4½.

Mr. MILLAR: Now let me take up another point. I am very glad indeed that we have such friendly relations with the United States; it is something to be proud of, and it is a lesson to the rest of the world. Yet at this time, while some may think it would not be wise to review any instances of friction between the United States and other

countries in past years, I think that in dealing with this matter it may be well for us to consider what difficulties other countries have had with the United States in connection with proposals similar to this.

In the year 1850 the United States and Great Britain agreed on what they call the Clayton-Bulwer treaty to build the Panama canal on the basis of equal construction and equal control. The United States seem to have fretted under this treaty, and some time later they persuaded Great Britain to agree to another treaty, called the Hay-Pauncefote treaty of 1901. In this Hay-Pauncefote treaty of 1901 it was provided that.

> The canal shall be free and open to the vessels of commerce and war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise.

However, in the face of this, after this treaty had been agreed to the United States congress at once turned around and passed the Panama Canal Act, which provided that no tolls should be levied upon vessels engaged in the coastwise trade of the United States. Great Britain took the view that this was a violation of the former treaty, and there was a great deal of friction about it. The Hearst papers of the United States made much ado about it; organizations sent resolutions to congress and to the president, and a great deal was said about the impudence of Great Britain in objecting to this act. However, later on, after a considerable amount of discussion, President Wilson abrogated this act and did what was fair and right to Great Britain.

Let us look for a moment at the experience of Colombia in connection with the Panama canal. If Great Britain's experience was an unhappy one, so certainly was that of Colombia, formerly New Granada. The new canal ran through Colombian territory. By a treaty entered into in 1846 the United States guaranteed positively and efficaciously to New Granada the perfect neutrality of the before-mentioned isthmus (Panama) with a view that the free transit from the one to the other sea might not be interrupted or embarrassed at any future time while the treaty existed; and in consequence the United States also guaranteed in the same manner the rights of sovereignty and property which New Granada had and possessed over the said territory.

In the year 1903 a treaty known as the Hay-Herran treaty, negotiated between representatives of the United States and Colombia and providing for the construction of the canal, was ratified by the American senate but rejected by Colombia. The constituent state of Panama, a portion of Colombia, traversed by the new canal, thereupon declared its independence; a rebellion took place. In connection with this rebellion the independence of Panama was declared on November 3rd, 1903, and the United States recognized the independence of this state on November 6th, three days later. President Roosevelt who was in office at the time of the occurrence, afterwards declared:

> I am interested in the Panama canal because I started it. If I had followed the precedent in such cases I should have submitted a dignified state paper to the congress and the debate would be going on yet. But, I took the canal zone and let congress debate.

An American commentator, Carl Russel Fish, remarks:

> Its real excuse was rather the plea by which Jefferson justified himself in the Louisiana purchase,—the plea that the situation was one which could never happen again and was of such unparalleled importance as to exempt it from the ordinary laws of morality and of nations.

A matter that I think the government should very carefully study before this project is undertaken is the effect upon the levels of the upper lakes. It is a trite remark of recent years that the levels of the upper lakes as well as of the lower lakes have fallen considerably.

Mr. HEAPS: Will the hon. gentleman let me interrupt and ask: Is the house to infer that if a treaty between the United States and Canada became effective, and the project was consummated, we would be in the same position as in connection with Panama?

Mr. MILLAR: I just leave the house to draw its own conclusions. This is what took place in connection with Panama. I might go a little further in that connection. Not only did the United States recognize the independence of that state three days after they declared their independence, but on the 18th of the same month they made a treaty with them. A sequel to it was the memorial of Panama to the United States in June, 1923, requesting that government to declare that it "now holds all land necessary for the protection of the waterway, thereby affording a safeguard against expropriation which might eventually result in the absorption of the entire republic,"—a memorial yet unheeded. Colombia had had part of their land taken away, and when they tried to prevent the secession of Panama by armed force, they were prevented by the United States from doing so. The United States, as I have

pointed out, recognized the independence of Panama three days after they had declared it, and on the 18th of the same month made another treaty with the newly recognized state.

I believe the last speaker stated that boats would likely load grain at Fort William and carry it to Quebec. That is indeed very doubtful. There are 44 miles of canal on the St. Lawrence, and a great many locks, and the insurance rates are high. It is doubtful whether large boats would take their loads of grain down through those canals with the probability of coming back empty; the cost would be too great. At present grain is transferred to smaller boats carrying 70,000, 75,000 and some of them as much as 90,000 bushels. The comment we would make, as grain growers of western Canada, is that the difference between the present rate and that which we might secure would be nearer one or two cents a bushel than six, eight, nine or twelve cents.

It must be remembered that this route would be open for only six or, at the most, seven moths of the year. Moreover, when a canal competes with a railroad the railroad usually takes the greater share of the trade. Competition between open water and rail gives a great advantage to the open water channel. The cost of the open water route, I believe, is about one-eighth—some have put it at one-tenth—the cost of an all-rail route; but that does not hold good for a canal where boats can travel at only about four knots an hour, which is the average, and where there is danger of their being held up, having to wait for their turn, or being crowded against the side, with possible consequent damage. It is very doubtful whether this route alone could compete with the rail route.

I am glad that some who are studying this matter are beginning to be doubtful about the wisdom of the government's proceeding at once. In my hand is a clipping containing a report of a meeting held at Kitchener. It states:

> A number of the speakers were strongly opposed to any loophole which would give American interests the slightest chance of gaining a grasp upon the solely Canadian section of the waterway. There was a very considerable feeling that those parts of the ship canal which lie entirely within Canada should be owned and controlled exclusively by Canada.

We have over-built our transportation facilities; we have made a mistake in going so far in the building of trunk lines, and our railways are finding difficulty in earning dividends. It cannot be denied that if a new route is opened up, if it is going to accomplish what is claimed for it, if it is going to carry more of Canadian and United States grain to Montreal, some of that traffic will be taken from the railways, which will find it even more difficult than they do now to make profits.

I regret that so much of the argument consists in promises of what this new route is going to accomplish for western farmers. I realize that it is really a power project. As such it may succeed, although I do not know so much about that. It seems on the surface that there may be difficulty in developing water power that we do not need at present in Canada. If this surplus power is sold it must be sold to the United States, and after establishments are started there and are using this power, it will be most difficult to get it back. But apart from the water power I think it should be recognized that as grain growers, we are not particularly in need of this development and we do not see very much advantage in it. It may result in a lower rate on grain but the reduction will be very slight. Some time ago, when the joint commission was appointed, Mr. Hoover, in the course of a speech on this question in Canada —I believe it was about the first speech he had made in this country—to my surprise, and I think to the surprise of many, stated that the joint commission would bring in a report favourable to the project. That was an astonishing statement to make, but it was so reported in the press at the time.

I do not care to add anything further to what I have said in regard to this project. I am not against it, but I believe the government would be well advised to study very carefully these matters in relation to the United States and particularly the effect on the level of the upper lakes. In fact it might be found after a thorough investigation that it is not possible to deepen this channel without seriously affecting those levels. If that should ever be found to be the case, I do not think it would be wise to proceed with the plan. A loss of one foot of water in regard to carrying power means a great deal, and that loss falls upon those who are paying for the carrying of the goods. A loss of one foot of water on the upper lakes would cost millions of dollars to the farmers of western Canada through higher rates on their grain.

Hon. R. J. MANION (Fort William): Mr. Speaker, I do not intend to detain the house at any considerable length, because I believe there are a number of other members who wish to say a few words in regard to this project. I rise because I believe somebody from my section of the country should once again put himself on record on this question.

I am on record on it so often, I must confess, that a statement of my views to-day does not really matter very much. May I say before I go any further that I am of course speaking entirely for myself, as other members who have spoken to-day were speaking entirely for themselves?

I have had the fortune of following my hon. friend from Qu'Appelle (Mr. Millar) once or twice before on this question. I happened out of curiosity to look up Hansard of 1923, and I found that at that time he spoke on the question much along the line he took to-day, and I spoke much along the line I intend to take now; so that at least two members of this house have been entirely consistent on the question. I made a few remarks also in 1921 in favour of this project. As the papers are going to be tabled so soon, perhaps it would have been as well—and I rather hoped it would have turned out that way—had the whole debate been adjourned following the speech of the hon. member for Toronto Northwest (Mr. Church), because we cannot really intelligently discuss the question until those papers are produced. Whatever remarks I make, however, will be very general.

The hon. member for Qu'Appelle spoke of a rate as low as four cents from the head of the lakes at a certain period. There are low rates at certain seasons; there are other seasons when the rates are very high, and of course those are the seasons when the heavy grain traffic is taking place.

Mr. MILLAR: The four cent rate was for a whole season.

Mr. MANION: I think my hon. friend said that that rate was in force about 1908. Of course, freight rates as well as everything else have gone up since 1908; but Julius Barnes, who is perhaps one of the best authorities, if not the best in the world, on grain, made the statement that the building of this canal would mean a difference of ten cents per bushel on wheat shipped to the old land. I believe he meant by that that the saving would be ten cents a bushel in taking the grain from Chicago, Duluth or Fort William to the old country. I think he included everything, and did not merely take in the lake and rail route.

Mr. CAHAN: Did he not mean taking the grain from the whole central United States on the average?

Mr. MANION: I have read his speech a number of times and his statement was very clear that this would mean a saving of ten cents a bushel. I have not read his speech for some years, but I believe he said in one part of it that the building of this canal could be carried on every year by the saving that would be effected by the farmers of the United States in the transportation of grain. That is a pretty strong argument. Mr. Herbert Hoover has also taken pretty much the same attitude. It is a well known fact that the transportation of freight by water over a long haul is only about one-sixth or even one-tenth the cost of rail transportation.

Mr. MILLAR: Would my hon. friend make a comparison between the railway cost and the canal cost?

Mr. MANION: I have not the figures at hand, but I presume that the canals would run the cost up. I do not claim to be an expert in any way, and I am speaking probably entirely as a theorist, but it has been stated many times by experts that you can carry a cargo from New York to Calcutta and a cargo from New York to Bombay at exactly the same cost, although there is a difference of 2,000 miles in the distance. That is because of the cheapness of water transportation.

When this question of the St. Lawrence waterway comes up there are some who attempt to make fun of the advocates of this route—I noticed an attempt in one newspaper to-day—suggesting that they expect the Olympic or the Mauritania to come right up to Toronto and perhaps to Fort William. But those who look at this question intelligently never expect any such thing. Those who regard the route as a feasible one do, however, believe that the grain of the west could be shipped from Fort William and Port Arthur by water right through to Montreal, there to be transhipped on to the ocean-going boats. It is not believed by anybody of intelligence that there will be any regular system of ocean-going boats coming up the lakes, although I remember thirty years ago seeing a Norwegian boat at the head of the lakes, and foreign boats have been coming there ever since, although not on a large scale.

It should be remembered that the building of the Panama canal has made a complete change in the routing of traffic between the east and the west of the United States, and even between the eastern and the western part of Canada. One prominent manufacturer told me not long ago that he could ship his goods from a point near Toronto to Vancouver via the Panama canal more cheaply than he could ship them by rail across the continent. That illustrates very markedly the importance of water transportation. The building of the Panama canal has certainly been a very great blessing to the port of Vancouver. I venture to say that the port of Vancouver for the last

few years has been the most prosperous city of its size in the Dominion, and that is largely because of the building of the Panama canal.

Then, of course, there also comes in the question of power development. It is estimated that between four and five million of horse-power can be developed on the St. Lawrence between Kingston and Montreal. There also enters into the question the fact that it will reduce the transportation costs on wheat, and a difference of only a few cents a bushel means a great deal to the farmers of the west. The development of this route would also mean that coal could be brought from Nova Scotia to the central portion of Canada. The development of this route is ultimately bound to come. Whether now is the time to make a start is a debatable question, and there are men just as sincere as I am who believe that we are premature in even discussing the matter at all at this time, while others think we are lagging behind in not making a start now. But ultimately this route will be developed in spite of all opposition from any section of the United States or of Canada, and when it is developed it will mean a much greater consumption of Nova Scotia coal in the central portions of Canada. And that is only as it should be, because it does seem to me a shame, when we have in this country the second largest coal deposits in the world, that we should be importing so much coal from the United States—$60,000,000 worth last year. The development of this route would mean the consumption of Nova Scotia coal to a very large extent in the central portions of Canada, and that would be a great blessing to Nova Scotia.

After spending $120,000,000 or thereabouts on the Welland canal—for that will be about the amount when it is completed—it seems to me that the building of this other waterway is the logical thing to do to round out the whole scheme. It will enable us to go down the lakes right to Montreal, which is 500 miles closer to Liverpool than is New York, and that is a factor of some importance. It is also to be remembered that about one-third the area of the United States, one-third of the population, and perhaps one-third of the production of that country, is tributary to this canal system through the great lakes. Taking all these things into account I do not see how anyone can definitely take the stand of absolutely opposing this scheme, though of course anyone has the right to do that just as much as I have the right to support it.

I shall not take up further time, Mr. Speaker, because I understand there are others who wish to speak on this question, but in a general way I wish to give what little support I can as an individual member of this house to the hon. member who introduced the resolution.

Mr. G. R. GEARY (South Toronto): One cannot listen to those who address the house on this motion without realizing that the whole question is one that simply bristles wtih difficulties. It is not as though we had no information, because from the date of the report of the International Joint Commission, which I believe was in 1921, there have been others well qualified and well equipped who have investigated this question in all its aspects and have made a report, and there is still another advisory board which has yet to make its report to this house. It seems to me that the air would be cleared to an appreciable extent if we could have the report of that advisory committee tabled. Having that, and having copies of the correspondence which the right hon. the Prime Minister (Mr. Mackenzie King) has undertaken to lay on the table at an early day, we shall have information which will enable us to discuss the various features which my friend from Qu'Appelle (Mr. Millar) has discussed with some knowledge and without groping so much in the dark as we are obliged to do at the present moment.

While I welcome the opportunity afforded by the resolution moved by my friend from Toronto Northwest (Mr. Church), I would not dream at the present moment of seeking to have this house compel the government forthwith to enter into a treaty in regard to the matter. We have not the information which has been asked for, and which I believe is being prepared and will be before us in a very short time.

My friend from Qu'Appelle has brought into the discussion queries as to cost, as to the relations with the United States of America, as to the levels of the upper lakes, and probably other questions of which I took no note, but all queries which have been for a long, long time before the various bodies which have been authorized to consider the matter.

Let us assume for a moment that we do find from the final reports that come to this house, and from the discussion on the reports which this house will have an opportunity of engaging in, that the scheme is feasible from an economic standpoint, that there is no danger of international complications, that the levels of the upper lakes and of the lower lakes and of the St. Lawrence will not be interfered with. Of course, we must be satisfied on these points before we can enter into

such a tremendous undertaking. But assuming all that, and these difficulties being out of the way, would any hon. member of this house say that it would not be a wonderful thing for Canada that there should be a spearhead of navigation, so to speak, thrust into the very middle of the country? I will not speak of any benefit the United States may derive from that. If they benefit we need not be envious or jealous of them so long as it is a good thing for our own country. When we realize the vast resources in minerals stretching from central Manitoba at least, eastward to the province of Quebec, where geologists tell us we have an extension of the pre-cambrian shield bearing tremendous mineral deposits; when we realize the potentialities of that country in the development of minerals, potentialities which would come much closer to realization if we had this sort of transportation at the very doors of the mines; when we picture the industrial activity that would follow with waterborne traffic passing the doors of central Canada to the eastern and western provinces, it seems to me nobody can dispute the fact that the country would be tremendously benefited by such a state of affairs. We must rely on those general principles after disposing of the questions of cost, internationl complications, and so on, that have been raised. I suggest to the government that at as early a day as convenient and practicable all the information collated by the advisory committee be placed before this house for consideration. Then we shall have the last word on the subject, and many of the questions bothering members at the moment will be disposed of.

We have heard it said that Canada's main difficulty is a geographical one, that we have such a stretch of country from west to east as to make it almost impossible for adequate communications to be established. Well, as I look on this project in the large, to my mind it presents an opportunity of remedying one of the disabilities to which Providence has subjected us. I have often been surprised to hear my friends sitting in this house, particularly those representing western constituencies, state that the idea of a St. Lawrence waterway has not taken hold of their imagination. I learned this afternoon from an hon. gentleman who sits to my left—in whom I have much confidence— that in the west there is a general feeling of disappointment at the results following the construction of the Welland canal, and a conviction that the great railway bridge along the north shore has not done the work which it was built to do. It was built as a grain carrier in the expectation that it would enable grain to be carried to the seaboard at a comparatively low cost. In that regard the people of the west have been disappointed. When the third Welland canal was deepened great hopes were entertained in the west of a lowering of freight rates on grain, but it appears that very little reduction in the transportation costs ensued. It is a fact though that the Welland canal on that occasion was deepened only to such an extent as would enable it to be utilized in connection with the other canals along the St. Lawrence; that is to say, it was not deepened sufficiently to allow of the passage of deep draught vessels. The new Welland canal, which will be completed in a few years, will allow ships carrying half a million bushels of grain to pass into lake Ontario. At present ships of that capacity have to break bulk at Port Colborne, where their cargoes are transshipped to smaller vessels. The transportation cost by water from Port Colborne to Montreal has been at the rate of six cents a bushel for a little over one-third the distance for which grain is carried on the upper lakes at three cents a bushel. This higher cost is accounted for, I understand, by the greater overhead expense of handling smaller ships, and in various other ways which I am not in a position to discuss. It is said that if a 500,000 bushel cargo could be shipped by water from Fort William or Port Arthur to Montreal, there would be only a very small increase in the three cent rate to Port Colborne. Of that I know nothing more than one can gather from different quarters, but when we get the report of the advisory committee perhaps we shall be able to deal with that as a matter of fact rather than as mere conjecture.

But looking at this project in the broad sense, as I say, it occurs to me that from the eastern edge of this country to the western, granted that the economic difficulties are removed, there can be nothing but benefit as a whole from the deepening of the St. Lawrence waterway. It is quite possible, as my hon. friend from Toronto West Centre (Mr. Hocken) said, that grain could be carried down to Halifax and handled at large milling establishments to be erected there, and the products shipped across the ocean all the year around, and that coal from the maritime provinces could be shipped to the central provinces and even further west. Such a proposition would undoubtedly be very attractive to the people down there. My friends from Quebec are not particularly enamoured of this project, and I can only hope that such facts and arguments as may be placed before them will convince them that they are in error in opposing, as they do to some ex-

tent, the construction of the St. Lawrence waterway. Take Ontario; if one or two of our sister provinces object, I am quite prepared to admit that we cannot proceed with an undertaking of this magnitude, for it must be considered as an undertaking for the benefit of Canada as a whole, not for one section or the other. We cannot expect the Dominion to spend money for the benefit of Ontario alone. For my part I cannot see how the city of Toronto is going to be advantaged by having grain carried past its door, but it is very likely that it will derive benefit from the waterway And I am safe in saying that a great body of opinion in the province of Ontario is strongly in favour of the project.

This brings me to the subject of hydro-electric power, in which we in Toronto are very vitally concerned. We are running out of power. We have had to enter into a contract with a power company in Quebec to tide us over the shortage. That power has to be transmitted three hundred miles from the Gatineau to the city of Toronto and the surrounding district. It is not a contract with which we in Ontario are very well pleased, for we think we are paying a pretty heavy rate for the power. When we get power from the St. Lawrence our difficulties will be solved for a long time. It has been estimated that all power generated in the St. Lawrence to be allocated to Canada will soon be absorbed in the Dominion, and Ontario's share amounts from one to one and a half million horse power. Quebec, it is estimated, will have available some 3,000,000 horse power for distribution and use within the province, with all the consequences arising from cheap, adequate and easily transmitted electrical energy. The province of Quebec I imagine, must look forward to a tremendous industrial development from that source alone.

Now I come to the west. I do not think that my hon. friend from Qu'Appelle means to say that because the grain growers see no particular benefit from the St. Lawrence waterway they are going to oppose the project. I think better of them than to believe that. I do not think, simply because such an undertaking might not in his view be of any particular personal value to him or the grain growers whom he represents, that he will object to it on that score. The Hudson bay route will do a certain amount of business; then there will be competition from the port of Vancouver; and if competition is increased by waterborne traffic from the head of the lakes at least as far as Montreal, surely in the end that must enure to the benefit of the western farmer and lighten his burden of transportation charges. My friends from British Columbia need not be afraid that they will be harmed by this enterprise, because after all competition is the life of trade, and competition in grain carrying cannot help but have some effect upon freight and waterborne traffic rates via Vancouver.

At the moment, Mr. Speaker, I have complete confidence that this enterprise will be of advantage to the whole Dominion, and that it should be proceeded with at the earliest possible date. All I can urge upon the government is that without delay they place the house in possession of all the facts in order that we may have an opportunity of studying them, and also in order that they may be broadcast throughout the whole Dominion so that every one may be in a position to decide for himself that this enterprise, whether from the standpoint of dollars and cents, of international complications, or from any other point of view, is not going to hurt Canada but rather is destined to be of inestimable benefit to the country at large. We have a very clear pronouncement by the chairman of the Montreal harbour board, who sees nothing but good for the city of Montreal in the St. Lawrence waterway. That statement is disputed in some quarters, as is every other statement that is made. I do not think that we should get into that state of mind in which we should want to be fighting between province and province and city and city. We must consider this not as a party question, not as a political matter; one party should not seek to get any particular advantage from it as against another. We should regard the matter as one upon which the future of this country depends in a marked degree. The matter looms up as so important that this house could not devote itself to anything with greater hope of reward than it could to the sympathetic consideration of the construction of this immense waterway.

At the moment we are stopped at Port Colborne. All that immense lake-borne traffic stops there, and we know that transhipment takes place at Buffalo. For economic reasons there is a considerable development there—a tremendous milling centre, where a great deal of Canadian grain is milled, some of it mixed with grain of an inferior quality. As soon as the Welland canal is opened we shall be able to go as far as Prescott. Are we going to stop there? Is that narrow gap between the St. Lawrence, the greatest waterway in the world, and the upper lakes, Ontario included, to be bridged, or are we going to stop at the stage we have reached? The

matter, I repeat, is one of vast importance; it may have an effect on the future of Canada such as we cannot comprehend. This house should consider the question from a Canadian standpoint, as effectively and thoroughly as possible, each member contributing his best to the consideration of it in the hope that we may arrive at the solution of a problem which, as I have said before, and as I say again, even at the risk of undue repetition, seems to be the most important before the people of Canada at this moment.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Most hon. members who have participated in the debate have, I think, very wisely recognized that, in the absence of important reports and documents bearing upon this great question, it would be inadvisable for anyone to attempt to give a final expression of his own views. I am sure the house will agree that in suggesting on behalf of the government that no effort be made to press the present resolution to a conclusion, but rather that the debate be adjourned until at least all the documents are before us, I am taking a course which is very much in the interests of all parties and certainly in the interests of the country.

Mr. CAHAN: Hear, hear.

Mr. MACKENZIE KING: On Tuesday, on the resumption of the sittings of the house, the leader of the opposition (Mr. Bennett) inquired when the despatches on the St. Lawrence waterway project would be tabled, and I stated that I had communicated with the Secretary of State at Washington, expressing the hope that they might be tabled very shortly after the Easter recess. My communication had been sent to Washington prior to the recess. I may now say that it has been agreed between the two governments that the papers shall be given to the press on Monday night of next week. They will be tabled in this house at the time of adjournment, so that in both countries, so far as the press is concerned, the information will be available for the morning papers of Tuesday. Monday night the correspondence will be given out in both countries.

I agree with what my hon. friend (Mr. Geary) has said, that it would be advisable to include, in whatever documents may be brought down at that time, the report of the advisory committee, who have made a lengthy and careful investigation of the matter. The essential features of this report were brought to the attention of the United States government in connection with the communications which have passed between the two countries. As a matter of convenience to all members of the house, and certainly as a convenience in all subsequent discussion of the subject, it might be well to include in the papers that are to be tabled on Monday night all of the important dispatches relating to the St. Lawrence waterway project, the dispatches that passed prior to the meeting of the advisory committee, the committee's report, and the dispatches that have passed since then up to the present time. It will be also of advantage, I believe, to place before the house the questions that are to be submitted to the courts touching the jurisdiction respectively of the Dominion and of the provincial governments in relation to power which may be developed as a consequence of the construction of works for purposes of navigation.

As hon. members know, the question of jurisdiction in the matter has been raised by the provinces and at the last Dominion-provincial conference a request was made of the Dominion government to refer to the courts, for a final decision, this important constitutional phase of the subject. The government at the time acquiesced in the request made, and I may inform the house that, as they will be presented to the courts, the questions will be agreed to by representatives of the provincial and of the Dominion governments. I understand that the Supreme Court will hear the reference on May 28, and probably an appeal may be taken to the Privy Council thereafter.

Mr. CAHAN: Have they been amended since the first draft was given to the newspapers?

Mr. MACKENZIE KING: I understand that, at the request of the provinces, one or two additional questions have been incorporated in the reference; but the questions except in this particular remain as they were originally drafted in the order in council. The provinces themselves—at least so I am informed—have suggested one or two further questions which will be added. It would, I think, be well to include among the papers to be laid on the table the orders in council governing the reference. By this means the house will then have before it all of the essential recent documents bearing on the St. Lawrence waterway project as a practical project and as one which has come to be the subject of preliminary negotiations between the United States and Canada.

Mr. CAHAN: Will the Prime Minister submit also the report of the engineering board, which was laid on the table but which has never been printed? I have asked several

times at the distribution office for a copy of the report and I understand that so far it has not been printed for distribution.

Mr. MACKENZIE KING: To what report does my hon. friend refer?

Mr. CAHAN: In the early days of the session the Prime Minister laid on the table the last report of the joint board of engineers. The report was not then in printed form and a motion was made to have it printed and distributed. I have applied time and time again but I have not been able to obtain a copy of it.

Mr. MACKENZIE KING: I regret the fact; there must be some oversight. The report was printed and distributed and it is unfortunate that my hon. friend has not received his copy. I shall inquire.

Mr. CAHAN: I am glad to know that it has been printed, but I was told that it had not been.

Mr. MACKENZIE KING: Possibly I am in error in stating that the report was generally distributed. My impression is that it included some rather expensive plates, and it may be that only a limited number were struck off.

Mr. CAHAN: I shall be glad if the Prime Minister will see that I receive a copy, whether it includes the plates or not. A number of members on this side of the house have been applying continually to the distribution office, and these volumes have not been available. This is really one of the most important documents for our consideration.

Mr. MACKENZIE KING: The facts are, I think, that there are two volumes, one of the report and one of the plates. How extensive they are I do not recall at the moment; I know, however, they were quite large and it may be that they were not distributed to all the members on that account. In regard to a matter of this magnitude, however, I think the house should have before it, one might say almost regardless of cost, all the information which is essential, and certainly the government will endeavour to meet the wishes of the members of the house in that particular.

Now may I say that when the communications which have passed between the government of the United States and our own government are tabled, hon. members will find, despite what has appeared in the press and what has been hinted at by some of those who have spoken in debate, that so far no commitments have been made of a character which in any way will prove prejudicial to the Dominion, to any province of the Dominion, to the influence of any hon. member of the house or any organ of public opinion in the country. From the outset the government have taken the view which has been expressed by many hon. members on both sides of the house, that the St. Lawrence project is one of the largest undertakings with which this country has ever been faced or is likely ever to be faced, and we have felt that in the preliminary negotiations we should proceed with the utmost caution, not with undue haste nor on the other hand with undue delays, but rather to make progress in the light of the importance of the project and in a way which will enable public opinion gradually to formulate and express itself. I believe it would be prejudicial to the ultimate success of any project of this character were steps to be taken prematurely which would give rise to doubt or to fear in the minds of the people of any section of Canada as to the wisdom of the course which was taken. If the project, as I believe it to be, is one which will come in the course of time, and which has very much even now to commend it if certain economic considerations can be satisfactorily met, then it will be made all the more certain of accomplishment by being advanced cautiously, step by step, but always in the right direction. That is what the government have thus far attempted to do and I think, Mr. Speaker, with these words the house will probably support me in moving the adjournment of the debate.

Mr. MANION: Just before the Prime Minister concludes, after these papers are tabled, if the house so wishes I suppose there will be an opportunity for further discussion?

Mr. MACKENZIE KING: The members of the house always have that privilege.

Mr. MANION: Perhaps there might be some obstacle in the way, so I presume it is understood that if the house so desires there may be a further discussion on the papers.

Motion (Mr. Mackenzie King) agreed to and debate adjourned.

COMPULSORY ARBITRATION OF INTERNATIONAL DISPUTES

Mr. H. B. ADSHEAD (East Calgary) moved:

That, in the opinion of this house, the time is opportune that according to agreement, the government of Canada should discuss with the government of Great Britain, the desirability of Canada accepting article 36 of the statutes of the Permanent Court of International Justice providing for compulsory arbitration in international disputes.

He said: Mr. Speaker, at this late hour it is impossible for me to cover all the points with which I had intended to deal in connection with this most important question. Suffice it to say that if the members of the house will look at page 23 of the report of the Imperial conference they will find that the question of compulsory arbitration is touched on. I do not wish to go into the details of the arbitration treaty more than to say in general that the countries which may subscribe to the arbitration treaty agree that they will arbitrate all their international difficulties without resort to war, with certain modifications and exceptions.

At that conference an understanding was arrived at, something as follows: A general understanding was reached that none of the governments represented at the Imperial conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the permanent court without bringing the matter up for further discussion. So you will see that however desirable it may be that Canada, England, Australia, or any of the component parts of the British Empire should sign the arbitration treaty, they cannot do so. Canada's hands are tied; the hands of England, Australia, and all the members of the British Empire are tied until they bring up the matter for further discussion, and it is with this object in view that I have brought forward this resolution to-day. If this should pass the house, or if it strikes the government favourably, we might say to the British government: We are going to bring up that matter for discussion in order that our hands may be untied, so that if we wish to sign the compulsory arbitration treaty we may do so.

At present 26 nations have signed that treaty, and according to the latest report of the Empire Parliamentary Association, two more states, Germany and Guatemala, have signed, so I presume 28 nations have now signed it. It may be that when the government notify Great Britain that they propose to bring up the matter for discussion, some other and better method may be brought forward, but at any rate I hold that Canada should be free to sign that treaty if she so wishes, in common with any other component part of the British Empire.

There are other reasons why we should consider this matter. The other day Lloyd George said that perhaps the most disastrous war in history would occur unless the nations of the world saw fit to resort to something else than force, and unless they worked out some method of arbitrating their difficulties by right and by reason rather than by force of arms. Lord Rothermere has said the same thing, so I think Canada has good reasons for signing that arbitration treaty, or at least for bringing it up for discussion.

Then there is another point to be considered. I am sorry to say that if my information is correct, at present in England there is a very erroneous opinion prevailing among a large number of people that the dominions, Canada among them, are instrumental in tieing the hands of England; in other words, that England cannot sign the arbitration treaty because the dominions will not allow her to do so. In the issue of the Manchester Guardian of December 2 last appears some interviews and some speeches from some English statesmen. I do not wish to bring English politics into this house, but to my mind it is important that Canada should be placed in a right light before the English people, that we may not be looked upon as a deterring factor in this matter One of the gentlemen is reported to have said that if England agreed to arbitrate and the dominions did not agree to do so, England would find herself at loggerheads with the dominions. Again, Ramsay MacDonald is reported to have said, "It is not fair to blame the dominions." He spoke about Canada as probably being willing to accept the optional clause; and the reply was made that we did not sign the protocol. Then further it was said: Well, if Canada and the dominions are not willing to sign this thing, we should sign it whether they are willing or not. That is the attitude taken. There is a false impression that the dominions, Canada having been mentioned as one of the dominions, is one of the factors preventing England signing the clause by which she will settle her differences by arbitration rather than by war. To set ourselves right in our own estimation and in the eyes of the people of England and of the world we ought to pass this resolution and notify Great Britain that we are going to consider the optional clause, and that at the earliest opportunity we will discuss this matter in order to untie her hands and our hands as well, so that the false impression will not any longer exist.

Sir GEORGE PERLEY: Call it six o'clock.

Mr. ADSHEAD: I do not know whether I would be right in asking the government to make a declaration on this point. The time is getting late, and I should like the government to say something upon this point.

Mr. LAPOINTE: Mr. Speaker, I am sorry that the hour is so late, but it is early enough for me to say simply that I am in sympathy with the subject matter of the resolution. I have some more reasons to give in support of my statement.

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

Thursday, April 12, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Third report of the select standing committee on railways, canals and telegraph lines. —Mr. Cahill.

VALIDATION OF ORDERS IN COUNCIL

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I beg to lay on the table the orders in council in connection with Bill No. 62.

PRIVILEGE—MR. BELL (Hamilton)

Mr. C. W. BELL (West Hamilton): Mr. Speaker, if I am in order, I wish to rise to a question of privilege.

Mr. CAHILL: On the orders of the day.

Some hon. MEMBERS: At any time.

Mr. SPEAKER: An hon. member may rise at any time to a question of privilege.

Mr. BELL (Hamilton): Mr. Speaker, I have had an opportunity of perusing in Hansard of yesterday the remarks addressed to the house by the hon. member for Antigonish-Guysborough (Mr. Duff) on the question of privilege then raised by him. I am glad to see him in his seat, and I am sorry that when he had occasion to make those remarks—in which I appear to be slightly interested—unfortunately I had not arrived.

Needless to say, sir, I very cheerfully and very readily accept what my hon. friend then chose to state as being the condition of his own—shall I say?—affairs so far as they relate to the steamship—I should say the schooner W. C. Kennedy. However, it does devolve upon me as a matter of privilege to make some reply to what my hon. friend then asserted. At page 1918 of unrevised Hansard I find that he objects to my designation of "steamship", and I cheerfully make the correction and acknowledge that I should have described the Kennedy as a schooner.

[Mr. Adshead.]

On the same page I find my hon. friend said that I was in error in saying that at the time of the seizure of the Kennedy he was its owner. Again, I cheerfully accept his statement, but until yesterday the only information available to me in regard to the ownership of the schooner was that given under oath before the special committee of this house which in 1926 investigated the Department of Customs and Excise. At the bottom of page 1918 of Hansard my hon. friend is reported as follows:

> If I remember correctly, I sold the W. C. Kennedy in 1923, about six months before she was illegally seized—mark you, not legally, but illegally seized—in Northumberland straits nine and a half miles east by south of Pictou island. At the time of this illegal seizure I had no interest whatever in the schooner,—

The remarks that I addressed to the house in connection with this matter on Tuesday last—not by way of any criticism of my hon. friend but on a resolution in amendment of the Customs Act to prevent smuggling—certainly did come from me on the assumption and in the honest belief that my hon. friend was at that time the owner of the boat. My reasons for so concluding are to be found in the statement by Percy D. Rafuse, master of the W. C. Kennedy, which will be found at page 1202 of the proceedings of the special committee which in 1926 investigated the Department of Customs and Excise. Let me quote it for the benefit of the house:

> Statement of Percy D. Rafuse, captain boat W. C. Kennedy.
>
> Q. What is your name?—A. Percy D. Rafuse, Lunenburg, Nova Scotia.
>
> Q. Are you a British subject?—A. Yes.
>
> Q. Are you the master of the Kennedy?—A. I am a certified master.
>
> Q. Of what tonnage is the Kennedy?—A. 112 tons.
>
> Q. Where is she registered?—A. Lunenburg, Nova Scotia.
>
> Q. To whom does the Kennedy belong?—A. To Mr. William Duff, Lunenburg, that is as far as I know, but she is under charter to Ronald Betts and Charles Mee.
>
> Q. Who pays you your wages?—A. Mr. Duff, also the crew but I have a telegram from Mr. Duff instructing me to take my orders from Mr. Mee.
>
> Q. By whom are you employed?—A. By Mr. William Duff, Lunenburg, N.S.
>
> Q. How long were you hovering off the place I found you?—A. About three days or three and one-half days.

Your Honour will readily appreciate that, gladly hailing as I do my hon. friend's statement yesterday, I might well be forgiven down to the time of that very convincing explanation for thinking that my hon. friend was the owner of the schooner W. C. Kennedy at the date on which the master so emphatically swore that he was.

I notice also that my hon. friend has taken exception—it is apparent in the paragraph to which I have alluded—to the statement in regard to the boat having been seized for hovering. I have just read what was stated about the hovering that occurred, and I find on page 1194 of the report of the special customs committee the following statement by the chairman, the hon. member for St. Henri (Mr. Mercier):

I must remark that this is a question of law. Each one of us may interpret this question as we like, but I would like, if there is an opinion given by the Department of Justice, to see it.

Mr. R. L. Calder, K.C., counsel for the committee who had gone over the file, answered:

The entire file reveals no opinion, but the action was taken by the Customs department, merely on the representations of the owners of the vessel, that that was the true legal position. Without referring to the Department of Justice, the decision was made.

May I say again that, with the very best intention in the world to do justice to my hon. friend from Antigonish-Guysborough, no one can legitimately complain that I accepted these statements without reserve from the sworn evidence given before the customs committee. I was not present yesterday, but my hon. friend felt called upon to make some comments on certain things that had occurred when I visited Lunenburg in the campaign of 1926. I shall not attempt to follow him there, but I would say—Sufficient unto the election is the campaign speech thereof. I am willing to leave the matter at that.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I presume—

Some hon. MEMBERS: Order.

Mr. SPEAKER: There can be no debate on the explanation given by the hon. member.

Mr. DUFF: I am rising to a question of privilege and I think I am within the rules of the house in replying to the statements made by the hon. gentleman (Mr. Bell, Hamilton), in his attempt at an extenuation of the remarks he made in this house the day before yesterday. You will have noticed that the hon. member did not refer to what he had said about my being president of the company owning the cargo of the W. C. Kennedy, valued at $20,000. He made that statement deliberately and now he offers no excuse and gives no reason for it.

Mr. BELL (Hamilton): The captain said you paid him.

Mr. DUFF: The captain stated no such thing. I did not pay for or own the whisky. I am talking about the cargo, and the hon. member cannot deny the fact that he stated that I was president of a company which owned the cargo of the W. C. Kennedy. That statement, I say, is a falsehood, and I am surprised that the hon. member should have dared to give utterance to it the other day, or to get up now and try to explain it away.

Mr. BELL (Hamilton): To do what?

Mr. DUFF: I say you made the statement that I was president of the company that owned the cargo.

Mr. BELL (Hamilton): So did the captain.

Mr. DUFF: The captain said no such thing; you are not telling the truth.

Some hon. MEMBERS: Order.

Mr. DUFF: What the captain said was that he had been hired by me, and I am willing to make an affidavit to the effect that I never hired the captain, and I never paid the captain.

Some hon. MEMBERS: Oh, oh.

Mr. DUFF: It is all right for some of my hon. friends to laugh, but the less some of them say about rum or booze, the better. If they want to discuss either rum or booze or anything else I am ready to do it any time or any place. If the hon. member for West Hamilton will make, outside the house, the statements he made here two days ago I will put him where he belongs.

Mr. BELL (Hamilton): I rise to a point of order. That is a distinct threat and menace, according to the rules.

Mr. DUFF: I repeat you are exactly what I called you yesterday—nothing more and nothing less.

TREATY WITH SPAIN

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 201, respecting a certain treaty of commerce and navigation between the United Kingdom and Spain and a certain agreement between the United Kingdom and Spain regulating the treatment of companies.

He said: We shall be prepared when the bill is presented, to give details of trade. On April 10, 1925, Canada entered into an agreement with Spain whereby Canada granted the intermediate tariff in exchange for the second column of the Spanish tariff, which is the clause involved in the agreement

On June 27, 1924, Great Britain and Spain entered into an agreement concerning the treatment of companies. The company agreement is of value to several Canadian companies including Canadian banks. The Spanish tax on capital and reserves is one per cent; under the agreement it will be reduced to one-quarter of one per cent. The trade agreement will be of considerable value to Canadian products shipped into that country.

Motion agreed to and bill read the first time.

TRADE CONVENTION WITH CZECHOSLOVAKIA

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 202, respecting a certain trade convention between His Majesty and the president of the Czechoslovak republic.

He said: In December 1926 a temporary agreement was made between Canada and the Czechoslovak republic whereby, on the main items of export from Canada, most favoured nation treatment was given, while in exchange Canada granted the republic the benefits of the intermediate tariff. This agreement was made for a term of fifteen months with the understanding that in the interval further consideration would be given the question of a permanent treaty. These negotiations having taken place, this bill is now introduced with a view to that agreement.

Motion agreed to and bill read the first time.

COMMERCIAL TREATIES WITH EUROPEAN COUNTRIES

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 203, respecting trade between Canada and Esthonia, Hungary, Latvia, Lithuania, Portugal, Roumania, and the Serb, Croat and Slovene Kingdom.

He said: The United Kingdom has various commercial treaties with world powers, most of them being styled "for commerce and navigation". It is the general term of these treaties that they shall not apply to any self-governing dominion unless such dominion gives notice that it intends to accept the treaty in whole or in part. In the treaties with the foregoing countries it had been deemed advisable to accept the clause providing for the extension mutually of most favoured nation treatment.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MR. ARTHUR MACDONALD

Mr. MacDONALD (Richmond-West Cape Breton):

1. Was one Arthur MacDonald of Sydney employed by the government to investigate charges of political partizanship against government employees?
2. How many such investigations were held by the investigator?
3. What remuneration has been paid to the said Arthur MacDonald for his services?

Mr. RINFRET:

1. Yes.
2. Ten.
3. Fees, $520; expenses, $505.62.

LIGHT AND POWER FOR OTTAWA GOVERNMENT BUILDINGS

Mr. HEAPS:

1. From whom does the government purchase its light and power?
2. Does it purchase some from the Ottawa Electric Company?
3. If so, why does it not purchase all its light and power from the public owned hydro-electric system of the city of Ottawa and the province of Ontario?

Mr. KING (Kootenay) (for Mr. Elliott):

1. The Ottawa Electric Company and The Ottawa Hydro-Electric Commission.
2. Answered by No. 1.
3. No advantage in doing so. Besides Ottawa Electric Company was original company connected to government buildings and pays taxes to the city.

REPARATIONS COMMISSION

Mr. STEVENS:

1. Has a report of the Reparations Commission been printed? If so, when?
2. Has there been submitted to the government a draft bill giving effect to the report of the Reparations Commission?
3. Has the government received on account of reparations from the Dawes report or other source a sum approximating eleven millions of dollars? If so, has such sum been incorporated into the consolidated fund?
4. If incorporated in the consolidated fund, is it the intention of the government to await this year's payment under the Dawes scheme before making payments on account of reparations as recommended by the Reparations Commission?
5. What is the approximate amount of the payment to be made this year to the Dominion of Canada under the Dawes scheme?
6. Is it the intention of the government to recommend to parliament payment of interest on reparation claims as recommended by the Reparations Commission, and will reparation claims be paid in full or on the instalment plan?

Mr. RINFRET:

1. A few copies of the report of Commissioner Friel on illegal war claims were printed on the 7th of March, 1928.

2. This relates to proceedings in council which are confidential.

3. Canada has been paid to date $10,800,-992.91 under the provisions of the London agreement, bringing the Dawes plan into effect. This sum has been paid into the consolidated revenue fund.

4. The Secretary of State made the following declaration in the House of Commons on March 30, 1928, concerning the Friel report; Hon. Fernand Rinfret (Secretary of State): "I may say in reply that the government is not in a position to submit any legislation on the matter during the course of the present session. Pending the consideration of possible legislation at a later date, the government think it would be inadvisable to have the report tabled at present."

5. No information.

6. Answered by No. 4.

*RADIO—CANCELLATION OF LICENSES

Mr. SPENCER:

1. Is the government considering refusing to continue the license of the broadcasting station C.H.C.Y. Edmonton (International Bible Students)?

2. If so, for what reason?

Mr. CARDIN: In view of the developments in recent times of radio broadcasting and having regard to the seemingly unsatisfactory conditions now obtaining, the government is giving consideration to the question of whether or not it would be generally advantageous to adopt a policy of national broadcasting along the lines adopted in this respect by the British government. The Department of Marine and Fisheries is responsible for the administration of the Radiotelegraph Act under which every radio station in Canada must be licensed. With the advent of broadcasting, the department as the licensing authority, at once realized its responsibilities to the listening public. Each application for a broadcasting license was, with these responsibilities in mind, dealt with as far as practicable from the viewpoint of the broadcast listeners.

When the Bible Students applied for a license to erect and operate a station at Toronto in 1922, their application received very serious consideration, but from information available the department was of opinion that it would not be in the best interests of the public to grant a license and the same was consequently withheld. An application was finally made in 1924 by an individual unit of the association at Saskatoon for a station at that place. The request for hours of broadcasting appeared modest and upon the recommendation of the department's local inspector that they be given a trial, more particularly for the benefit of the country people in that large farming section of the country, a license was issued to them. Subsequently applications were made and licenses issued to individual units of the association at Vancouver, Edmonton and Toronto, respectively. It may be stated here that all licenses automatically expire at the end of each fiscal year, namely the 31st March. Thus the department is in a position to review the same before granting renewals.

When the licenses for the Bible Students expired at the end of the fiscal year, 1927, some consideration was given to the question whether they should be renewed, because of complaints made by the listening public against the matter broadcast by these stations. It was decided, however, to give the association a further trial and the licenses were extended for another year. While the licenses were originally applied for by individual units of the association at the places named the broadcasting stations appear to have become organized under the central authority at Toronto, who last year made application and in whose name the four licenses were renewed. Whether this reorganization has any connection with the matter is not certain, but complaints from the listening public have gradually increased until to-day the department has received a large number of protests and petitions asking that the broadcasting activities of this association be either curtailed or entirely suspended. The matter being broadcast is generally described by complainants as having become intolerable and that the propaganda carried on under the name of Bible talks is said to be unpatriotic and abusive of all our churches. Evidence would appear to show that the tone of the preaching seems to be that all organized churches are corrupt and in alliance with unrighteous forces that the entire system of society is wrong and that all governments are to be condemned.

The department has before it many letters and a petition asking that the Toronto station be closed. A petition from the board of trade at Saskatoon asks that the association's broadcasting from the station at that place be restricted and the local inspector, who originally recommended the granting of the license, says that he has a "continual deluge of complaints." Complaints have been received from officials of the city and provincial authorities against the Edmonton station, and there are many protests from other prominent people in regard to the same station. Finally,

a joint petition has been received from the Greater Vancouver Radio Aassociation and the Radio Trades Association of Vancouver asking that the license for the Vancouver station located at Burnaby, British Columbia, be not renewed for next year.

It should be emphasized that these communications and petitions are unsolicited, and should be taken as fully representative of the broadcast listeners in general. On the other hand the supporters of the association are protesting against any restriction of their broadcasting activities or the closing of the stations, but we are informed that these protests have been solicited. It should be borne in mind also that in granting licenses after first refusing them the department indicated its entire impartiality in the matter and its willingness to give the association a fair trial, to be either accepted or rejected by the listening public.

There are many who say that if the listener does not want to hear what any particular station has to say he has merely to tune it out. This may be so in some cases, but a large percentage of receivers in use at the present day are not sufficiently selective to do this; especially where the station is in close proximity we know very well that the listener has either to accept the program of the local station or listen to none at all. If we were in the fortunate position of having an unlimited number of radio channels available, it could be well arranged so to place stations broadcasting matter of the character objected to where their transmissions could be easily eliminated, but we have a very limited number of these channels and cannot accommodate all requests. The demand for channels from proposed stations ready to broadcast desirable programs of a high order far exceed the number of channels available, and up to the present we have refused nearly a hundred applications for broadcasting licenses. The present trend of the listening public is for stations employing high power and providing "entertainment" of the better standard rather than propaganda.

The evidence now before us would indicate that the broadcasting of the association does not meet with the approval of the listening public, and in reviewing license renewals for the current fiscal year, mindful of its responsibilities to the broadcast listeners as the licensing authority, the department is persuaded that in the general public interest the licenses of the Bible Students' stations should not be renewed.

I may add one further word. In view of the recent development in radio broadcasting, and having regard to the seemingly unsatisfactory conditions now obtaining, the government are giving consideration to the question whether or not it would be generally advantageous to adopt a policy of national broadcasting along the lines adopted in this respect by the British government.

[Mr. Cardin.]

REFORESTATION AT CHALK RIVER, ONTARIO

Mr. COTNAM:

1. How many men are employed in reforestation work at Chalk River, Ontario?
2. How many day labourers were engaged, and at what wages?
3. How many teams were employed, and at what rate per day?
4. On whose recommendation were such men or teams engaged to work?

Mr. STEWART (Edmonton):

1. During 1927 the following was the staff employed at the Petawawa forest experiment station: 4 permanent technical officers, 640 man days; 1 forestry student assistant, 122 man days; 3 monthly labourers, 205 man days; 49 day labourers, 3,062 man days. The foregoing staff was employed for all phases of work including reforestation, silvicultural research, forest protection, forest improvements, etc.

Segregating reforestation proper from the foregoing, 9 labourers were employed under the direction of one technical officer for a total of 59½ days.

2. The number of day labourers is given in answer to question 1 above. Wages paid were as follows: 5 special labourers on silvicultural research, surveys, etc., $2 to $3 per day with board; 2 forest rangers, $3 per day without board; 1 handy man, $2.50 per day with board; 1 telephone lineman, $2.25 per day with board; ordinary labourers, $2 per day with board.

3. Four teams employed for a few days at a time, to a total of 86 team days at $6 per day.

4. Selected by officer in charge of work.

DOCTOR WALLACE MCKAY

Mr. COTNAM:

1. Is Dr. Wallace McKay an employee of the Department of Soldiers' Civil Re-establishment?
2. If so, by whom was the appointment recommended?
3. What salary?

Mr. KING (Kootenay):

1. Yes.
2. The Unit Medical Director, Department of Soldiers' Civil Re-establishment, Ottawa.
3. $150 per month.

SLAUGHTER OF ANIMALS—CONDEMNATION INSURANCE

Mr. SPENCER:

1. What was the total amount of money deducted by the packers of Canada under condemnation insurance during each of the years 1926 and 1927?

2. Do the packers report to the government the amount of loss incurred by them through diseased animals?

Mr. MOTHERWELL:

1. The Department of Agriculture has no information as to the amount of money deducted by Canadian packers on account of condemnation insurance, as this insurance is based on the purchase price of the animals slaughtered in the respective plants.

For the years 1926 and 1927, however, the total number of animals slaughtered at these establishments were as follows:

	1926	1927
Cattle	995,864	1,108,831
Sheep	521,874	554,893
Swine	2,464,755	2,545,963

2. No report is made by the packers to the government of the loss sustained by them through diseased animals, but the reports of veterinary officers at the packing plants show that, for the years 1926 and 1927, the following were the numbers of carcases totally condemned.

	1926	1927
Cattle	18,182	17,078
Swine	6,915	7,255

QUESTIONS PASSED AS ORDERS FOR RETURNS

COLLECTIONS FOR CHARITY

Mr. GARLAND (Carleton):

1. Does the Post Office department, or any other department of the government, allow charity collectors to solicit contributions or sell tags or such like in the post office and the various government departments?

2. If so, from whom is permission obtained?

3. Was such sale or collection in the Ottawa post office recently carried on?

4. If so, by whose authority?

RADIO LICENSES

Mr. SPENCER:

1. How many licenses were issued by the government in Canada for radio broadcasting as at March 1, 1928?

2. To what parties or corporations were these issued?

3. At what date or dates do such licenses expire?

4. How many of these have been or are being refused since the above date?

5. What are the names of the license holders and reasons for cancellation in each case?

GENEVA OPIUM CONVENTION

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

That it is expedient that parliament do approve of the Geneva Opium convention and protocol signed at Geneva on the nineteenth of February, one thousand nine hundred and twenty-five, after the second opium conference, and which was signed, on behalf of Canada by the Canadian representative duly authorized to that effect;

And that this house do approve of same.

He said: Mr. Speaker, there have been three important international opium conferences; one at Shanghai in 1909, another at the Hague in 1912, and a conference at Geneva in 1925. At the Hague conference an important convention was agreed to by the nations there represented, and Canada became a party to that convention on December 17, 1912. At the conference at Geneva, Canada was represented by the Hon. Dr. Beland, who at that time was Minister of Health, and by Dr. Amyot, the deputy minister of the department. They were present during most of the sessions, though, owing to the necessity of Dr. Beland having to return to Canada to attend the sittings of this house, his place was taken by Dr. W. A. Riddell, Canadian advisory officer at Geneva. It was decided at Geneva to make more effective the Hague conference of 1912. The terms of the convention and of the protocol are set forth in the document I tabled in the house before the recess. The convention contains thirty-nine articles. They are intended to complete the provisions of the Hague convention of 1912 and to bring about a more effective restriction of the production of narcotics in the effort to secure a closer control of the trade, and for the appointment of a permanent central board to watch the international trade. The board will prepare every year a report which will be sent to the contracting parties, and will also make recommendations.

In the protocol the signatory states recognize their obligation under chapter 1 of the Hague convention to establish such a control over opium as will prevent illicit traffic; and they agree to take steps within five years to prevent the smuggling of opium, so as to prevent its unlawful use in the countries where its use is at present authorized.

At the convention at Geneva Dr. Beland was chairman of the most important committee, and, as will be recalled, rendered a highly important international service by bringing about accord between the different countries, as embodied in the agreement subsequently drafted.

The purpose of this motion is to obtain approval by parliament of the convention. It

was signed by the Hon. Senator Dandurand, when representing Canada at a subsequent meeting of the League of Nations, and it will be ratified by the king when parliament has given its approval. Canada will then become one of the several countries bound by the terms of this convention. It is desirable that the convention should be approved at once because it binds all countries only after a certain number of the signatories have had the convention approved and ratified.

Mr. ADSHEAD: I think under clause 36 it requires ten of the states to be signatories. How many have signed at present?

Mr. MACKENZIE KING: My hon. friend will find the signatures at the end of the document which I tabled. There are considerably over ten.

Mr. T. L. CHURCH (Toronto Northwest): May I ask the Prime Minister why a resolution like this should take from the 19th February, 1925, to the 12th April, 1928, to be brought forward? Are we to be merely a rubber stamp? It appears so. It appears that this was signed on behalf of Canada by the Canadian representative duly authorized in that behalf. If he was authorized, who authorized him? This parliament never authorized him. It seems to me to be a lot of red tape. We are supposed to be a nation. Is parliament to be just a rubber stamp for all the countries bordering the seven seas? It seems to me we are just going around in a circle. Here is a resolution for a convention, and it appears that three years ago it was signed.

Mr. MACKENZIE KING: In reply to what my hon. friend has said, the procedure with respect to the appointing of a representative or the signing of a convention and where desired the approval by parliament is precisely the same in the case of Canada as it has been in the case of Great Britain. My hon. friend will, I imagine, be prepared to acknowledge that Great Britain is a nation. The present is following Great Britain's procedure.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate, informing Their Honours that this house has adopted the above resolution and requesting that Their Honours will unite with this house in the approval of the above mentioned convention, and that the Clerk do carry the said message to the senate;

And that this house do approve of same.

Motion agreed to.

[Mr. Mackenzie King.]

INTERNATIONAL SANITARY CONVENTION

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

That it is expedient that parliament do approve of the International Sanitary convention and of the protocol of signature signed at Paris on the twenty-first of June, one thousand nine hundred and twenty-six, and which was signed, on behalf of Canada, by the Canadian representative acting under full powers issued by His Majesty;

And that this house do approve of same.

He said: Mr. Speaker, from May 10th to June 21st, 1926, an international sanitary conference was held in Paris. The purpose of the conference was to consider effective means, as between the nations, for preventing the spread of communicable diseases. At this convention Canada was represented by Dr. Amyot, the Deputy Minister of the Department of Health. A convention, which I presented to parliament before the Easter recess, was drawn up at that conference. This convention contains general provisions to be observed by the signatories on the appearance of plague, cholera, yellow fever, and certain other communicable diseases in their territories, and provides for measures of defence against these diseases. Its chief object is to provide with the least interference possible to shipping and transportation, effective procedure based on scientific knowledge for the prevention of the entrance and dissemination of the great epidemic diseases and such others as might become widely epidemic.

On the recommendation of the government of Canada Dr. Amyot received full power from His Majesty the King to sign the convention, and the convention is now being submitted to parliament for its approval.

Mr. C. H. CAHAN (St. Lawrence-St. George): I should like to ask the Prime Minister on what theory parliament is called upon to approve this convention. I understand that in Great Britain, when a convention of this nature is executed by His Majesty, it becomes a part of the public law of that country and if it is a convention referring to other parts of the dominions, the empire as a whole, it becomes a part of the public law of those dominions. Does the Prime Minister assume that the approval of this convention by the parliament of Canada makes it a part of the public law of Canada, or is it his intention to provide by statute for carrying into effect within Canada the provisions of the convention with regard to sanitation? I had the opportunity during a part of an evening to read over the provisions of this convention, but it seemed to me to call for

a very large expenditure of public funds, for a large increase in the whole machinery of health inspection at the ports of Canada, and for the provision of new hospitals for dealing with those who, having an infectious disease or having been liable to infection, enter certain Canadian ports. I should like to know briefly: Does the approval of this convention by the parliament of Canada make the convention the public law of this country? Second, is it the intention to bring into the house legislation by statute to carry the provisions of the convention into full effect? Third, will such statutory provisions be enacted to increase the work, I suppose, of the Department of Health and health authorities in the various cities, to extend the hospital system and all the rest, involving a large expenditure of money? Are we to look for such ancillary legislation?

Mr. MACKENZIE KING: I might say to my hon. friend first with respect to the course of procedure that is being adopted of having parliament approve this convention, that that course is in accordance with the principle underlying a resolution of this house which, was introduced by myself a year or two ago and at the time unanimously adopted. The resolution provided, so far as Canada is concerned, that important treaties should be approved in the first instance by this parliament. That is the reason why this convention, which to all intents and purposes is in the nature of a treaty between different countries, is being submitted to parliament. The purpose is to secure in the last analysis the control of parliament over any agreements of international significance which may bind the people of this dominion. If I caught my hon. friend's remarks aright he asked at the outset, why it should be necessary to have this parliament approve, seeing that His Majesty the King had signed the convention and that that would serve to bind all.

Mr. CAHAN: Pardon me. That was not the point. I was asking as to the effect of this approval. Does this convention become a part of the public law of Canada on the approval of parliament being given?

Mr. MACKENZIE KING: Let me present to my hon. friend the development that has taken place in the signing of international agreements of this character. At the time of the Peace conference at Geneva the signature of the British Empire as a whole was given by one of the British ministers. In fact, if my hon. friend looks at the signatures to the Geneva Opium conference, he will see what may on the face of it appear to be something of an anomaly. That agreement is signed for "the British Empire" by Malcolm Delevingne. Then there appears the signature for Canada of Hon. R. Dandurand, and following that the signatures for Australia, New Zealand and India of their respective representatives. I understand that at the time of the Peace conference the various governments of the empire represented there found it impossible to arrive at a final agreement as to how the several dominions should have reserved to themselves the right of signature through their own representatives, where they were to be held to be bound by treaties and the signature of the British government held to be for Great Britain alone as contrasted with the British Empire as a whole. My recollection is that there was reached at that time, I will not call it a compromise but a method of meeting the then existing situation. It was this: while the British representative signed as for "the British Empire", his signature was held to bind only Great Britain and Northern Ireland and in order that the other parts of the empire should be held to be bound the signatures of their respective representatives were to be separately affixed. At the Imperial conference of 1926 that method of procedure was changed and it was then agreed that the practice should be discontinued of having international agreements signed by Great Britain and Northern Ireland under the designation "the British Empire;" that as regards treaties binding different parts of the empire the signature of the representative of Great Britain and Northern Ireland would be as for that part only of the empire which did not include the self-governing dominions and the signatures for the self-governing parts of the empire would be in the names of their respective representatives. In order that this agreement or any other of like significance may bind Canada, it is necessary under our practice to bring to this parliament for approval the convention itself, and that is why the convention is now being submitted. After parliament has given its approval and before the convention becomes binding, His Majesty will be obliged to ratify it. Ratification, as my hon. friend knows, is an act of the crown, of the sovereign, but it is an act so far as Canada is concerned, that will be performed on the advice of the government, given after the approval of parliament has been obtained. Upon ratification the terms of this agreement will bind the Dominion.

My hon. friend has drawn attention to possible expenses. He has pointed out that our approval may necessitate the introducing of many measures that are far-reaching and

possibly costly. If my hon. friend had read through the whole document he would have found that Canada had been careful to reserve to herself the determination of what in certain important particulars may constitute necessity for action and this, so far as she is concerned, as respects the very measures which I think my hon. friend has in mind. There is attached to the convention a protocol which is in the nature of a special reservation made by Canada, and the reservation is as follows:

The delegate of Canada reserves for his government the right to decide whether, from the point of view of measures to be applied, a foreign area should be considered as infected and to determine the measures which should be applied in special circumstances to arrivals in Canadian ports. Subject to this reservation the delegate of Canada declares that his government is ready to take into consideration the obligations of Article 12 of the convention and the official information which it may receive on the subject of the existence of diseases in foreign countries.

Article 12 of the convention is as follows:

The government of a country in which an infected area is situated shall inform other governments and the office International d'Hygiene Publique in the manner specified in Article 4, when the danger of infection from that area has ceased, and when all the preventive measures have been taken. On the receipt of this information the measures prescribed in chapter II. shall no longer be applicable to arrivals from the area in question, except in exceptional circumstances which will require to be justified.

So that, as far as Canada is concerned, this country has been put in the position of determining for itself what enactments may in certain cases be necessary to meet an international menace arising from disease. And so far as statutory enactments may be concerned, it will be for parliament to decide as the occasion arises.

Mr. C. H. CAHAN (St. Lawrence-St. George): I am sorry I have not my documents with me and the notes I made, and that I shall have to speak from memory. I read that reservation, but it seemed to me that the reservation reserved very little indeed. Canada is becoming a party to a treaty, and it is bound legally and morally to carry it out fairly and fully and to assume full responsibility to that end. The reservation that it will be within the discretion of the government and parliament of Canada to decide as to the extent to which they will carry it out is more a reservation pro forma than an effective reservation. I do not wish to go beyond the subject under discussion, but I must say that in a number of cases dealing with matters treated at the Imperial conference, we have assumed very grave moral responsibilities indeed. In connection with the League of Nations, I think we have assumed more serious obligations than this country has ever yet realized, and we have consoled ourselves from time to time with a reservation in somewhat similar form to this, that it will be within the discretion of the government and parliament of Canada as to the extent to which they will carry out their legal obligations. But the fact is that a reservation such as that does not diminish the moral responsibility of this country to carry out such conventions to the full extent necessary in order to give full and complete effect to them.

As to the form in which the treaties are now negotiated, I presume that at some other time we may have an opportunity of discussing that matter, but, as I understand it, there is a grave difference of opinion between the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) and some of us on this side of the house who have given some attention to the subject. In the form which has now been adopted by virtue of the resolutions passed at the conference of 1923, as amended by the Imperial conference of 1926, I understand that Great Britain signs for Great Britain and Ireland, but she signs for more than Great Britain and Ireland; she signs for every part of the British Empire outside of the dominions. Therefore, Great Britain is really signing for the British Empire except for South Africa, Australia, Canada New Zealand, and the Irish Free State.

Mr. MACKENZIE KING: That is a pretty big part.

An hon. MEMBER: And Newfoundland.

Mr. CAHAN: No, Newfoundland does not come within that class. Under the resolutions passed at the Imperial conference of 1923, which were submitted to this house by the Prime Minister, and which were approved unanimously by this house—I am speaking from memory again; I wish I had time to send to my desk for my notes—we dealt, I think, solely and exclusively with treaties which involved active obligations on the part of Canada. As I pointed out to the Prime Minister later, and as I still insist, the resolutions passed in 1926 dealing with the negotiation of treaties very seriously amended the resolutions of 1923, and I have always contended that in justice to this house the Prime Minister should have placed before this house the whole of the Imperial conference resolutions for its consideration and approval, or at least should have placed before this house for approval the resolutions of the Imperial conference of 1926, which so seriously amended

the resolutions of 1923, which this house had previously approved. But that has never been done. Therefore, some day, at a very early date, we must come to a clear understanding as to where we are in the matter of the negotiation of these treaties. The same distinction arises in connection with our appointment of ministers to Washington, Paris and Tokyo. If I remember correctly—I am speaking solely from memory again, because I have not my notes here—when the Irish Free State sought to appoint a minister plenipotentiary to Washington, there was a conference held between the Free State government and Mr. Thomas, who was then Secretary of State for the colonies, and they agreed as to the terms of the communication which would be made to the Secretary of State of the United States with regard to the terms and conditions and restrictions under which the Irish Free State would appoint a minister.

Mr. CAHILL: Was that not before 1926?

Mr. CAHAN: Yes, in 1924, if I remember correctly. In that communication, which has been published in a white paper, which I have read, and which has also been published by the United States in its diplomatic correspondence, the British ambassador at Washington stated to the United States government that the condition upon which an Irish Free State minister would be appointed was that he should deal in his negotiations with the United States government solely and exclusively in relation to those matters which solely and exclusively affected the Irish Free State, and that was the condition on which the United States government agreed to accept the minister. That communication from the British ambassador at Washington to the Secretary of State of the United States—I am sorry I have not it here—went on to state that all matters which affected Great Britain and other parts of the empire, and not the Irish Free State solely and exclusively, would still continue to be dealt with by the British ambassador at Washington. Subsequently I made a motion in this house, to which the Prime Minister agreed, asking that there be brought down the documents in relation to the appointment of the Hon. Mr. Massey as Canadian minister at Washington, and again I am dealing with those documents from memory. Those documents indicated that the Canadian minister was to represent Canada in respect of Canadian affairs. I remember a short time afterwards reading the debates of the British House of Commons—and I shall be glad to give hon. gentlemen the reference—where Mr. Amery was asked, what is the position of the Canadian minister at Washington? In answer, he referred to the reply that had been given some two or three years before by Mr. Thomas, then Secretary of State for the Colonies, in relation to the appointment of the Irish Free State minister at Washington, and said that the same conditions and restrictions would apply to the work of the Canadian Minister to the United States.

Therefore I assume—and I am simply trying to follow this out in my own mind—that the Imperial conference resolutions effected a constitutional reform. Those resolutions have never been approved by this parliament nor by the Australian parliament nor by the Imperial parliament. I do not know whether they have been approved by the parliament of the Irish Free State, but I see they were approved the other day by the parliament of South Africa. But assuming that they do effect a constitutional reform, I understand it to be this; that Canada, through its representative at Paris or at Washington, may negotiate treaties which solely and exclusively apply to Canada and affect no other part of the British Empire; that the duties of a Canadian minister at Paris or at Washington are confined and restricted solely to matters which affect Canada, and Canada only, and that he has no jurisdiction to deal with matters which affect Canada in common with her sister dominions and Great Britain or other parts of the empire.

Consequently, in the negotiation of treaties I still understand that if they do not involve active obligations, as this treaty seems to, but only passive obligations—and the Prime Minister must admit, if he looks into it carefully, that there are a hundred and one matters affecting the most precious rights of Canadian citizens in all parts of the British dominions which are only passive obligations—with regard to those passive obligations, this government has acknowledged no duty to submit such treaties for the approval of the Canadian parliament.

Mr. THORSON: May I ask a question?

Mr. CAHAN: I wish to proceed with my argument for the moment. Secondly, that such treaties as affect other parts of the empire may be negotiated by the ministers of the crown or representatives of the administration at Westminster, and that this government will be kept advised of the negotiations; but that unless this government raises serious objection and refuses to be bound by certain provisions, the British representative—either the ambassador at some foreign post or the British minister in London—may still negotiate treaties in the name of Great Britain

and Ireland which when ratified in the name of His Majesty, bind Canada and its citizens in every respect as if those treaties had been approved by the Canadian government and by the parliament of Canada. That seems to me to be the position in which we are now placed.

Let me give an illustration. I am speaking now from memory; I would rather have had my notes at hand. Take the Lausanne treaty. If I remember correctly, the Prime Minister raised certain objections to Canada being bound by that treaty. Those objections have been the subject of discussion in this house and in the press. They were approved by a majority of the house at that time, but there was no formal vote. After the treaty had been negotiated, and ratified by His Majesty the King, the Prime Minister—I think I can turn up the quotation—said that despite the fact that Canada had objected to the treaty, nevertheless now that it had been ratified by His Majesty, it was binding upon Canada as a part of the British Empire. I do not remember his exact words, but that is pretty nearly the effect of them. The Prime Minister shakes his head.

Mr. MACKENZIE KING: I think I drew attention to the fact that Canada was not represented at the Lausanne conference, had not signed the Lausanne conference agreement, that the parliament of Canada had not approved the agreement and that therefore the government would not authorize its ratification; and that therefore subsequently if it ever came to be a question of the obligations we were supposed to have assumed under it, all those facts would be a very important consideration in determining the extent of any of our obligations.

Mr. CAHAN: Quite so; and if I did not stress that, it was not because I wished to misrepresent the right hon. gentleman. Nevertheless, if my memory is correct—and I think I can produce the passage—the Prime Minister said that the Lausanne treaty was in force with respect to Canada, with this exception, that Canada had not legally assumed any active obligations under it; but the treaty had put an end to the war with Turkey, and Canada was then in a similar state of peace in relation to that country.

Now, take the Locarno treaty. I remember the Prime Minister, two sessions ago stating in this house that Canada would not accept the Locarno treaty until it had been placed before this house for consideration and had received its approval. The Prime Minister in the exercise of his discretion has never placed the Locarno treaty before this house, and it has never been discussed here; we have never had an opportunity of considering whether its terms should receive our approval or not. But after having refused permission to this house to consider the Locarno treaty, the Prime Minister and the Minister of Justice (Mr. Lapointe) at the last meeting of the Imperial conference united in a resolution, which bound them and their government, expressing the highest approval—I am not quoting the exact language—of the action and policy of the British government in carrying through the Locarno treaty. That resolution meant something or it meant nothing. Did it mean that the Prime Minister and the Minister of Justice when in England were so anxious to curry favour—

Mr. MACKENZIE KING: Oh, no.

Mr. LAPOINTE: We did not curry favour with that resolution.

Mr. CAHAN:—that they endorsed resolutions which in the mind of the British public, and certainly in the mind of the British government and parliament, accentuated the fact that they were giving the moral support of this parliament and this country to the Locarno treaty, and that they subsequently refused to allow this house to consider it in all its bearings? But what is the effect so far as the British public mind goes? It is that the members of this government have taken this dual position, that we are morally bound, and should live up to our moral liability;—

Mr. MACKENZIE KING: Oh, no.

Mr. CAHAN:—though they have made an indefinite reservation that the extent to which we will carry out that moral liability is left to our own discretion. It is a dual position which is not worthy of Canada, and the time is coming, in fact I think it is already here, when, if Canada is to assume the high duties and responsibilities of nationhood, at least her government should have the courage to state to this country, to the British commonwealth and to the world at large as to when she assumes obligations and when she declines to assume them.

Mr. LAPOINTE: That is what we are doing.

Mr. CAHAN: It is what you are doing under a shield. You are saying one thing in Great Britain and another here. You are adopting in Great Britain one policy which is being properly and intelligently interpreted there and you are returning to this country with an entirely different enunciation of your

policy. It seems to me that the hon. gentlemen who compose this government have never taken the trouble to probe beneath the surface of the problems with which they are dealing. The other day, in reply to a question I had asked in a previous discussion as to what was becoming of the rights of Canadians as British subjects and British citizens throughout the world, under the program which he proposes to carry out, the Minister of Justice flippantly said to me across the floor of the house, "That will be hereafter determined by a Canadian parliament representing the Canadian people." It puts me in mind of a story I read in a newspaper the other day. A teacher was speaking of God being omnipotent and one of the boys in that country class suggested that there was one thing that He could not do: He could not make a three-year old colt in a minute. It is equally impossible for the Canadian parliament, by any legislation which it may pass to give Canadian citizens any rights whatsoever throughout this empire as British citizens and British subjects. And when you destroy the ties which at present bind us to Great Britain and the other parts of the empire, you leave us in a position where, unless you institute new conventions and agreements between this country and Great Britain and between this country and the other British dominions, which will establish for the future the status of Canadian citizens once they have passed beyond the confines of this country, you will find it absolutely impossible to maintain what I believe is the most precious possession to the great majority of Canadians who owe allegiance to the crown, the most precious thing which they desire to preserve—their status as British subjects throughout the world; you cannot preserve that status by a Canadian statute.

I have spoken at greater length than I had intended, but I was led into doing so. Another time I may have an opportunity to deal more in detail with this question. It seems to me that the policy which the hon gentleman and his colleagues are pursuing—a policy of assuming one attitude to the world and another in Canada, one attitude to Great Britain and the other British dominions and another attitude to their partisans here, their policy of trying to reconcile two conflicting ideas, is placing us in a position that is dishonouring Canada and dishonourable to the Canadian people.

Hon. ERNEST LAPOINTE (Miinster of Justice): I fail to see in what way my hon. friend (Mr. Cahan) connects all his remarks regarding treaty negotiations and other inter-imperial questions with the subject matter of the present resolution. I did not want to call him to order, but most of his remarks were certainly wide of the mark, so far as this discussion is concerned.

Mr. BENNETT: It began with the Prime Minister.

Mr. LAPOINTE: No; I think my hon. friend is wrong there. He is sometimes wrong.

Mr. BENNETT: Often.

Mr. LAPOINTE: This is merely a resolution asking the house to ratify a convention which the representatives of this country have signed on behalf of Canada as a member of the League of Nations. Canada is a member of the League of Nations of its own right. This convention was signed prior to the Imperial conference of 1926, and anything which was done in 1926 has no bearing on the present question. Canada signs a treaty of peace as a member of the League of Nations on an exactly equal status with Great Britain and with the other members of the British commonwealth of nations. Some Canadians do not like it, but even most of those who do not have come to the point where, when speaking publicly, they express pride in our equality in that respect, and claim credit for what is done. And I am pleased that they should claim credit in some way, because after all it shows the trend of public opinion in Canada. This convention has been signed by Canada as a separate member of the League of Nations. It has been signed by "the British Empire," which means Great Britain and Northern Ireland and other parts of the British Empire which are not separate members of the League of Nations. As the Prime Minister (Mr. Mackenzie King) has said, there was an anomaly in that respect, and at the Imperial conference of 1926 it was decided unanimously—and the British government agreed—that in future even conventions that are made in the League of Nations will be revised in respect of the title: the words "British Empire" will be replaced by "Great Britain and Northern Ireland" and other parts which are not separate members of the league.

My hon. friend says that the changes which were made at the Imperial conference of 1926 have not been submitted to the British parliament and to the other parliaments. He is right in that regard. But the British government has given effect to those resolutions of the Imperial conference and the League of Nations has been notified that now the title to be given to that part of the empire com-

prising Great Britain and Northern Ireland shall be so designated and shall not be called "the British Empire," which certainly made for confusion. The new conventions and agreements which have been signed since 1926 have carried into effect the provisions of the report of the Imperial conference of that year in that respect.

As to ratification, my hon. friend asked, why should this be submitted to parliament? As the hon. gentleman knows, ratification of treaties and agreements is a formal matter which differs in various countries. In Great Britain ratification is made by His Majesty the King, naturally on the recommendation of his advisers; in other countries it is different. In the United States the senate is the body that ratifies international treaties. I remember that when Mr. Lloyd George submitted to the British parliament the treaty of Peace, he took care to say that under the British constitution it was not really necessary, before His Majesty gave his assent to the ratification of the treaty, that it should be submitted to parliament. He thought it was such an important matter, however, that parliament should approve of it before His Majesty ratified the treaty, and this viewpoint was also accepted by the Canadian government at that time. Mr. Lloyd George said that this did not mean all treaties should be submitted to parliament, while on the other hand there is a strong body of public opinion in Great Britain which believes that all international agreements and treaties should be submitted to and approved by parliament before being ratified by His Majesty. This is the policy of the Labour party, and I believe they are right. This was the view accepted in Canada; a resolution has been passed by this parliament pledging that all treaties shall be submitted to parliament before they are ratified. This question was discussed casually during the present session, and I may say if there is any treaty coming into effect as the result of negotiations with the United States with regard to water transportation, this house will approve of the treaty or will reject it before it is carried into effect in any way.

My hon. friend spoke about Locarno, and said that the Prime Minister and myself were very good boys when we were over there. He also said that we approved of the treaty of Locarno and that we were morally bound by it. We were not parties to the Treaty of Locarno; we were not represented when it was signed. Included in that treaty was a clause which stated that Canada and the other dominions would be bound if they agreed to the treaty, but when it was submitted to the Canadian government we took the attitude that we did not want to be bound by it. As I remember it, we were asked not to take any formal or definite step before the Imperial conference was called, which was to be held at a certain time in 1926. At that Imperial conference the treaty of Locarno was discussed and the dominions were asked to accept it. I hope I am not betraying any confidence now, but I am forced to tell this because of what my hon. friend has said; Canada took the stand that we would not be bound by that treaty, and in view of the stand taken by Canada and perhaps one or two other dominions, no resolution was brought forward for the purpose of binding the dominions by that treaty. There was a nice little resolution congratulating Sir Austen Chamberlain upon the part he took in bringing about European peace, and I am free to say that he played a fine part at Locarno; as far as I was concerned, I had no objection to congratulating him on the really great work he did there. As far as my country is concerned, however, we never agreed to accept that treaty, and as a Canadian citizen I do not see that Canada should assume obligations in connection with the boundaries between France and Germany, any more than England should assume obligations in connection with the boundaries between Germany and the rest of central Europe. They agreed to guarantee the present boundaries between Germany and Belgium and Germany and France, but they did not agree to guarantee the boundaries between Germany and Poland or the other states of central Europe. One reason was because the eastern boundary was too far from England; well, the western boundary is still further from Canada. I do not believe it would have been good policy for us to assume any obligation which might result in a war to guarantee any boundaries in central Europe or elsewhere outside our own country. I have no objection to stating publicly and openly what my stand was in that regard, and I am willing to submit it to the Canadian people for approval or disapproval.

Mr. McGIBBON: Might I ask a question? Did not Germany herself guarantee those boundaries?

Mr. LAPOINTE: Surely; they are her own boundaries. I am quite willing to guarantee the boundaries of Canada at any time.

Mr. McGIBBON: But that treaty was one of peace, rather than one of war.

Mr. LAPOINTE: It was a treaty to guarantee the present boundaries between Germany and her neighbours; it was for the purpose of keeping peace. I will admit that, and I think it was a good treaty as far as European peace is concerned. However, I do not see why Canada should bind herself by any such treaty. I am free to admit that as a member of the League of Nations Canada has certain obligations, and if she is ever called upon to fulfil them, if there is a war with regard to any of these boundaries, Canada will have to consider what are her obligations as a member of the league. We are a member of the British commonwealth of nations, and we are quite willing to assume all our obligations and responsibilities in that respect. If there is a war, it will be for the Canadian parliament to decide whether the situation of Canada as a member of the British commonwealth of nations would compel this country to take part in that war. This, however, is quite different from binding ourselves to take part in wars with which we have no concern, just because these treaties or agreements might be conducive to the peace of Europe. As I have already said, I think the Locarno treaty was a fine instrument, but I also believe Canada could not be bound by it and should not accept it.

In concluding his remarks the last speaker said he wanted to keep our allegiance to His Majesty the King, and I agree with him absolutely in what he said. I yield to no one in my devotion to the king and in my desire to adhere to that allegiance to His Majesty, but my hon. friend and I differ as to the best way to retain that allegiance. I believe that the present constitution of the British commonwealth of nations is more secure and will be better safeguarded by acknowledging that all the citizens of the different parts of the British commonwealth of nations are equal in status and free to look after their own affairs. We all consider the king as the great bond of unity between us, and we want to keep that bond as sacred as possible.

Hon. R. J. MANION (Fort William): Mr. Speaker, I do not wish to discuss even for a moment the constitutional question, although to listen to my hon. friend who has just taken his seat one might think that the only relations between Canada and the countries of Europe are relations which might or might not lead to war. We have many relationships with other nations which may place upon us duties almost equally onerous. Consider this international sanitary convention, of which we are asked to approve to-day. The hon. member for St. Lawrence-St. George (Mr. Cahan) brought up a question upon which I desire to touch, and which was mentioned by the Prime Minister (Mr. Mackenzie King); I refer to the possible financial obligations which this convention might bring to this country—unnecessarily, to a large extent. The diseases mentioned in this international sanitary convention are plague, meaning the bubonic plague, cholera, yellow fever, typhus and smallpox. Of these five diseases there is only one we ever have in this country, coming from the country itself, that is smallpox; the other four are tropical diseases which we never have except when they are brought in from some other part of world, as rarely happens. It is true that occasionally at Vancouver, and at Halifax, St. John, and Montreal, we do get such diseases on incoming ships, but according to this sanitary convention there are almost immense expenses which the countries approving of it agree to undertake. It is true there is in the protocol a clause perhaps allowing Canada to sidetrack some of those expenditures; but the point I wish to make, Mr. Speaker, is that before Canada should undertake any such expenditure as this at any port in Canada, before taking it upon herself to expend perhaps $100,000, we should see that all those expenditures are submitted to parliament. It may be replied that they always are; but they are not always, unfortunately; for this government and perhaps previous governments have commenced expenditures on a large scale and afterwards parliament has been asked to approve of them. I have the largest confidence in Dr. Amyot personally and professionally. He was an outstanding man on health matters in this country many years before he was connected with the department. But ports are particularly inclined to desire big expenditures, whether necessary or not. Any member of this house who represents a port, as I do myself, although not an ocean port, knows that they are glad to have moneys expended in their vicinity whether or not the objects on which the moneys are expended are necessary, or whether or not the buildings are of any use after they are put up. Therefore before any money is expended in regard to any such purpose as this, we must be sure parliament has had an opportunity to discuss the question. It would be a ridiculous thing that, having spent large amounts of money, perhaps tens of thousands or hundreds of thousands of dollars in precautions against tropical diseases, only then the subject should be brought before parliament. We have all the port sanitary authorities now; therefore let us be very careful before we consent to large expenditures, even though we

belong to the League of Nations or wish to have the advantage of the sanitary resources of the world. We have had many governments in this country since 1867; many of them have been extravagant governments, and I will say frankly that the governments of the party on this side have not been without sin; but of all the governments which have seemed to care little about the expenditures of the country, without any thought of paying the piper, this government has the record. My hon. friend the Minister of Railways (Mr. Dunning) laughs, but there is probably no department which goes further than his in useless expenditures, on elevators for instance, which, as in Prince Rupert, we rent for perhaps a dollar a year and even golf links; and by other departments on harbour board expenses, national parks, and so on, which I say really shock anyone who gives a thought to them. A few days ago I saw a list of expenditures by this government, some of them called loans, but without any expectation of repayment. On one page of the orders of the day there were proposals totalling something like $25,000,000—a shocking figure when one thinks of it. We do not seem to care any more, since the war, how we spend the money of the country.

It is true that very few governments have ever been elected on a policy of economy and I think that the policy which this government adheres to is opposed to economy. At any rate, as a member of this side of the house I feel some responsibility for the expenditure of moneys. I hope the Prime Minister will see to it that before any sums of money are expended in caring for tropical diseases from a ship which possibly goes down to the Mediterranean, where we have already all the isolation and sanitary requirements necessary, such expenditures are submitted to this house and the house and the whole country given an opportunity to look into and discuss them.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, there are a large number of people and a large section of Canada who do not agree with the ways and means taken outside the British Empire under our new status in signing these conventions. It is all very well for the Prime Minister (Mr. Mackenzie King) to stand up in this house in 1928 and ask this honourable body to agree to the sanitary conventions on terms adopted in 1926 by delegates who were supposed to represent this parliament, and who had no authority to sign a convention and in my opinion were never authorized to do so. You will notice the wording of the resolution, "and which was signed, on behalf of Canada, by the Canadian representative acting under full power issued by His Majesty". The first point is as to the status of the representative to sign that convention.

We have in Canada to-day a new disease, the new status disease, which must be cured first and exterminated from the shores of Canada. The Governor General is to-day represented here for the first time in a convention. The Governor General does not represent Downing Street. He is now a mere viceroy. If he were to ask for advice, they would tell him that he possesses in the front benches all the advice which can be given him. He is the representative alone of the government of Canada and cut off from His Majesty entirely. We have been content as a nation to depend upon the mother country, upon the British board of health, the British board of trade, the British Medical Association, and the medical health officers of the country and their organizations and especially on education in these matters. There are two or three hon. members who have spoken in this debate, and who, if they want laws for public health, should start at home. May I say to the hon. member for St. Lawrence-St. George (Mr. Cahan) that they need a proper Public Health department to look after their public health in the city of Montreal; their water supply should be owned by the city, and that would do more for national public health in Montreal than all the conventions signed at Geneva, Rome, Paris and all the other places on world sanitary matters. Three-fourths of this convention does not apply to Canada at all. What have we to do with disease on the Red sea?

Who are the deputations which have been over the country asking for this legislation? Two or three of these gentlemen come from the city I represent, and they can hardly get together a corporal's guard at their league meetings. It is all very well for Canada's delegates to the League of Nations to waste the country's money on trips to Geneva; and what do I find? I find that instead of these Canadian representatives patronizing Canadian steamship ports they go down to New York. And what do they do when they get over there? Some of them are so-called labour men, and some of them are defeated Liberal candidates from the Toronto district. I know one of them who went over to represent us who knew nothing about public or international health laws. In all the great fights which we have had by Doctor Hastings, I have never known that gentleman to be on the public platform. We have in Toronto a great public health department and a great health officer. Dr. Hastings, one of

the finest on this continent, but I never knew one of those gentlemen to spend his time over in Geneva spending the taxpayers' money on health matters or sanitation. We have gained a seat in the League of Nations but a seat in the National or American baseball leagues will accomplish as much for peace and goodwill as the mythical, academic, League of Nations. I have absolutely lost faith in the League of Nations, which is a menace to the British Empire. Of all the foolish resolutions that have been passed by that league, I think the one in regard to sanitation is the worst, and it deals with many matters foreign to the soil of Canada. I venture to say that not one per cent of the members have read this amazing new status report. The other day the Prime Minister said that we had nothing to do with the Anglo-Egyptian treaty, yet we to-day are dealing with sanitary affairs in the Suez canal. We have no navy. How are we going to enforce these conventions, supposing anybody breaks them? Last year the Conservative party had a convention and passed resolutions. Some years ago the Liberal party held a convention and still another one, of the women Liberals, is to be held at the Chateau Laurier next week. Are we to wait for two or three years, as we waited for this one, in order to get these resolutions before the House of Commons after the Prime Minister and the Minister of Justice deal with these matters although they are already signed and have for three years been binding in Canada?

The matters covered by this convention are foreign to the soil of Canada, and dear knows what the cost of carrying it out is going to be. Some of these Geneva resolutions have been applied to the building laws of the city of Toronto. The plumbing regulations in Toronto have been incorporated into a by-law and they include amended resolutions that have been passed by this academic, mock parliament known as the League of Nations.

If you look over this report in regard to cholera and other diseases you will find they want to regulate the Dead sea, the Suez canal and the seven seas. Whither are we drifting under this new status? If we go on this way I do not know where this parliament is going to land. This convention will not increase the crops of our farmers, but will empty their pockets in payment of taxes which this fad now puts into the form of conventions binding Canada the world over. If the government want to do anything in the way of preventing diseases of this kind and for sanitation, let them start at home and deal with the diseases from which Canada is suffering to-day. Let them start right in this city of Ottawa and make the city clean up its streets and thus prevent diseases from arising. They do not know how to keep their streets clean; they have the worst kept streets of any city in Canada, and any health officer will tell you that there are more germs and diseases to be found in the streets of a great city than anywhere else. Let us begin at home and let us stop signing all these conventions. If this is a result of our new status, dear knows where we are going to land. If we are going to enforce these conventions we shall have to maintain a large army and navy. Why do we not begin at home by placing on the great lakes life-saving stations for some of our magnificent crews that are handling the great western crop in November and December? Let the government apply sanitary laws to the mining camps, for instance, the Hollinger and other mines in New Ontario where seventy men lost their lives recently, when we had to go to the United States to get sanitary devices and life-saving crews to rescue the survivors.

Let us not forget that we are part and parcel of the British Empire. Let the government co-operate with the provincial governments and the municipalities in matters of public sanitation and health instead of going off to the Dead sea, the Suez canal and all the countries that border on the seven seas. This sanitary convention is the most remarkable document that I have ever seen in my life and I do not think we should be called upon now to approve a convention set out in a document consisting of forty pages and which was formulated in 1926. The Liberal party held a great sanitary convention in the city of Ottawa and there were twelve pages of recommendations in their platform but not one of them was carried out. How many clauses of this particular sanitary convention, with the high-sounding names that are used to describe it, will ever be put into effect? I venture to say not one per cent of them. I have discussed this proposition with some of the ablest health officers in the country and they do not approve of what is being done. One of the most prominent health officers on this continent told me that it would be far better if Canada would continue in an educational way to work with the British board of trade, the British board of health, our sister dominions and the British Medical Association in matters of public health and sanitation. A great deal of good could be accomplished by educational means through the universities and hospital organiza-

tions of the country without our going to the seven seas of the world and signing conventions passed a few years ago.

I protest against this reckless waste of public money in sending all these large deputations over to this mythical League of Nations which is causing more trouble to the British Empire than any other agency I know of to-day. We are part and parcel of the British Empire, and it was a very sorrowful day for this country when we changed the status which had been good enough for Canada for nearly one hundred years, when we departed from that principle and started signing treaties as a separate country regarding Egypt, Persia, Russia and everything the League of Nations proposes to get up. Where will it all end? It is a nice way of spending money for some gentlemen to take a trip to the League of Nations, going via New York instead of patronizing our own ports. The hon. member for St. Lawrence-St. George (Mr. Cahan) has criticized this convention somewhat and I agree with him that charity begins at home. If the members of this house will see that their own constituencies are properly regulated in regard to health matters, that will be much better for Canada than all these proposals in the convention. We can well leave these sanitary laws so far as the overseas part is concerned, to the British government, the British board of trade, the British Medical Association and the shipping companies who are beyond the control of this parliament.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to have had a word before the Minister of Justice (Mr. Lapointe) spoke, because what I have to say is rather in nature of a question. I quite agree that the procedure adopted by the government in this case is the correct one. It seems to me that parliament ought to ratify these conventions. I am inclined to agree with the hon. member for St. Lawrence-St. George (Mr. Cahan) that the decisions and resolutions of the Imperial conference ought to have been brought and ought still to be brought before parliament. I think that was done this last year in South Africa in the case of some of the more important decisions reached at the Imperial conference.

In connection with this sanitary convention, I have wondered whether the labour conventions of the league were ever ratified by parliament. I cannot recall that this was the case and I should like to ask the Prime Minister: If not, why not? Why should we not ratify the labour conventions which I think are equally binding and perhaps of much more far-reaching importance than this sanitary convention? So far as I remember, parliament has not had an opportunity of making a declaration on the matter. Someone suggested to me that at that time we had not the status which we have now. I cannot see that that has anything to do with the matter because at that time we were signatory to the peace treaty and we were a member of the League of Nations. I will ask the government why we have not had the ratification by parliament of these other conventions?

Further than that, I am interested as to whether this is to be simply a sort of pious resolution, or whether what has been already suggested is really the case, that this resolution if passed will carry the implication that we are going to proceed to implement this convention. Is that clearly understood? Is it understood that if we pass this resolution to-day it means that the terms of this convention will be implemented by Canada? During the past seven years in which I have been a member of this house I have been trying from time to time to bring up the various clauses of the conventions and treaties which have been passed by the League of Nations, and almost invariably we are told, with regard to each matter, that this is not a matter over which the Dominion government has any jurisdiction whatever. We were so informed in regard to old age pensions; we were so informed in regard to unemployment; we were so informed in regard to the hours and conditions of labour. All these matters, we were told, under the British North America Act come under the jurisdiction of the provincial authorities. We have had before the house this session the question of sickness insurance, and there are those who suggest that this is a matter entirely within the jurisdiction of the provinces. So I would ask with regard to this sanitary convention, are we quite clear that the Dominion of Canada has jurisdiction; I am speaking now of the nation of Canada, not as a part of the British Empire, but in its relation to the several provinces which comprise this Dominion. In this country we seem to have a sort of divided sovereignty. My own contention all along has been that if Canada has the right to make treaties at all, Canada has the right to see that they are enforced; I cannot see that we are a nation otherwise.

In regard to this resolution then, irrespective of the contention that may be put forward by provincial authorities that some of these matters are entirely within the purview of the provinces, in spite of what has been said as to the provinces having control in the matter of certain civil rights and all

the rest of it, if we endorse this convention, we should undertake to see that it is fully enforced, and that in the event of an outbreak of disease in any one province we shall have the machinery at hand to cope with it and take whatever steps may be necessary. I should like to have the assurance of the government that we are on safe ground, and that this is not merely the "rubber stamping," as someone has put it, of something that has been done by the League of Nations, but rather that we are solemnly entering upon the endorsation of this convention with the understanding that we are to implement it by definite legislation, and that never again will anyone here assert that this is beyond our powers.

Mr. A. E. ROSS (Kingston): In the publication of this report I think the League of Nations has left itself open to a great deal of criticism. It is not that the articles in the so-called convention are not proper, but the fact is they are not agreed to. The protocol, in fact, is nothing but a summary of one nation after the other making reservations in regard to different articles of this convention. If you will look at the protocol you will see that Germany makes a reservation in regard to "observation", and that Brazil, Chili, the United States of America, and in fact nearly every country signs the articles of this convention with reservations. If we are going to have a convention to which no one is agreeing 100 per cent, what is the use of it? Read the articles one after the other, and you will see that the most important articles in this convention are accepted only with reservations by the different countries.

I wonder if the Prime Minister or the Minister of Health actually realizes what he is agreeing to in this convention. Article 14, for instance, reads:

> Governments undertake to maintain in their large ports and in their surroundings, and as far as possible in the other ports and their surroundings, sanitary services possessing an organization and equipment capable of carrying out the application of the prophylactic measures in regard to the diseases mentioned in this convention and especially the measures laid down in articles 6, 8 and 13.

If the Minister of Health were in the house, I would ask him what preparations he has made in this regard. What lies at the basis of all these articles is the compulsory notification of diseases, and there is not a country in which these diseases arise that has compulsory notification, and each country, one after the other, has signed this convention with reservations simply because they are not able to carry it out. We agree to prepare all our ports to deal with these diseases. Delousing, for instance; what preparations have we at our ports for carrying this out? I think we ought to be assured by the government whether or not they have made preparations to carry out the different articles of this convention—the different methods of preventing mosquitos from getting on boats, delousing, and all this kind of thing. It is worth while reading the different articles of this convention, because then you must come to the conclusion that somebody is making a monkey of us.

Mr. PETER McGIBBON (Muskoka-Ontario): It is quite evident to my mind that this legislation is like a lot of other legislation that the government introduce; they hardly know where it is going to stop. Certainly the government do not know what expenditure this will run the country into, for neither the Prime Minister nor the Minister of Justice has been able to give us the least idea what our financial obligations will be under this convention. It does seem to me that the government of the day has resorted to the method of sending a representative of this country almost any place on God's earth, with almost unlimited power, to commit the government of this country to any expenditure, and then come back here with an agreement to which the government says, "hear, hear," and then asks this parliament to ratify it. It is treating this parliament with a certain degree of contempt. A resolution of this kind comes along, and this house is asked to ratify it when the government can give us no information at all regarding it. I would ask the Prime Minister, where is this going to stop? Are the limits even on the American continent or are they in Europe? It is absolutely impossible to my mind even to estimate what our financial obligations will be under this convention.

Again, why should we undertake all these obligations? It is quite true, as the hon. member for Fort William (Mr. Manion) has pointed out, that some of these diseases are more or less common in this country, but the great bulk of them are not, and we are simply undertaking to police the world, so to speak, from a sanitary standpoint, to delouse the world, ships and everything else. We are simply asked to go forward blindfold and accept the responsibility of this undertaking. I do not know what powers were vested in Dr. Amyot when he went over there, but I certainly think they were much too wide when he comes back to this country with an obligation of this kind. I recall in 1920, when the present Prime Minister was then leader of the opposition, he wanted to

restrict the Prime Minister of that day as to what he should and should not do at the Imperial conference. But the whole attitude of this government seems to have changed. Having come back from the Imperial conference, they do not even ask parliament to ratify what they have done. The Minister of Justice (Mr. Lapointe) this afternoon argued that Mr. Lloyd George adopted a similar course when he was Prime Minister of Great Britain, and that consequently the parliament of Canada has no right to be consulted at all. I wonder what has caused this change of heart on the part of the government. Is it due to the fact that we are a member of the League of Nations?—which I quite realize does not bring any comfort to the Prime Minister or the Minister of Justice. Why are we asked to undertake obligations so foreign to the needs of this country when our national needs are absolutely neglected?

I am sorry that the Minister of Health (Mr. King) is not in his seat, for I intended to put some questions to him. I intended to ask him what his department has done to rid this country of the grave narcotic evil. I have been trying to ascertain from the department, but I can get practically no information. And yet the narcotic habit, which every year is taking down thousands of our best citizens into an untimely grave or, what is worse, to debauchery, is increasing right under the very eyes of the Department of Health, but apparently they are oblivious to what is going on. I would say to the Prime Minister, if he wants my advice as a medical man, that he had better shake up his department, or it will discredit his government. Although the department has been in existence for some seven or eight years, I can say without fear of successful contradiction that it has done nothing to justify its creation; it is a dead letter throughout the country to-day so far as the preservation of the health of the nation is concerned. One of the specific purposes for which it was created was to deal with the soldier problem. What has it done in this respect? Practically nothing. It was also promised that there would be incorporated with it a department of scientific research—one of the most important branches of research under God's heaven in any government or any land. But what has it done? It has not even started to organize yet. To-day I do not believe that the Department of Health is doing anything more, or doing it any better, than heretofore was done by other departments of government. It seems to me that we have to go far afield, to undertake obligations which may be far-reaching financially and otherwise, in order to give the department an excuse for existence.

Many extraneous subjects have been brought into this discussion. The Minister of Justice introduced the Locarno treaty, and also our status as one of the partners in the Britannic commonwealth of nations. He said he was equal to defending our position there; which is quite correct. But ask him what this country is doing to-day to help shoulder the burdens of empire now carried almost entirely by Great Britain, and there is no response. It is true that we are availing ourselves of all the protection accorded us by the Imperial authorities. Our complacent attitude in this respect always puts me in mind of the boy who has grown to manhood and still lives on his old father. That is what Canada is doing in relation to the mother country. In my opinion the time has arrived when we should shoulder our share of the necessary expense of the empire from which we are drawing very substantial benefits.

I also think that we might have participated in the Locarno treaty. I do not lay down the doctrine that we should bear any responsibilities where we are not consulted; but if Canada is in earnest in trying to preserve the peace of the world, we should do everything in our power to that end. As I said the other day, I think the Locarno treaty, if properly carried out, will do more to preserve world peace than anything that has been accomplished in the last four or five years. I recognize that we were not represented at Locarno, but I think we might have been. With Germany, France and Great Britain guaranteeing the European boundaries both east and west —Great Britain did not guarantee the eastern boundary; she said she could not be the policeman of the world, but she was willing to do so as far as she could. But to my mind the important feature of that treaty was that Germany herself guaranteed to protect those boundaries both east and west; and if she did that there could be no war between the nations concerned at least. I think if the spirit of Locarno had been carried out, if Great Britain, France and Germany had signed that treaty, it would have done more to preserve peace in Europe than anything else imaginable.

As a member of this house I object to undertaking obligations concerning which we know so little. We have not even been given an estimate of what this convention is going to cost Canada, or how far we shall be involved. I wonder if this convention is similar to the treaty we signed with Hungary and Turkey. When our accredited representatives signed

that treaty, and this house on the motion of the present Prime Minister endorsed it, and we were asked to say if we were going to stand by it, the government said we didn't know whether we were or not. Are all of our international agreements to be treated in that way? Here is a convention with certain reservations. How far are we involved; where are we going to stop? It does seem to me, Mr. Speaker, that the time is come when we must consider the revenues of this country as something not akin to an artesian well; we must recognize that there is a limit to the amount of taxation which we can collect, and I for one protest strongly against these unnecessary expenditures while our taxation is as high as it is to-day.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I had not intended to participate in this discussion. That it has wandered very far afield from the motion upon the order paper is quite apparent, and I think this is attributable to the explanations made by the Prime Minister as to how treaties should, might, could or would be signed.

Mr. MACKENZIE KING: It was in reply to a question.

Mr. BENNETT: It may be that the right hon. gentleman is correct in saying that a portion of his answer was attributable to the question asked; but the fact is that we have taken about two hours to deal with matters extraneous to the subject matter under discussion. The motion before the house is to approve of a convention entered into between certain countries at Geneva—

Mr. MACKENZIE KING: At Paris.

Mr. BENNETT: At Paris; an international sanitary convention. My own personal view is that Canada would have been well-advised not to have touched the convention. I say that for this reason. We have here a federal union—the hon. member for Winnipeg North Centre (Mr. Woodsworth) touched upon the point—and the provinces are charged with the responsibility of public health, except where the Dominion deals with it by reason of sea ports or the international boundaries between us and United States. But even in the latter case, where health is concerned it has been the contention of the federal power that the provinces must be responsible for stamping out any epidemic within the provincial area. This convention is made between governments; the federal government of Canada, as a member of the League of Nations, is entering into a convention with other nations of the world. Clearly when Canada undertakes to do certain things with respect to certain diseases, as to which under the constitution the provinces only have jurisdiction, this Dominion cannot exercise any power. The mere fact that the federal government signs a convention does not enable it to transgress the constitution of the country. This convention confers no constitutional powers upon the federal government. The government's powers are just as they were before, and each of the provinces may be affected by outbreaks of the disease of smallpox, as mentioned. What power has this parliament to deal with smallpox? What power has this parliament ever exercised with respect to outbreaks of that disease? The provinces and the provinces only are concerned with the question of smallpox, and if an epidemic of smallpox should break out in Quebec or in Alberta the province of Quebec or the province of Alberta, as the case may be, must deal with it. The Dominion can do nothing at all in the matter. What is more, neither this parliament nor this government has the right under the constitution to impose upon any provincial government the necessity of making any return to the Minister of Health that sits yonder.

Had I been asked whether or not in my opinion we should become a party to the convention, I would have said, Certainly not. What purpose does it serve? I do fear—and I put this to the Prime Minister (Mr. Mackenzie King)—that we in this country are beginning to think that because Canada is a member of the League of Nations it makes us appear to be important in the eyes of the world if we sign conventions and treaties. I regret to say this, but there is marked evidence of it. There is a jaunt across the water to Geneva. It is a lovely place and a delightful time is had. This country pays the expenses. There is excellent food on the ship and excellent provision is made for entertainment in Geneva and elsewhere. And then you must do something; you must sign a convention.

Mr. LAPOINTE: Does my hon. friend suggest that we should have no representation in the League of Nations?

Mr. BENNETT: Not in the least.

Mr. LAPOINTE: Then why criticize the food?

Mr. BENNETT: I said the food was excellent; I did not criticize it. All these entertainments are admirable, but in many instances they are holidays for those who participate in them. I do not say that it was a holiday for the Minister of Justice (Mr. Lapointe) when he went over in connection with

the question of naval disarmament—in respect of which, by the way, he has not yet given a report to the house. That, I suspect, was not a holiday for him. But it has been a holiday for some of our representatives who have gone there. And, what is more, they were unable to participate in the proceedings of the League of Nations to the same extent as my hon. friend has done because of their lack of understanding and of appreciation of all that transpired.

Now here is a convention we are asked to approve. The ratification of a convention is, of course, as the Minister of Justice has said, a prerogative of the crown. The crown acts on the advice of its ministers, and in this instance the ministers from Canada will advise the crown that the convention is a sound one in which Canada concurs, if the Canadian parliament, comprising both the Commons and the Senate, approves of it. I wholly agree that it is desirable—indeed, I have always so held—that both the Commons and the Senate of parliament should be asked to approve of conventions or treaties that carry international implications or responsibilities. That, I think, is clear. When we are asked, as the Commons house of parliament, to give our approval to this convention, I submit that it is abundantly clear that we should not seek to commit the Dominion to do something with respect to the provinces which the Dominion has no constitutional jurisdiction to do. And clearly that is what is implied here; there is no escaping that conclusion if this means what it says. For that reason therefore, I would have said, with respect to a matter of this kind, "We are entirely of the opinion that there is no necessity for us to become a party to this convention". That, I suggest, would have been the proper attitude for the Canadian representatives to have taken. I repeat, I see in all the proceedings of the League of Nations, so far as this country is concerned, an increasing evidence as the days go by of a desire on our part to find a place in the sun by signing conventions and treaties, thus suggesting that we have become a very important people. Importance in the world is not measured, I submit, in any such manner.

I go a step further. Some discussion has arisen with respect to the League of Nations. What is the League of Nations? The League of Nations is a covenant between various peoples that they will do certain things named in that covenant. Each of the contracting parties has incurred obligations, one of which is to enforce sanctions in the event of any member of the league violating the provisions of the covenant. That involves economic sanctions and, if necessary, military sanctions as well. The Canadian people, then, have obligated themselves if necessary, so far as the League of Nations is concerned, to become parties with other nations to the enforcement of economic and, if needs be, of military pressure to carry out the will of the league.

Now what is the difference between the League of Nations and the British commonwealth of nations? The Minister of Justice (Mr. Lapointe) has been speaking in terms of war. The League of Nations involves in its very essence the exercise of military power, if needs be, for the purpose of giving effect to its will as against a transgressing member. That is all that can be said regarding it. The British commonwealth of nations is made up of a very large number of self-governing communities as well as of crown colonies and mandated territories in various portions of the world's area, embracing a quarter of it altogether. It is perfectly true that when Great Britain goes to war this country is also at war. It is equally true that this country need not participate in any such war unless this parliament sanctions our participation. That is clear. We have provided that by statute.

Mr. WOODSWORTH: The hon. gentleman considers, then, that the statement made in South Africa recently is not well founded?

Mr. BENNETT: I do not believe that any lawyer thinks for a moment that it is well founded. With all deference to Mr. Hertzog, who is an eminent lawyer—as I think the Minister of Justice will agree—it is not possible for any portion of the empire to be neutral while the empire is at war. That is clear. If, however, his meaning was that any part of the empire comprising a self-governing dominion need not participate in that war, the statement is correct, inasmuch as it is for the parliament of that self-governing dominion to determine what action shall be taken. I do not think there can be much doubt about that in the light of all that has been written on the question and with which we are familiar. There can be no doubt about it in view of the statements that are made from time to time, not only by British but by Canadian statesmen as well, notably by the great leader of the Liberal party, Sir Wilfrid Laurier, that when Great Britain was at war Canada was at war. That was the position taken by Sir Wilfrid Laurier, and it cannot be successfully disputed.

The position, then, with respect to the League of Nations and the British commonwealth of nations, is not wholly analogous. We have become parties to the League of

Nations by a covenant which we have signed. A covenant is an agreement under seal. We have incurred certain obligations under the League of Nations and in the event of transgression on the part of any member that has signed the covenant, that member may be brought to book by the concerted effort of all the other signatory members including Canada, with economic sanctions and military power if needs be.

On the other hand, the British commonwealth of nations is a group of self-governing countries, including Great Britain; and under our system of government—under the system that has evolved through time and under which we now live—if Great Britain goes to war we are at war. But we are not compelled, as we are under the covenant of the League of Nations, to make contribution either of a dollar or of a man except in so far as we may decide to do so. This parliament having given its sanction to the covenant of the League of Nations, we are bound by that covenant—whatever we may think of it—to give effect to any decision it may arrive at for the purpose of enforcing its will against a transgressing member.

This convention is alleged to have for its object the preservation of peace, and that enables one to make some reference to the Locarno treaty. That also was intended to preserve peace, but this government thought it undesirable to be a party to that treaty. It will be recalled, with reference to the policy of Locarno, that the report of the Imperial conference of 1926 contained these words:

> It then became clear that, from the standpoint of all the dominions and of India, there was complete approval of the manner in which the negotiations had been conducted and brought to so successful a conclusion. Our final and unanimous conclusion was to recommend to the conference the adoption of the following resolution:
>
> "The conference has heard with satisfaction the statement of the Secretary of State for Foreign Affairs with regard to the efforts made to ensure peace in Europe, culminating in the agreements of Locarno; and congratulates His Majesty's government in Great Britain on its share in this successful contribution towards the promotion of the peace of the world."

I do not think any person unacquainted with the subleties of mind of hon. gentlemen opposite would conclude anything but that this parliament had given its approval, or at least that the government had given its approval, to the Locarno treaty; because when you find a gentleman saying that it is clear from the standpoint of all the dominions and of India that there has been complete approval of the manner in which the negotiations have been conducted and brought to a successful conclusion, followed by congratulations for the results obtained, it shows, as the hon. member for St. Lawrence-St. George (Mr. Cahan) remarked, a desire to make it plain that there is complete unanimity on the part of Australia, New Zealand, Canada and South Africa as to the Locarno treaty. That is the attitude it is desired to express in England, while in Canada they wish to make it appear that they will not make any promises which will involve this country in anything beyond the three mile limit.

Mr. LAPOINTE: I said then exactly what I have said this afternoon.

Mr. BENNETT: Then my friend must have voted the other way.

Mr. LAPOINTE: No. This is not a resolution which was proposed; it is merely a congratulation to Sir Austen Chamberlain.

Mr. CAHAN: It is a unanimous report.

Mr. LAPOINTE: He has been receiving congratulations from all over the world.

Mr. BENNETT: There is nothing here to indicate that in the final and unanimous conclusion at which the conference arrived the Minister of Justice spoke one way and voted the other.

Mr. LAPOINTE: No, I am not in the habit of doing that.

Mr. BENNETT: I am only reading it as it appears here; it says it was unanimous.

Mr. LAPOINTE: Surely this is unanimous.

Mr. BENNETT: It recommended to the conference the adoption of the resolution, preceded by the statement that it became clear from the standpoint of all the dominions and of India that there was complete approval of the manner in which the negotiations had been conducted and brought to a successful conclusion.

Mr. LAPOINTE: I am glad to hear what my hon. friend has to say; it will be submitted on another occasion in order to show our friends in England how our actions are interpreted by hon. gentlemen here.

Mr. BENNETT: Far be it from me to place upon the conduct of my hon. friend the Minister of Justice any meaning other than that which he intended, but I only read from the report, which is said to be unanimous. Although the hon. gentleman says he took the position there which he has taken here, I can only say that he must have voted differently from the way in which he spoke,

because he could not have spoken as he did this afternoon and arrived at this conclusion without indeed a great feat of mental gymnastics of which I think him hardly capable.

Mr. LAPOINTE: I am happy to follow my hon. friend's example.

Mr. BENNETT: I am so delighted to have the Minister of Justice follow my example in anything; it indicates a modesty on his part which I had scarcely expected.

There is just one other matter I would like to mention, arising not out of this debate but rather from the answer made by the Prime Minister to a question asked by my friend from St. Lawrence-St. George. The question was this: Is this part of the public law of Canada when the convention has been approved by parliament and ratified by His Majesty? That question has not yet been answered. With his usual attitude of mind, when he was asked that question the Prime Minister immediately launched into an exposition of the signing of treaties, and avoided a direct reply. That is the position, and that is how this debate has been precipitated. The question was very simple; it was simply whether or not this became part of the public law of Canada after its approval and ratification, and it was answered by a long address on how treaties have been and will now be signed.

Mr. LAPOINTE: My friend is not serious; he knows that the hon. member for St. Lawrence-St. George started the debate on the treaties when he mentioned Locarno and everything else. I merely followed his remarks.

Mr. BENNETT: But the hon. member for St. Lawrence-St. George only did that after the Prime Minister had made this exposition as to how treaties should be signed. The question put to the Prime Minister was whether this was part of the public law of the country, and that question still remains unanswered.

Mr. LAPOINTE: My friend knows the answer; it is the simplest thing possible, and the answer is obvious.

Mr. BENNETT: What is it?

Mr. LAPOINTE: My hon. friend knows very well that if this house approves of this convention and it is ratified, the convention will be binding upon Canada. If there is need of statutes or legislation, the house will be called upon to pass that legislation.

Mr. BENNETT: I am so delighted to have the Minister of Justice answer the question.

Mr. LAPOINTE: I am pleased to delight my hon. friend in this respect.

Mr. BENNETT: I wonder if the minister realizes just what he has said? To carry into effect what he has just said involves an amendment to the British North America Act; that is all.

Mr. LAPOINTE: It is so easy to amend the British North America Act, according to my hon. friends. We will amend it.

Mr. BENNETT: We will?

Mr. LAPOINTE: Yes. You say it is the easiest thing in the world to do that.

Mr. BENNETT: May I ask the hon. gentleman who said that?

Mr. LAPOINTE: Yes, hon. gentlemen opposite say so all the time?

Mr. BENNETT: Would my hon. friend name the member who said that?

Mr. LAPOINTE: I will.

Mr. BENNETT: Will he do it now?

Mr. LAPOINTE: It has been stated in this house.

Mr. BENNETT: Please name the member now.

Mr. LAPOINTE: The answer is not here at the moment.

Mr. BENNETT: The answer is what?

Mr. LAPOINTE: If my hon. friend wishes to debate this matter I shall be pleased to join him at any time, here or elsewhere.

Mr. BENNETT: The hon. gentleman is very valiant, but will he answer the question?

Mr. LAPOINTE: Not necesarily valiant to meet my hon. friend.

Mr. BENNETT: No, not valiant; it is an easy thing for him to meet the member for West Calgary, but I suggest that my hon. friend answer the question. Who has said that it is an easy thing to amend the British North America Act?

Mr. LAPOINTE: I will have to consult Hansard.

Mr. BENNETT: Then the hon. gentleman has no particular person in mind? In other words that was a bald statement supported by no authority. I have not heard anyone say in this house that it is an easy thing to amend the British North America Act. That is a constitutional contract between four provinces, providing for the addition of other provinces, and being a constitutional contract

it cannot be easily amended without the consent of the contracting parties. As far as I have heard, no one has made the suggestion in Canada that it is an easy thing to secure the consent of the contracting parties. However, now we have the answer of the Minister of Justice that this convention, when approved by this parliament and ratified by the sovereign, will become a part of the public law of Canada, binding this country and imposing upon our people the necessity of passing such legislation as may be necessary to give effect to it, if need be. I point out to him that that involves changes in the constitution of Canada, because it places upon this parliament a power which parliament cannot exercise, having regard to the constitutional provisions of the British North America Act which confer those powers upon the provinces and not upon the Dominion. Let there be no misunderstanding about this question to which the hon. member for St. Lawrence-St. George vainly sought an answer, and which is now answered by the Minister of Justice. Does the Prime Minister wish to ask a question?

Mr. MACKENZIE KING: I was going to say to my hon. friend that I think he is entirely wrong on that point, and I would like to give him my reasons later.

Mr. BENNETT: I do not know that it rests with me to give my right hon. friend permission to do that. The rules of the house are there and I cannot change them. As far as I am concerned, if the right hon. gentleman has the right to speak he can do so, and if he has not that right he should not speak. Unfortunately I cannot add to that or take away from it. However, I cannot be wrong with respect to this; under our constitution, if we were to have an outbreak of smallpox, an epidemic, in one of the western provinces, the obligation rests with the provincial rather than with the Dominion government.

Mr. MACKENZIE KING: If my hon. friend will read the convention he will see that he is entirely wrong in believing that the provincial authorities have that obligation; under the exclusive jurisdiction given this parliament, we have to deal with matters of quarantine, navigation and the like, and those are the matters primarily referred to in this convention.

Mr. BENNETT: I was very anxious to satisfy myself on that point, and the Prime Minister is quite correct in drawing attention to the fact that this parliament has power only to deal with questions of quarantine and with ships and shipping. But the convention deals with cars and railways passing international boundaries. I will turn up the section if my friend desires; it deals with crossings between the United States and Canada, and under those circumstances there is no jurisdiction on the part of this parliament to deal with an epidemic of smallpox in Alberta. They may deal with the trains and with the passage of the trains, but they have no power to compel the province of Alberta to make any report to this Dominion in respect to an outbreak of smallpox; and until you amend the constitution you will have no power to do that, because matters of health rest wholly with the local authorities, as we have found out in times past in appeals on these very matters. The minister may sit here and make suggestions, but the provinces need not act upon them. This is not a matter on which the Dominion has concurrent powers. It has exclusive powers of quarantine, but this parliament has no power over a province in respect to smallpox.

Mr. CANNON: May I ask a question? Would not this parliament have power to deal with the matter to prevent the spread of smallpox from one province into another?

Mr. BENNETT: The courts have held to the contrary. That is the reason this parliament had no authority to deal with the epidemic of typhoid in Montreal and prevent it from spreading into Ontario, beyond the questions which I have pointed out, subject to the reservation as to the passing of interprovincial trains, et cetera, where the Dominion would have power to deal with this matter. There will come an opportunity later to discuss the question as to the powers of those who represent Canada either at Tokyo or at Washington or elsewhere; but the statement made by the hon. member from St. Lawrence-St. George (Mr. Cahan) is a very careful and accurate statement of the situation. He had not his notes before him at the time but they are now in my hand, and the letter of Sir Esme Howard to the Secretary of State of the United States, dated June 24th, 1924, says:

> The handling of matters at Washington exclusively relating to the Irish Free State should be confided to a minister plenipotentiary accredited to the United States government.

And that the Irish minister—

> —would be furnished with credentials which would enable him to take charge of all affairs relating only to the Irish Free State. He would be the ordinary channel of communication with the United States government on these matters. Matters which are of imperial concern or which affect other dominions in the commonwealth in

common with the Irish Free State will continue to be handled as heretofore by this embassy.

The arrangements proposed by His Majesty's government would not denote any departure from the principle of the diplomatic unity of the empire. The Irish minister would be at all times in the closest touch with His Majesty's ambassador, and any question which might arise as to whether a matter comes within the category of those to be handled by the Irish minister or not would be settled by consultation between them. In matters falling within his sphere the Irish minister would not be subject to the control of His Majesty's ambassador, nor would His Majesty's ambassador be responsible for the Irish minister's action.

I have been instructed to expess the hope that the United States government will concur in the appointment of an Irish Free State minister at Washington on the footing I have indicated above.

The United States Secretary of State in replying on June 28, 1924, notes that the Irish minister will have "the handling of matters at Washington exclusively relating to the Irish Free State", and that he will "take charge of all matters relating only to the Irish Free State." On December 7th, 1926, when the Hon. Mr. Massey was appointed, a question arose as to what his powers were, and his letter of credence issued on the day of his appointment shows that he was appointed "with the especial object of representing in the United States of America the interests of our Dominion of Canada." And when the Right Hon. Mr. Amery was questioned in the House of Commons as to the functions of the Canadian minister at Washington, he replied:

I would invite reference to statement of the Secretary of State, June 26, 1924, on the occasion of the appointment of the Irish Free State minister to Washington. The position is similar in the case of the Canadian minister.

As to the powers of a Canadian minister in matters of the kind to which the Prime Minister has referred, and which have been mentioned by my friend, it is quite clear that they deal only with matters which affect Canada. Nothing better illustrates possibly the necessity of a clearer appreciation and understanding of any convention that is submitted to parliament than just what has taken place this afternoon. There are involved provincial rights; there are involved vast expenditures of public moneys, if this convention is approved. The ratification of it by necessary legislation will involve the amendment of the constitution of the country itself. It is necessary that those who represent us at the League of Nations should be advised that in matters such as this it is inadvisable that Canada should participate, because of our federal constitution, and due to our peculiar position, differing from Australia and New Zealand, in relation to the United States to the south of us. And if we follow the course which prudence would dictate and the law which governs in such a matter, we should not be a party to this convention; for certainly the reservations which are mentioned in this protocol do not cover, in my judgment, the point which should be covered if we are to avoid being charged with bad faith in the future, because it affects provincial rights in respect of which this parliament has no control.

Mr. SPEAKER: This will close the debate if the right hon. the Prime Minister speaks.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in my opinion my hon. friend is not correct when he says this convention should not have been brought before this house for approval because the obligations it implies are obligations which primarily are of a character to be borne by the provinces, and that the subject matter is one which relates to provincial rather than to federal jurisdiction.

My hon. friend is familiar with the British North America Act, section 91, dealing with the exclusive rights of legislation. Clauses 10 and 11 cover the exclusive rights of the federal parliament to deal with navigation and shipping, quarantine and the establishment and maintenance of marine hospitals. My hon. friend has spoken of smallpox as a communicable disease, and has given as his reason why this parliament should not deal with this question, that the control of smallpox is a matter which comes and can only come under the jurisdiction of provincial authorities. If my hon. friend had read the convention carefully, he would have seen that it refers specifically and at length to smallpox, and I am going to read the entire section to the house, because it deals specifically with the danger of the spread of smallpox by infected ships, and with that only in this connection.

Mr. BENNETT: Article I of section I, in the first chapter, provides that:

Every government must immediately notify to the other governments and, at the same time, to the Office International d'Hygiene Publique.
(3) the existence of an epidemic of typhus or of smallpox.

It has nothing to do with navigation at all. You have no authority, and you have not the knowledge.

Mr. MACKENZIE KING: Let me read Article 42, which is under the subhead "smallpox", and which is really the important section dealing with smallpox:

Ships which have had, or have a case of smallpox on board either during the voyage, or at the time of arrival, may be subjected to the following measures:

(1) Medical inspection.

(2) The sick shall immediately be disembarked and isolated.

(3) Other persons reasonably suspected to have been exposed to infection on board, and who, in the opinion of the sanitary authority, or by a previous attack of smallpox, may be subjected to vaccination, are not sufficiently protected by recent vaccination, or to surveillance, or to vaccination, followed by surveillance, the period of surveillance being specified according to the circumstances, but in any event not exceeding fourteen days reckoned from the date of arrival of the ship.

(4) Bedding which has been used, soiled linen, wearing apparel, and other articles which the sanitary authority of the port considers to have been recently infected, shall be disinfected.

(5) Only the parts of the ship which have been occupied by persons ill with smallpox and which the sanitary authority regards as infected, shall be disinfected.

The ship shall immediately be given free pratique.

It rests with each government to take, after disembarkation, the measures which it considers appropriate to ensure the surveillance of persons who are not protected by vaccination, and who arrive on a ship which has had no case of smallpox on board, but who have left an area where smallpox is epidemic within the previous fourteen days.

Article 43.—It is recommended that when ships call in countries where smallpox is epidemic, all precautions possible should be taken to secure the vaccination or revaccination of the crew.

It is also recommended that governments should make vaccination and revaccination as general as possible, especially in ports and in areas near frontiers.

Mr. BENNETT: Over which parliament has no jurisdiction and the provincial authorities have.

Mr. MACKENZIE KING: I did not interrupt my hon. friend. It must be clear to hon. members that the great purpose of this convention is to deal with diseases that are communicable through agencies of transportation and particularly agencies of transportation overseas. It is to prevent plagues and other communicable diseases from spreading from one country to another. Practically all of the sections relate to different diseases which may be carried from one place to another by infected ships. They are such diseases as the bubonic plague, smallpox, typhus, cholera and the like. Those are all referred to in the section.

Mr. CAHAN: Are the quotations which the Prime Minister has made not all under section 4 on page 8, "measures at marine ports and frontiers," while the other sections apply to other than marine ports and frontiers?

Mr. MACKENZIE KING: The sections which I have quoted are all sections which apply to this country under this convention, and it is only the federal government which can take action on these matters of inspection at ports in the manner which the convention describes.

Mr. BENNETT: But section 6 deals with the land frontiers between the United States and Canada.

Mr. MACKENZIE KING: I would again submit that we have a federal Department of Health which was instituted for the very purpose of dealing with these matters of health that are likely to be of concern to the entire Dominion and every province would have a right to expect that the Dominion would co-operate with it in every possible way to prevent the spread of diseases of the character in question. May I say that when one takes into consideration the trade of Canada, expanding as it is towards all ports of the world, and the fact that this treaty is signed by such countries as Japan, China, India, there is the strongest of reasons why we in this parliament should be anxious to become a party to a convention of this kind. It places obligations upon those oriental countries immediately to notify other countries that are parties to the convention of any outbreak of disease which may occur in their ports and which may be communicated in the course of transit of a ship from one part of the world to another. If it were for no other reason than that of protecting our own people from disease this convention should be welcomed by this parliament.

My attention has just been drawn to section 132 of the British North America Act which provides:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries arising under treaties between the empire and such foreign countries.

Mr. BENNETT: That does not cover this.

Mr. MACKENZIE KING: My hon. friend might there say that we have again a question of interpretation of what is and what is not the British Empire. I hope he will be able to see that under that clause the last vestige of his argument fades away.

Mr. BENNETT: It has no relevancy to this.

Mr. MACKENZIE KING: With respect to the advisability and desirability of this country associating itself with other countries, particularly those countries with which it is

trading, in an endeavour to prevent the spread of such frightful national plagues as cholera, smallpox, typhus and the like may I say a further word. If there were not even an advantage to Canada itself, there is I think an obligation upon our Dominion as a country to co-operate with other countries of the world in a humanitarian endeavour of this kind. Much has been said about furthering movements that will make for peace. The other evening we had a long discussion of that subject and on the importance of cultivating the international mind as a means of bringing about a better understanding between nations. I do not agree with the leader of the opposition when he says that Canada should not be represented at these national conferences. I think as a nation we should take our share with the other nations of the world in helping to further those movements which make for greater international security and greater international goodwill.

Mr. BENNETT: I did not say that Canada should not be represented at an international gathering.

Mr. MACKENZIE KING: But that was the inference I gathered, or perhaps it was from remarks that were made by the hon. member for Muskoka (Mr. McGibbon) who took rather strongly the position that in some of these matters we should not be represented.

Mr. McGIBBON: I beg the Prime Minister's pardon. I took no such position.

Mr. MACKENZIE KING: I will come back then to the leader of the opposition who I think did use words to the effect that, because Canada was a member of the League of Nations, she was taking herself very seriously and felt that as a nation she should participate in all these national conventions and sign them.

Mr. BENNETT: I said that it was our duty to attend once we became a member, but I said that there was no reason why, to make ourselves great, we should sign conventions; that was not a test of our greatness.

Mr. MACKENZIE KING: This convention relates to the important matter of disease in which this country is vitally interested. The hon. member for St. Lawrence-St. George (Mr. Cahan) spoke about contradictory attitudes, but I think his own speech betrayed his own contradictory attitude, because the first part of it denounced us for assuming obligations and the latter part of it reprimanded us because we were trying under a special clause to evade some of the obligations.

Apart, however, from any of the particular points of discussion, viewing generally and broadly the wisdom of inviting parliament to consider the approval of treaties, might I say this further word in conclusion in regard to the matter of bringing conventions and treaties to this parliament for approval. I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings. In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far-reaching character. As the Minister of Justice has said, a better example could not be given than that with respect to a possible treaty between the United States and Canada on the St. Lawrence waterway development. This government, should it be in office at the time that a treaty of the kind is being negotiated, has always had the intention of submitting it to parliament and of having it understood in advance that all negotiations involved the submission to parliament of any such treaty. It should now be understood that approval by parliament will be expected and necessary before that treaty, if it ever should come into being, would in any way bind this country. I say that this is a wise doctrine to follow in regard to all treaties irrespective of their particular character wherever they involve large national obligations.

Mr. WOODSWORTH: I wonder if the Prime Minister would give information on the point I raised as to whether the federal authorities feel they have jurisdiction in a matter of this kind to bring forward legislation implementing this convention, and that there will be no difficulties with regard to the provincial authorities.

Mr. MACKENZIE KING: Yes, I think the government has full authority for all it has agreed to.

Motion agreed to, on division.

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

That a message be sent to the senate, informing Their Honours that this house has adopted the above resolution and requesting that Their Honours will unite with this house in the approval of the above mentioned convention, and that the Clerk do carry the said message to the senate;

And that this house do approve of same.

Motion agreed to.

PRIVILEGE—Mr. CANNON

On the orders of the day:

Hon. LUCIEN CANNON (Solicitor General): I rise to a question of privilege, Mr. Speaker.

Hon. R. B. BENNETT (Leader of the Opposition): I direct your attention, Mr. Speaker, to the fact that it is now six o'clock, because I shall have something to say in regard to the matter the hon. gentleman is now raising.

Mr. CANNON: On April the 10th the hon. leader of the opposition (Mr. Bennett) raised a question of privilege in connection with the release of one Baldy Robb, and his statement is to be found in Hansard at pages 1872 and 1873. I do not wish to re-open the debate, and I reiterate that such matters should not be discussed in the house.

In the course of his remarks the hon. member for West Calgary stated:

I had no communication with the Solicitor General with respect to this matter. I made no recommendations of any kind regarding the release of this convicted criminal; I left the responsibility where it belonged.

My hon. friend's memory is not accurate. He did have communications with me on two different occasions—

Mr. BENNETT: That is untrue.

Mr. CANNON:—once in Ottawa and once in Montreal, and moreover his interview with the Minister of the Interior (Mr. Stewart) was reported to me by the latter. I wish to declare now, as I did on March 29th last, that the hon. member's action in this matter does not cast any reflection upon his character as a public man or as a private citizen, but was dictated by a high sense of duty.

Mr. SPEAKER: It being six o'clock, I do now leave the chair.

Mr. BENNETT: Just what I thought, an absolutely untrue statement.

Mr. CANNON: If my hon. friend wants to make a statement he can make it; I will be here.

Mr. BENNETT: He is going to; don't you worry.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVILEGE—MR. BENNETT

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, on the 29th of March I was absent from the house—

Some hon. MEMBERS: Louder.

Mr. BENNETT: I find it difficult to speak much louder, my throat being somewhat sore. On that occasion a statement was made with respect to Baldy Robb during the course of a discussion, and the member for West York (Sir Henry Drayton) was warned by the Solicitor General (Mr. Cannon) that the leader of the opposition—referring to myself—would be able to give certain information as to the release of Baldy Robb. I leave it to this house to imagine what would have been the effect of that "warning" had the matter been left just as it then was.

Mr. SPEAKER: This is a question of privilege?

Mr. BENNETT: Surely. But fortunately the member for Fort William (Mr. Manion), followed the matter up and the Solicitor General then made certain other observations. In his statement to-day he says that he repeated what he had said on the previous occasion, that there was no reflection on the leader of the opposition as a public man. Let me quote his words:

—that the hon. member's action in this matter does not cast any reflection upon his character as a public man or as a private citizen, but was dictated by a high sense of duty.

Why there should have been any necessity on the part of the Solicitor General to give his so-called warning in respect of such action I am unable to say. Last Tuesday I gave an explanation in respect of the matter, and yesterday the Solicitor General told me that he had read it. He added that he had had a conversation with me once in Mr. Robb's office when we were discussing pension matters and on another occasion in the Windsor hotel in Montreal in reference to Baldy Robb. To-day he sent me a copy of the statement he proposed to make, and I despatched a note to him stating that surely

he did not desire to say that I had had any communication with him as to this man. I was very careful in the statement I made to the house on Tuesday to use the word "communication", because last session there was a great deal of discussion about Baldy Robb and considerable levity throughout the house in connection with the case, and I could not be certain whether or not I had had any conversation with any particular person in respect to it. Fortunately I find that on February 15, 1927, when speaking on the Athabaska election inquiry, I made reference to the matter and stated my position. I said that the man was not entitled to a ticket of leave, that the Minister of the Interior had made certain statements, and that while I could quite understand that he sympathized with the accused in the matter and had mentioned it to the Solicitor General, in the end the law officers of the crown must accept responsibility for whatever action they might take. I continued—and I am quoting from page 309 of last year's Hansard:

I remember distinctly the case of Baldy Robb and two others being spoken to during the fall. I recall an expression of my own opinion with respect to the matter to the effect that it was important that an example be made. It is far more important—this is the attitude I took—that the law should be vindicated, though not vindictively, and that its majesty be upheld than that feelings of sympathy should prevail in relation to any individual. We have all experienced those things; every man in public life knows that he has to make the choice between sympathy and public duty. His sympathies naturally impel him to do what the hon. member from Athabaska (Mr. Kellner) rose in his place to-day and so admirably stated—"I signed a petition for the parole of these two prisoners, for the reason that my sympathy found expression in the act". That was done to change and mould the opinion of the Solicitor General and of the Minister of Justice favourably towards the request. But as a public servant, owing a duty to the public, it is not open to any public man occupying a position of trust to sign any petition for the release of any prisoner under a system of ticket-of-leave.

When yesterday the Solicitor General reminded me that he had had a conversation with me in the office of the Minister of Finance on an occasion when we were dealing with the pension bill and certain amendments which I desired to move to it, which the Minister of Health (Mr. King), the Minister of National Defence (Mr. Ralston) and he himself were considering, I turned up the journals of the house and found that the third reading of the bill was discussed on April 13, 1927. I have no recollection of that conversation; but I do not say for a moment that a casual conversation with respect to Baldy Robb did not take place during that discussion. Nor do I say, although I have no memory of it, that the Solicitor General and I may not have spoken about the case in the Windsor hotel at Montreal. But I do not regard that, nor do I think would any hon. member, as a communication made to the Solicitor General with regard to leniency to be extended to Baldy Robb. However, I did state very distinctly in the house on Tuesday, in order that there might be no misapprehension, that I had said to the Minister of the Interior—to the Minister of the Interior, mark you—that I did not propose to criticize the action of the government if they released Baldy Robb. I never desire to escape responsibility for anything I have said. I gave the minister my reasons, although just prior to that I was under the impression that Baldy Robb was out on ticket of leave, and had so read in the newspapers.

The Solicitor General stated in the house this afternoon:

My friend's memory is not accurate. He did have communication with me on two different occasions, once in Ottawa and once in Montreal,—

I object to his language. I am not going to say whether there were any conversations or not. If there were, they were casual conversations, not communications. I had no interview with him in regard to the case, nor did I discuss it with any member of the government save the Minister of the Interior. The Minister of the Interior bore me out in that last Tuesday. I repeat, he is the only one with whom I had any discussion on the subject.

Since recess I understand that the word "communication" is used by the Solicitor General and other lawyers in the province of Quebec in the sense of conversation.

Mr. POWER: It is used that way in the dictionary.

Mr. BENNETT: Quite so; but we do not use it in that way. In my statement on Tuesday I referred to my "communications" with the minister, and then I added that I "stated" to the Minister of the Interior so and so. That is the distinction I was drawing at the moment. I went further; I said:

I made no recommendations of any kind regarding the release of this convicted criminal; I left the responsibility where it belonged. I did state, however, that I would not criticize any action that might be taken in the circumstances by the law officers of the crown.

That is, I made no recommendations involving my placing communications on the files of the department with respect to Baldy Robb, and I could not do so after the speech

I had made in the house in February last year. Had the Solicitor General used the word "conversation"—and I think he might have done so—instead of "communication" I would have no objection to the statement that he has made; I am not prepared to challenge him when he says that he had a conversation with me, if that term is to be applied to casual observations about Baldy Robb, for I fancy there are at least twenty-five or thirty hon. members who last session had conversations with respect to Baldy Robb. In fact the case was treated with considerable levity and there was a good deal of joking as to when he would get out of the penitentiary. When it was announced in the papers that the convict had been released, I thought he was at liberty up to the time when the Minister of the Interior in his office told me that this was not so.

Once more, Mr. Speaker, I desire to say that I had no communications with the Department of Justice with respect to this man, and that I made no recommendations. If the casual conversations that took place between not only the Minister of the Interior and myself but with dozens of other hon. members with respect to Baldy Robb are to be termed "communications", then the Solicitor General's statement is correct; but those casual conversations were not so treated by me, and in my observations last Tuesday I was very careful to draw a distinction between what I regard as a communication and the statement which I said I made to the Minister of the Interior. I have no apologies to offer for my attitude in this case first, last and all the time, but I do resent keenly the covert suggestion that there was something wrong about my action, that the member for West York had to be warned, when the "warning" turned out to be nothing more than that I had done my duty as a public servant, that in fact there was no reflection on me one way or the other. I do not think that that was the intention of the so-called warning, and for that reason I have risen to vindicate myself. I resent most strongly the suggestion that I had communication with members of the government for the purpose of securing the release of Baldy Robb. As the Minister of the Interior very frankly and very honestly said on Tuesday, I left that responsibility where it belonged. I told him that I was perfectly willing not to criticize any action the government might take upon a proper realization of the circumstances, that is, that they should be governed by the opinion of the judge and the warden of the penitentiary.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, on the question of privilege, I wish first to congratulate my hon. friend on the tone which he has adopted this evening. It is a welcome change from the attitude which he took at recess. As to the word "communication", in justification of myself I may say that before using the word I was careful to look it up in the dictionary.

Mr. BENNETT: That makes it worse.

Mr. CANNON: And this is what the word "communication" means — Murray's New English Dictionary, volume two, page 700:

> Communication: the imparting, conveying, or exchange of ideas, knowledge, information, etc., whether by speech, writing, or signs. Interchange of speech, conversation, conference, converse, personal intercourse.

In Webster's New International Dictionary, at page 452:

> Communication: (2) intercourse by words letters, or messages; interchange of thoughts or opinions, by conference or other means; converse; correspondence; (3) that which is communicated or imparted; intelligence; news, a verbal or written message.

Therefore I contend that I was perfectly justified in stating that there had been communications from the leader of the opposition to myself in connection with the matter. The hon. gentleman has mentioned a note which he sent over. In fairness to myself and in fairness to the house I think that the note should be quoted as sent. And this is the note:

> The Solicitor General: Surely you do not mean that I ever sent you any "communication" regarding Robb. You must mean "conversation". I was very careful to say "communication". R.B.B.

In conclusion, Mr. Speaker, I would simply ask my hon. friend to explain why he was so careful to use the word "communication" if he wanted to exclude conversations, when, in the paragraph before that relating to myself, he quoted a conversation with the Minister of the Interior (Mr. Stewart, Edmonton). Why should conversations with the Minister of the Interior be relevant and conversations with myself have nothing to do with the matter? I think, Mr. Speaker, that it is good thing that this incident should close now, and again I congratulate the leader of the opposition upon having adopted to-night a tone which is by far more in keeping with the very high position he occupies in the house than was the tone he adopted this afternoon.

Hon. CHARLES STEWART (Minister of the Interior): On a question of privilege, seeing that I seem to have been the central spirit in this discussion, may I make it very clear to the house, as I think I did on a

former occasion, that I have no interest in Baldy Robb. Indeed, if my interests had been consulted perhaps they would have been best served by leaving him where he was. But being in receipt of a very largely signed petition from people in the province of Alberta, and being asked in that petition to take action, I did so. I want to say here and now, however, that never at any time had I any interest in this prisoner such as I would not take in any other prisoner in the province of Alberta. I make this statement because the inference might go abroad that I was the person in this house who was going about interviewing people on behalf of Baldy Robb. That I never did. As a matter of fact I have suffered more at his hands than I have on account of any other person in that province. I bear no ill-will in the matter, however. I was perfectly willing to do what I could to meet the request contained in the petition, just as I should do for any other prisoner. But, I repeat, I have no interest in the individual.

Mr. BENNETT: The Solicitor General (Mr. Cannon) was good enough to ask me a question, which I think I may answer in the terms of Hansard itself. I do not wish to quote too much of what I said the other day, but I may read the following:

It transpired that the minister was correct and we had some conversation touching the matter. My recollection is that I stated I would have nothing to do with it, pointing out, however, that I had recently been in Edmonton where I had learned that a large number of people there, who had been associated with the prosecution of Robb, were of the opinion that the ends of justice had been satisfied and the law vindicated by his conviction and imprisonment, and that, having regard to the fact that his wife and family were in poor circumstances, there was no reason why, if the government deemed it a proper course to pursue and such a recommendation should be made to His Excellency, Baldy Robb should not be released on ticket-of-leave. If I remember rightly the Minister of the Interior inquired whether I would have any objection to communicating that fact to the leader of the opposition. I told him I would not. I ascertained that the leader of the opposition was absent from Ottawa, as was also the Solicitor General, and I telephoned the Minister of the Interior to that effect.

I had no communication with the Solicitor General with respect to this matter. I made no recommendations of any kind regarding the release of this convicted criminal; I left the responsibility where it belonged. I did state, however—

I emphasize that.

—that I would not criticize any action that might be taken in the circumstances by the law officers of the crown. The view I intimated to the Minister of the Interior, the only minister with whom I had had any discussion with reference to the question.

[Mr. C. A. Stewart.]

Those are the facts. Casual conversations with regard to Baldy Robb certainly were not discussions concerning him, and the only discussion I had was with the Minister of the Interior (Mr. Stewart, Edmonton). If, however, casual conversations are to be regarded as discussions, then it is a warning to me in the future, with respect to at least one of the law officers of the crown.

COPYRIGHT ACT

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): I desire to ask a question of the Secretary of State (Mr. Rinfret). Having regard to the report of the special committee of 1925 dealing with amendments to the Copyright Act, and in view of the urgent need of such amendments, is it the intention of the government this year to bring down these amendments?

Hon. FERNAND RINFRET (Secretary of State): In addition to the amendments embodied in the bill to which my hon. friend refers, a considerable number have been submitted to my department, but it is not the desire of the government to put through this year any measure with regard to the Copyright Act. As my hon. friend is aware, an international conference on copyright will take place in Rome next month, and we deem it advisable to avail ourselves of the benefit of the deliberations there and of such resolutions as may be adopted, before suggesting any further amendments on our own behalf.

ECONOMIC CONFERENCE AT GENEVA

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for St. Lawrence-St. George (Mr. Cahan) inquired prior to the Easter recess whether it was the intention of the government to ask the approval of parliament of resolutions adopted at the economic conference at Geneva last May at which, he said, the government was represented. I informed my hon. friend that I would give him a reply after the recess. At the time I was not quite clear as to which conference he had in mind—we have been represented at a good many, as to-day's debate would disclose. The conference to which the hon. member alludes was a conference of economic experts called originally at the instance of the League of Nations. The government as such was not represented, but did appoint delegates to the conference to deal with the questions that were presented there, and the report, as adopted by the conference, was in the nature of a

basis for consideration and discussion by the different governments. It was never intended, however, to treat it as a document to be submitted to parliament for approval. In the circumstances it is not the intention of the government to submit any of the resolutions of the conference for approval.

ST. LAWRENCE WATERWAY

REPORT OF JOINT ENGINEERING BOARD

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): While discussing the question of reports, may I say that last night my hon. friend (Mr. Cahan) directed the attention of the house to the fact that he, as well as other hon. members, had through some inadvertence failed to receive the report of the joint engineering board on the St. Lawrence waterway project. I have made inquiries as to what took place with regard to the distribution of the report and I find, as I intimated yesterday, that the report is in two volumes. It is rather bulky and includes a number of expensive plates. The actual cost of publication of the report is $12.50 for the report and plates. At the time of its receipt the government did not have it distributed generally, although I understand, any members who had applied to the Department of Railways—not to the distribution office—were supplied with copies. Some hon. members, however, seem to have been under the impression that the report was being distributed through the distribution office, and not having received copies there were naturally surprised. I may observe that copies are available for all members of the house, but those gentlemen who have already received copies from the Department of Railways will not expect additional copies unless for some special reason. Any members who so desire may receive a copy of the report on application. When the report was laid on the table of the house it was distributed to the leading newspapers throughout the country, to the universities, the provincial governments and a number of leading libraries as well as engineering journals and societies. It has been made available at a nominal cost of $5 to the members of the engineering profession, and indeed to any person interested in it for professional reasons. It was not thought advisable to distribute a report of that magnitude and cost free of charge, and the government will maintain the nominal charge of $5 for a report which has cost it $12.50 to print.

I have just one other observation to make. The report has been printed at the expense of the department, but it has not been translated into French. I think it should be translated; I believe it should be made available to all members of parliament and I hope the committee on public printing of this house will consider the advisability of the translation and publication of this report in French.

Mr. SPEAKER: The necessary instructions will be given.

REPARATIONS COMMISSION

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): I desire to ask the Prime Minister whether the government have come to any conclusion with regard to the tabling of the Friel report?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thought the Secretary of State (Mr. Rinfret) the other day made a clear and comprehensive statement on that subject. It was to the effect that the government did not contemplate bringing in any legislation this session with regard to any of the matters referred to in Mr. Friel's report. Having decided not to bring in legislation during this session we do not think it advisable to have the report made public until some subsequent time. The report contains recommendations which must be taken into consideration by the government in any legislation which may be brought down, and we think it would be prejudicial to make the report public until such time as the government is prepared to bring in the legislation which may be based thereon.

BRITISH COLUMBIA LANDS

REPORT OF MR. JUSTICE MARTIN

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): May I ask the Prime Minister if the government have concurred or intend to concur in the report of Mr. Justice Martin relative to the Peace River block and Dominion railway lands in British Columbia, and whether the government are taking any steps to give effect to that report?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid my hon. friend has not seen the statement which was made by the Minister of the Interior on that subject a day or so ago.

Mr. LADNER: The statement does not deal with those points at all.

Mr. MACKENZIE KING: I understand that my friend wants to know whether the government intend to act on that report. I may tell him that the government do intend to act upon it, but the time of such action is something which we must reserve for further consideration.

SEEDS ACT AMENDMENT

The house in committee on Bill No. 11, to amend the Seeds Act—Mr. Motherwell—Mr. Johnston in the chair.

Sections 1 to 3 agreed to.

On section 4—Sale, etc., of clovers, grasses, seed grain and fodder seeds.

Mr. BENNETT: Has the minister considered whether or not section 4 as contained in this bill is a legal and valid section?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: Do the law officers say it is valid?

Mr. MOTHERWELL: I presume it is.

Mr. BENNETT: As I said the other day, I do not wish to raise questions of this kind unnecessarily, but I think it my duty to point out the fact that there are grave questions connected with a statute of this parliament which forbids any person having seed in his possession unless under certain conditions; that is a serious matter. This section states:

> No person shall sell, offer, advertise, expose or have in possession for sale for the purpose of seeding in Canada any seeds in containers containing seeds of clover, alfalfa, grasses, flax, sorghums, millet, wheat, oats, barley, rye, corn, buckwheat, sunflower, field peas, field beans, vetches, or other kinds of seeds that may be prescribed by regulation, nor shall any shipment be billed as seed unless each container containing such seed, or a tag or label durably attached thereto, is branded or marked on one side in printed characters . . . .

Certainly the powers of this parliament are very wide with respect to agriculture, but I cannot help thinking that the rights of the provinces are invaded in some degree by the provisions of that section. I am not expressing an opinion, but I think it should be submitted to the law officers before the bill is finally passed out of committee.

Mr. MOTHERWELL: I realize that there is an element of doubt as to our jurisdiction, especially with regard to transactions between citizens of the same province. There are three kinds of sales; there is the sale for export, over which we have undoubted control; there is the interprovincial sale, which we also control, and there is the sale between persons in the same province. This has stood all the tests since 1911, so I think we are fairly safe in letting it go through again.

Mr. FRASER: Is this a change from the existing regulations?

Mr. MOTHERWELL: This is really one of the most important changes which has been made. Perhaps the chairman would read subsection (e).

The CHAIRMAN: Subsection (e) of section 4 is as follows:

> (e) the name of the grade of seed, which shall be one of the following:—
> (i) for the general seeds of commerce, No. 1, No. 2, No. 3;
> (ii) for seed derived from an inspected seed crop that was pure as to variety and was registered by the Canadian Seed Growers' Association, registered extra, registered No. 1, registered No. 2, to which grade names there may be added such further word or words as may be prescribed by regulation to describe such damage to the seed as may not impair its utility value for seeding;
> (iii) for mixtures of grass, clover, or other fodder or forage crop seeds, No. 1 mixture, No. 2 mixture, No. 3 mixture.

Mr. FRASER: There is quite an amount of seed grain grown in British Columbia. What effect will this have upon people buying seed from one another?

Mr. MOTHERWELL: The seeds will be the same, but they will be of different names.

Mr. FRASER: What about the regulations?

Mr. MOTHERWELL: There are no changes in the regulations yet. Regulations are never drafted until after the bill is adopted. That will come later.

Mr. FRASER: They grow a great deal of timothy seed up in the valley. If a man sells timothy seed to another man in a different part of the province, does that have to be graded?

Mr. MOTHERWELL: There is no change in regard to timothy seed.

Mr. SPENCER: In regard to seed grain in the province, will it have to come under the regulations?

Mr. MOTHERWELL: No, no change whatever. It is just in the nomenclature of the grades. The grades of seed are now 1, 2 and 3; the registered grades are registered extra, registered No. 1 and registered No. 2; three grades in each. Nos. 1, 2 and 3, are commercial grades.

Mr. BENNETT: As the statute now stands, it applies to all transactions whether inside or outside of the province?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: Whether it is legal or not is another question; but as it stands it now applies to all, inside as well as outside of the province.

Mr. MOTHERWELL: Yes.

Mr. NEILL: Mr. Chairman, it seems to me that this clause is going too far in establishing three more grades. Goodness knows we have enough grades already. There is another feature which I do not like. It provides for grades higher than 1, 2 and 3; the consequence is that a man going into a store to buy grass seed, the unscrupulous dealer, if there are such, says: Here is No. 1 grade, and quotes a price for it. The man naturally thinks that is the best grade, and the dealer does not tell him that there are three grades ahead of it. I think it is a great mistake to have fancy names. If there are six grades and a man is told that a certain seed is No. 6 grade, he knows what that is; but if it is No. 1, he thinks it is the best. It has always been a standing grievance that the government will put on "extra" and "fancy" grades ahead of No. 1 grade, which to the man on the street gives a false impression. If you must have six grades, I think they should run from one to six. I should like to know what would be the germination of the sixth grade.

Mr. MOTHERWELL: The grades are not all registered. The grades 1, 2 and 3 are just seed, whether of wheat, oats or whatever it is; it is not aristocratic seed. But as to high class, registered seed, that is called now in the bill "registered extra," "registered No. 1" and "registered No. 2." I think what my friend is getting at is why they are not called by corresponding names to the unregistered. That is at the request of the seed growers' association, who have done a lot of useful work in western Canada. They do not like the idea of a registered No. 3; that is getting down too low when it comes to a high class registered grade. They suggest that it should be called "registered extra", "registered No. 1" and "registered No. 2". They avoided the 3. Personally I would rather have seen it registered No. 1, 2 and 3, to correspond to the other grades 1, 2 and 3.

Mr. CHAPLIN: Why does not the minister change it now?

Mr. MOTHERWELL: I am following the rulings of the agriculture committee. I do not see in the house the farmers' representatives on that committee. The hon. member for Bow River (Mr. Garland) and the hon. member for Macleod (Mr. Coote) and myself were in the minority. If this committee thinks that is the sensible thing to do, naturally I will be agreeable; but I would say that the agricultural committee wanted it in this way because of the successful work done by the seed growers.

Mr. CAHILL: What about the buyers of seed?

Mr. MOTHERWELL: It is more understandable by them, and after all they are more numerous than the growers.

Mr. CHAPLIN: The buyers are the ones to protect, and you protect them better with this suggestion.

Mr. MOTHERWELL: If anyone made the motion that the registered grades should be registered No. 1, registered No. 2 and registered No. 3, I would accept it. But remember that these parties have made a very strong bid for it the way it is. We are sacrificing convenience a good deal to meet the class of men who are doing extra work and think there is something in these names and do not like to adopt the standard No. 3 for seed.

Mr. CHAPLIN: As a matter of fact the minister admits that in practice there is a No. 3, but it is called something else. We had better call it what it is.

Mr. MOTHERWELL: I do not know whether my hon. friend would agree to that when it is applied to fruit.

Mr. CHAPLIN: It would apply to everything.

Mr. MOTHERWELL: We like to get away from the numerical grades 3 and 4.

Mr. MILLAR: While the seed growers' association represent the seller, do they to any extent represent the buyer?

Mr. MOTHERWELL: Yes, that is right; the Canadian Seed Growers' Association naturally represent themselves.

Mr. MILLAR: They do not represent the buyers.

Mr. MOTHERWELL: Oh, no doubt they sometimes buy from each other. The growers of registered stock sell back and forth to farmers; but those transactions are small in comparison with the purchases of the average man who is buying seed grain.

Mr. McMILLAN: Mr. Chairman, I beg to move:

That subparagraph (e) of clause 5 be amended by striking out the word "extra", so that the clause will then read:

Registered No. 1, registered No. 2 and registered No. 3.

Amendment agreed to.

Mr. NEILL: Should a further amendment not be made in the last sentence, which reads:

To the grade names registered No. 1 and registered No. 2—

That should read—

Registered No. 2 and registered No. 3.

—in order to carry out the purpose of the section.

Mr. MOTHERWELL: There are only two or three copies of the written amendment that was made in the agriculture committee. With the amendment now made it will read:

(2) For seed derived from an inspected seed crop that was pure as to variety and was registered by the Canadian Seed Growers' Association, registered No. 1, registered No. 2 and registered No. 3.

That it the way it will read now.

Mr. NEILL: I am referring to the next sentence, which reads:

To the grade names registered No. 1 and registered No. 2 may be added such word or words as may be prescribed by regulation to describe any damage to the seed when such damage does not affect its seed value.

Mr. MOTHERWELL: That has been changed in the committee. It now reads:

Such further word or words may be prescribed by regulation to describe such damage to the seed as may not impair its utility value for seeding.

That is in the case of some slight damage by frost or a little hail.

Mr. FRASER: What facilities is the minister providing whereby growers of seed may get those certificates?

Mr. MOTHERWELL: There are inspectors and seed laboratories at convenient points.

Mr. FRASER: Will the minister have one in the northern part of British Columbia?

Mr. MOTHERWELL: If it is not too far north, we might.

Mr. FRASER: Along the main line of the Grand Trunk Pacific?

Mr. MOTHERWELL: There is one at Smithers on the Canadian National.

Section as amended agreed to.

Sections 5 and 6 agreed to.

On section 7—Sale, etc., of field root, garden or vegetable or flower seeds in lots of two ounces or less.

The CHAIRMAN: There is an amendment in the 37th and 38th lines. The words: "a tag or label, durably attached thereto" have been struck out and the following substituted: "each container of such seeds".

Amendment agreed to.

Section as amended agreed to.

Section 8 agreed to.

On section 9—Power to change name.

Mr. SPENCER: If a registered name is granted to a seed grower, can that name be changed or cancelled without the seed grower being consulted?

Mr. MOTHERWELL: The proper thing to do would be to acquaint him of the fact that a change was contemplated and to give him an opportunity to justify the continuance of the name. For instance, if a variety name had been granted and the seed proved not to be living up to its name but to be merely developing into a strain of some other variety, such as marquis wheat or something like that, there would be no reason to continue the name; but in ordinary courtesy the seed grower should be notified and given an opportunity of proving that he was right and that the department was wrong. The advisory board and the department would be the final authority in the matter. The purpose of this is to correct any mistakes that have been made in the past in the matter of too much generosity in granting licenses for new varieties. We have been suffering from a plethora of varieties of grain, especially wheat.

Mr. SPENCER: I have in mind vermilion wheat. I am not going to say whether in my opinion it is a good or a bad wheat, but I understand that some question has arisen whether it is a good milling variety, and I believe a license was granted to the grower and later on was taken away from him without notice.

Mr. MOTHERWELL: That would not be done. He would be given proper notice and an opportunity of defence.

Mr. GARDINER: What steps have been taken to determine whether or not a variety of grain or seed is valuable, and whether a variety should be given a name?

Mr. MOTHERWELL: First a proper sample of it would be taken, preferably sealed and certified to as being of that variety. Mr.

Newman, the Dominion Cerealist, would then make a milling test and a baking test, and he would have it judged on its merits in that respect. The primary purpose for which we grow wheat is its value as a food.

Section agreed to.

On section 10—False advertising.

Mr. NEILL: I should like to draw attention to the last part of this clause, which reads:

Nor shall cereal grains, grasses or clover seeds be advertised for sale unless the grade name is included in the advertisement.

Let us think what that means. Feed stores generally sell and advertise seed grain and grass seeds, and every time they put on their billhead or in their advertisement in a little monthly or weekly paper that they sell these things, they will have to put, in the case of clover, the fact that they are selling registered No. 1, registered No. 2, registered No. 3 and No. 1, No. 2 and No. 3 grades. It is absurd that they cannot advertise the fact that they have for sale seed grain or grass seed without inserting the grade of every particular variety they have. That is wrong. If the intention is to prevent a person advertising one grade as another, that is all right, but it should be so expressed. This will prevent any man advertising, either on his billhead or in his weekly paper, the fact that he sells grass seeds unless he names the grade of every one of the grass seeds he carries. If he carries ten kinds with six grades for each kind, his billhead will be filled up with this information.

Mr. MOTHERWELL: Section 14 makes four distinct exceptions to the application of this bill which I think will cover what my hon. friend has in mind. The farmer often has to sell a carload on the basis of grade after it is cleaned by the seed merchant. I have sold many carloads that way myself without any grading. We will let this section stand until we come to section 14.

Section stands.

On section 11—inspection and grading.

Mr. MOTHERWELL: This has been tested out and has proved to be satisfactory. There is no change except that the new grades are inserted.

Mr. McMILLAN: This section should be changed to correspond with the changes that have already been made. The words "extra No. 1," and "extra No. 2," and so on, should be changed to read "registered No. 1," "registered No. 2," and "registered No. 3," and I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Section 12 agreed to.

On section 13—Importation of seeds.

The CHAIRMAN: This section has been amended to read:

Section thirteen of the said act is repealed, and the following is substituted therefor:

No person shall import into Canada for the purpose of selling or offering for sale, or for the purpose of seeding, any of the seeds named in section five of this act, or any kinds of garden vegetable seeds that may be prescribed by regulation, unless they are branded or marked or coloured in accordance with the provisions of this act and conform to the regulations thereunder.

Mr. FRASER: This seems rather a radical change. What is the explanation?

Mr. MOTHERWELL: No, it is quite simple. My hon. friend will note that it says "unless they are branded or marked or coloured." I do not know whether my hon. friend knows, but it is the usual practice in Canada and elsewhere to have a certain percentage of imported clover and alfalfa seed coloured. We rather like the idea, because it indicates which is Canadian seed that has a high reputation in other countries. The same conditions prevail with regard to identifying seeds in other countries.

Section agreed to.

On section 14.

Mr. McMILLAN: We have not a copy of the bill as amended by the committee, Mr. Chairman.

Mr. MOTHERWELL: It is not the usual practice to reprint the bill unless the changes made are very considerable.

Mr. NEILL: I think much of this confusion is due to the facts that our new rules, of which we have heard something before, were amended last year to cut down largely the numbers on the agriculture committee, and the consequence is that half the members who are interested in farming now see this bill for the first time, whereas had there been the same number on the committee as in former years we would have been able to discuss this matter much more intelligently,

and there would not have been all this confusion. That is one more thing to the credit of the beloved new rules.

Section 14 agreed to.

Section 15 agreed to.

On section 10—false advertising.

Mr. NEILL: I would point out, Mr. Chairman, that section 14 does not refer in any way whatever to section 10. It makes exemptions under sections 5, 6 and 7, but it does not in any way refer to section 10. I would draw the attention of the committee to the original section 10, which will be found on the opposite page of the bill, and which says, and very properly, that no person shall sell any seeds that are falsely represented in any advertising. That is perfectly proper, but that is not what the new section says. The new section says that you shall not advertise grains, grasses or clover seeds unless the grade name is included in the advertisement. I know something about this business because I have been in it for fifteen years, although out of it now, and I know that it is customary for people in this business to advertise that they are dealing in these things. They simply say that they have a supply of grains and grass seeds on hand, and there is no false description and no false advertising about it, but under this new section they are forbidden to put that simple advertisement on their billheads unless they specify every individual grade of seed, and there are six of every kind of seed which they handle. I know what the government is getting at, but it is not expressed correctly. It would be much better left as it was originally in the act.

Mr. MOTHERWELL: If a seed man advertises so much grass, clover, wheat, oats or any other seed, how can the buyer make an intelligent bid unless he is told whether it is grade 1, 2, 3 or registered 1, 2, 3? It seems to me that at present there is plenty of room for fraud, unintentional perhaps; to advertise such and such seed in extravagant terms. If my hon. friend bought that seed, say a certain variety of clover, and found it below grade, he would be very much disappointed. That has been our experience in the administration of the Act.

Mr. NEILL: The minister does not grasp my point. The old section covers what he has described. It made it an offence to falsely describe what you are offering for sale. Customers in the retail trade do not bid; they come in to buy and know what they are getting. If they are buying No. 1, they see that they get No. 1. But this amendment refers to advertising. If I advertise No. 1 seed and supply No. 2 I am liable under the old act and can be punished. But now I have to be prevented from advertising by way of my bill head unless I set out a whole rigmarole of ten or more different kinds of seed, each of six grades. If anyone will take the trouble to read the old section on the right hand of the page he will see that the public is fully safeguarded against any fraudulent advertisement. If I advertised myself as a dealer in potatoes, would I have to describe the life history of each potato?

Mr. MOTHERWELL: I have no seed catalogue under my hand, but my experience is that every parcel of seed sold by a seed house is graded.

Mr. NEILL: Certainly, but not advertised.

Mr. MOTHERWELL: If that is so with the seed firm, then everyone who sells seed by advertisement should comply with the same conditions in order to give the prospective purchaser a chance to buy intelligently. If he does not know what he is getting, he is buying a pig in a poke. Suppose he is buying wheat, there is a tremendous spread between the best and worst grades. I think my hon. friend might look into this a little more thoroughly.

Mr. NEILL: I have been looking into it for sixteen years.

Mr. MOTHERWELL: This amendment is sought to remedy the injustice done to buyers of seed by reason of glowing seed advertisements in newspapers without any grade being specified.

Mr. NEILL: That was fraudulent, and the old section covers it.

Mr. MOTHERWELL: We are a party to the fraud if we do not close that open gate.

Mr. CHAPLIN: It seems to me that this section is badly drawn to accomplish what the minister has in mind. The objection taken by the member for Comox-Alberni (Mr. Neill) is well founded. If seed people advertise it would be entirely right for them to state in their advertisements that they have a stock of seed on hand for sale.

Mr. NEILL: Hear, hear.

Mr. CHAPLIN: That is reasonable and business-like. You ought to arrange it so that when seeds are presented for sale the bags and packages shall show definitely what is being

sold. As the hon. member for Comox-Alberni says, you should not require a man to advertise all the grades he has in stock. That is his point.

Mr. MOTHERWELL: I do not think there is any abuse by the seed houses at all; their catalogues are before the whole country.

Mr. CHAPLIN: If that is the case, cut this out.

Mr. MOTHERWELL: This is to cover the case of a person who inserts a short advertisement in the newspapers that he has such and such clover seed for sale at certain prices. I do not see how any prospective purchaser can buy that seed with any safety unless he knows what grade it is. If the committee thinks that the man who buys as a result of reading an advertisement should buy with his eyes shut as to the quality of the seed, we can leave the section in its original form. But I have some regard for the buyers; they are in the majority.

Mr. BOYS: But you are prohibiting a man from advertising that he is a seed merchant.

Mr. MOTHERWELL: I am prohibiting him from faking a prospective buyer by offering something, the quality of which is unknown.

Mr. BOYS: Everybody agrees with that; but the section goes much further as it is worded.

Mr. MOTHERWELL: Does my hon. friend think it better that the buyer should buy blindly?

Mr. BOYS: Certainly not.

Mr. MOTHERWELL: He would if the seed is not graded.

Mr. BOYS: If the seed merchant is going to sell specific seed of specific quality he must comply with this act; but the section is broad enough to prevent his advertising at all.

Mr. MOTHERWELL: Our whole grading system would be set at naught if we did not buy and sell by it.

Mr. BOYS: The minister does not grasp the point.

Mr. MOTHERWELL: It is simplicity itself. Let us dispense with grading; then wheat is wheat, clover is clover, grass seed is grass seed.

Mr. FRASER: I gather from the member for Comox-Alberni that thousands of farmers throughout the Dominion buy their seed from the small retail merchants. I sell car loads every year. This section would prohibit those merchants from advertising that they are simply selling seed unless they insert a whole page ad. specifying the different qualities for sale. I do not see any sense in it.

An hon. MEMBER: There is none.

Mr. MOTHERWELL: Is the hon. member for Cariboo (Mr. Fraser) referring to the small packages of seeds we see in every store?

Mr. FRASER: No; in quantity. The retail merchant might buy a carload of clover or timothy seed for distribution in his locality. To sell that seed he has to advertise. But if he does so you compel him to advertise each and every grade that he has in stock. The member for Comox-Alberni contends that all he should be required to advertise is simply this: I have clover or timothy seed for sale. He should not be required to specify every grade. Surely the farmer knows enough to ascertain the grade when he buys seed.

Mr. MOTHERWELL: I think this is a decided safeguard for the buyer. If we prefer to legislate for the seller, then the buyer must look after himself. Which is the greater interest? All who favour legislation in this particular instance for the benefit of the seller will be in favour of eliminating it. I should prefer to legislate for the buyer. Joking aside, the primary object of the Seeds Act, the reason for its adoption twenty-five years ago, was after all to introduce a reasonable measure of fairness between buyer and seller, not only as regards home consumption, but as well for the protection of the buyer in Canada against spurious importations from abroad. I should not like to change this section offhand, but I am agreeable to having the bill stand in committee. Of course we all like to get our bills through, but I would rather have the bill stand than hurriedly change it.

Mr. McMILLAN: I think you are trying to get the farmer to do the very thing that you say he should not do. When I go into a store to buy my seed I use my eyes, but the minister suggests that the farmer does not need to do so.

Mr. MOTHERWELL: If the hon. member will second the motion of the hon. member for Comox-Alberni (Mr. Neill) and accept the responsibility for what is done we can have the words in question eliminated. Or perhaps the committee would prefer to let the matter remain in committee. I want to be as amiable as possible to-night.

Mr. MILLAR: It seems to me that the objection of the hon. member for Comox-Alberni would be met by a differentiation between advertising and selling. Leave advertising free from the application of this new clause.

Mr. NEILL: That would meet my objection, but it would not be fair; it would not impose a penalty on people who falsely advertise. Why not strike out section 10 altogether, and have the old section 10 reinstated? That section reads:

No person shall sell, offer or have in possession for sale any seeds or plants that are falsely represented in any form of advertising.

That provision would cover the matter. I suggest that we leave out the section altogether and have that old provision put into effect.

Mr. MOTHERWELL: There is a practice, particularly in the west, when advertising seed grain, grass seeds and clover seeds, to mention the price but not the grade.

Mr. FORKE: How can you grade your grain in your granary? If it is in your granary and you advertise it for sale, how will you grade it?

Mr. MOTHERWELL: The farmer cannot sell it until he gets the certificate of the Seed branch. We are not discussing commercial grain sold by the carload. In my opinion it would be a mistake to strike out the section, and I would therefore suggest that we leave the matter in committee and have the section redrafted so as to protect the buyer in the manner indicated, without giving offence to the seller in the way implied by my hon. friend from Comox-Alberni. I move that the committee rise and report progress.

Progress reported.

SPECIAL WAR REVENUE ACT AMENDMENT

The house in committee on Bill No. 170, to amend the Special War Revenue Act—Mr. Robb—Mr. Johnston in the chair.

Mr. EULER: When this bill was in committee on Tuesday evening every clause had been adopted, but it was proposed by the leader of the opposition, I think, that the bill be not taken out of committee until such time as we had considered a suggestion made by the hon. member for West York in regard to the manner in which we should proceed to make collections of sales tax. Before I deal with that I want to make one or two observations in explanation of certain questions raised on Tuesday. The leader of the opposition inquired as to how many cases of sales tax were actually in the courts. I made the statement then that I thought there were between 500 and 600; I was quoting from a tabulated report. I was in error. To be exact, the number is 347—not so great as I thought at the time. There was also in the report in Hansard the statement that the amount of money which we expected to collect from brewers and distillers in cases now in the courts was half a million. As a matter of fact what I did say was, nearly five millions. A further question was asked by the leader of the opposition as to how many exemptions from sales tax had been passed by order in council. I said at the time that I thought there were none. I shall have to modify that slightly; there were a few. The roasting and grinding of coffee were exempted from the application of the sales tax for the reason that it was impracticable and unfair to apply it. The grocery stores were grinding and roasting coffee and were in competition with the ordinary roasters engaged in business on a large scale. We thought this was unfair and we made the exemption by order in council. We exempted from the sales tax the statue of Sir Wilfrid Laurier, as well as official stationery from His Majesty's stationery office in England for the use of the British trade commissioner in Canada, and provided further for exemptions in the case of paintings in oils and water colours valued at not less than $20 and imported by the National Gallery and Archives. That was all.

When the bill was in committee, as I said, all the clauses had been adopted, but the hon. member for West York suggested that we should make some amendment, if necessary, in regard to the collection of sales tax items overdue, as we did in the case of income tax arrears. I promised then to take the matter into consideration. Last session a provision was passed enabling us to proceed in exactly the same way as we now do in the case of the income tax. We make an application to the Exchequer court and we may receive a certificate of default which at once becomes a judgment, and we can proceed to execute that judgment. In probably 75 per cent or more of the cases for arrears of sales tax we have proceeded in precisely that way. There are some cases which we do not take to the Exchequer court, as hon. members who are lawyers know; if the cases are taken to the Exchequer court there is practically no defence permissible by the taxpayer. Of course in some cases no defence should be offered, when it is merely a matter of collecting a tax and there is no doubt that the sums are owing. There are numerous cases, however, where that procedure would not be fair; there is sometimes a

reasonable doubt whether the amount is correct or perhaps whether it should be collected at all, and in those cases it is surely fair that we should allow the taxpayer to make his defence in the ordinary courts of the province.

Mr. McGIBBON: Would the minister tell us how many people are in arrears on their sales tax, with the amounts?

Mr. EULER: I have not the figures before me, but I would say to my hon. friend what I said the other night, that the number of debtors in arrears from the old days has been very considerably reduced, and the number is not being added to.

Mr. McGIBBON: That does not answer the question.

Mr. EULER: I cannot tell my hon. friend the exact number; I can get the information for him if he really desires it. I think what I said with regard to the powers we have under the new act would answer the suggestions of the hon. member for West York and the leader of the opposition.

Mr. CHAPLIN: Has the minister the right to add interest to overdue sales tax?

Mr. EULER: Yes, and we are doing so.

Mr. BELL (Hamilton): Will the minister tell me if any of the cases instituted by the hon. member for South Wellington during the summer of 1926 are among the cases now pending? If the minister has no record of this at present, will he get that information for me?

Mr. EULER: I am sorry I did not catch the first part of the question.

Mr. BELL (Hamilton): I will repeat it. The minister will remember that during the summer of 1926, before the present government came into office, certain actions were instituted for the recovery of sales tax and income tax by the hon. member for South Wellington, who took over the work of collecting the revenues of the country in addition to his other duties. Have those actions lapsed, or can the minister tell us whether or not they are still pending? I am referring now to actions commenced during that summer as a result of the report made by the parliamentary committee which investigated the Department of Customs and Excise, as distinguished from the royal commission which sat later.

Mr. EULER: In every case where action has been instituted, so far as the Department of National Revenue is concerned, it has been prosecuted; I do not know of a single action which has been withdrawn. A great many others have been instituted as well.

Mr. BELL (Hamilton): Is the minister able to give me this information without inconvenience, or is it a matter in connection with which I should wait? I should like some information as to the present position of those actions which were instituted during the summer of 1926.

Mr. EULER: Many of these actions have been settled, and some are still in the courts, but none has been dropped. I would also say that quick decision in some of these matters is not under the control of the department. That is for the courts, and I am free to say that I have not always been satisfied with the postponements which have taken place. I think the committee will realize, however, that after all this is a matter beyond the control of the minister in charge of the department.

Mr. BELL (Hamilton): I am not making my inquiry in any spirit of criticism; I merely wish to learn the present position of these actions. If the facts are not at the disposition of the minister at this time I do not wish to press for them.

Mr. EULER: I am afraid I cannot tell my friend anything more at the moment.

Mr. BELL (Hamilton): I suppose I can get that information?

Mr. EULER: Yes.

Mr. BENNETT: There is one question I would like to bring up, having to do with the licenses. The department has recently given notice that it proposes to cancel these licenses on July 1, I believe. It is very difficult for many merchants to meet that situation, and I think the commercial community would be gratified if the minister would make some statement with respect to the whole question of sales licenses. This would seem to be an opportune time to do so, in view of the fact that this is mentioned in the statute under consideration.

Mr. EULER: The hon. gentleman is quite right when he says it is the intention of the department to cancel the great majority of the licenses now held by wholesalers with regard to the sales tax.

Mr. BENNETT: Why?

Mr. EULER: For a number of reasons. One reason is that it will make the work of the department a great deal easier, and another is that it will save money to the department. For example, if a wholesaler who holds a license does not pay his sales tax when he buys from the manufacturer, or if he happens to have bought from the manufacturer and there is a reduction made in the sales tax, as happened this year and last year, the department losses the revenue from the reduction of the sales tax. Another reason is this: I take it that the theory of the application of the sales tax is that it should be applied as nearly as possible at the source, that is, the manufacturer or the importer, and that is the principle we would like to carry out. I would add that the wholesalers, through their organizations, waited upon the minister and made their representations, and I am informed that they are pretty well satisfied with the change. We are trying to make it as easy as possible; we are making it easy with regard to the taking of the stock as of June 30, and we are making it easy for them to pay the sales tax on the stock on hand. We are not asking for an immediate payment of the whole amount of the sales tax, but are permitting them to pay by instalments. I believe the change is in the interests of the department and I believe the method we are going to adopt now is the method which should have been adopted in the first place. I also believe the wholesalers will be quite satisfied, and in fact are now very well satisfied with the method we are going to adopt.

Mr. BENNETT: The minister has clearly stated the intention of the department, and July 1 is not very far away. I have received communications from wholesalers in various parts of the country indicating that it may work a very great hardship upon them to have these licenses cancelled as of July 1. It has been alleged also in some cases that political pressure was being brought to bear to secure the waiver of the operations of the prescriptive rule in the cases of some wholesalers and not in others. I am sure the minister is not a party to any such transaction; as a man of business himself I know such would not be the case, and I hasten to assure my hon. friend that that was not my understanding. it might be advisable to consider whether, having regard to the fact that the fiscal year so far as the revenues of the country are concerned ends on March 31, these licenses should not be allowed to run for the six months following, which would be half of our fiscal year. That would bring it to October 1, which I think would be better than July 1. That was suggested to me by a wholesaler in one of the eastern provinces, and I pass it on to the minister for his consideration.

Mr. EULER: Originally it was the intention of the department not to renew these licenses after March 31, but the wholesalers made representations that that was rather short notice. I appreciated their point of view and found no objection from them when we decided to advance the date to June 30. This is the first intimation I have received that any of these gentlemen are dissatisfied with the decision of the department. I would be quite prepared to consider any change if there is real hardship involved, but I am inclined to believe that June 30 will be pretty fair to everyone. With regard to the statement that political pressure has been brought to bear, I want to say to my hon. friend in all sincerity that if it has been brought to bear it has not been upon the Minister of National Revenue; and I can assure him that if it is brought to bear it will have no effect whatever. I may add that there would be no purpose in taking away the license from a wholesaler who sells practically his whole stock to manufacturers, because when he sells to manufacturers there must be a refund made of the sales tax. We have not come to an absolute decision as to which of these will be allowed to continue with a license, but I would say in a general way that where a wholesaler does sell say seventy-five per cent of his product to manufacturers we shall probably continue to grant him a license.

Mr. BENNETT: I think the circular said fifty per cent.

Mr. EULER: I do not think it is as low as that.

Mr. BOYS: I am not familiar with the practice of the department in connection with this tax. When a man goes into default the certificate is filed in the exchequer court and judgment issued. I should like to know whether the execution is filed in the county in which the man resides, or is issued from the exchequer court and is valid throughout Canada. For instance, if there was some arrear from a taxpayer and there was an advance made to him, it might happen that on a search being made it could not be found in his own county. In connection with the income tax, the tax took precedence over all debts; but a change has been made in that respect. It seems to me that this should not precede any loan made in the county, unless filed in that county.

Mr. EULER: I do not know the details with which the thing is carried out, but the Commissioner of Excise will be here in a moment.

Mr. BOYS: If it is filed in the county anyone can search and find out. If it is not filed there, must the person who wants to do business with the taxpayer search in the Exchequer court every time? There might be a judgment for $1,000 or $5,000. The execution to be issued should not take precedence over anything in that county unless it is filed in the county in which the debtor resides.

Mr. EULER: I will give the hon. member that information afterwards.

Section agreed to.

On section 2.

Mr. BENNETT: I was going to ask the minister, when he mentioned the number of cases outstanding, some 300 odd, how many besides that were reduced to judgment on which execution issued.

Mr. EULER: I may say that included in the 347 are the actions against the brewers and distillers, some 30, and I think also 138 against job printers. Those are in the courts.

Mr. BENNETT: My friend from Hamilton mentioned the recommendation of the parliamentary committee in connection with a very large number of cases, some in Toronto, some near the border, and near Lindsay. Have all those cases been either liquidated or reduced to judgment?

Mr. EULER: The commissioner informs me that in his opinion the majority of those have been paid or settled and the remainder are in court.

Mr. BENNETT: The method of the arrangement I fancy would be better discussed in connection with the estimates than here.

Mr. EULER: Yes. In reply to my friend from North Simcoe (Mr. Boys), executions are filed with the sheriff of the county.

Mr. BOYS: Do I understand the minister to say that the execution is issued to the sheriff of the county in which the taxpayer resides?

Mr. EULER: Yes.

Mr. BOYS: And until that is done it does not take precedence over mortgages, loans and executions filed with the sheriff of that county?

Mr. EULER: Not at all.

Section agreed to.

The CHAIRMAN: When this bill was last before the committee they adopted the sections up to section 9.

Section agreed to.

Bill reported, read the third time and passed.

TORONTO TERMINALS RAILWAY COMPANY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That the acts relating to the Toronto Terminals Railway Company be amended to provide that the amount of $7,000,000 which the Canadian National Railway Company was authorized to issue by the amending act, 1925, c. 28, may be increased to $10,500,000 to be used for the purposes therein prescribed and for defraying the cost of other railway facilities necessitated by or incidental to the construction of the said viaduct and works.

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

Mr. DUNNING: It may facilitate the discussion if I state to the committee that after the bill is read a second time I intend to ask that it be referred to the committee on railways and shipping, as it is distinctly a matter which could be advantageously examined in detail by that committee. The whole Toronto terminal project is, as most of the members of the committee know, a very involved one. I have before me figures and so forth relating to the matter, but I think it would be for the convenience of the members generally if the bill were referred to the committee in question. The evidence taken before the committee is, as hon. members know, recorded and printed, and it would then be available for later discussion in committee of the whole house on the bill.

Mr. BENNETT: Personally I wholly agree with that view, because in that way we shall get more information than we otherwise would.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 204, respecting the Toronto Terminals Railway Company.

Motion agreed to and bill read the first and second times.

Mr. DUNNING: I move that this bill be now referred to the special committee on national railways and shipping for examination and report.

Motion agreed to.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the second reading of Bill No. 54, to amend the Excise Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Minister may refuse or suspend license.

Mr. BENNETT: With respect to new section 10, I desire to make a few observations. It will be remembered that the parliamentary committee had to investigate certain matters that involved the exercise by the executive of the powers contained in the former section which is now replaced by this new section. I need hardly point out that that was the cause of much abuse. There is given to a minister a power that no single man should exercise politically. Although one may entertain the highest possible opinion of the present minister or his successors or predecessors, the fact remains that the government have made it possible, for purely political reasons, to work a very serious and great hardship upon the public revenues by showing on the one hand favouritism and partiality or, on the other, vindictiveness. The evidence before the special committee was very clear upon that matter and it is very clear to any thoughtful member. The proposed new section reads:

> The minister may for any reason which he deems sufficient in the public interest refuse to issue any license or to grant any privilege authorized by this act, or may suspend, cancel or revoke a license granted or any privilege given by this act.

Without appeal, with the mere assertion that it is in the public interest, the minister may suspend or cancel a license. The old section was open to the same objection. The evidence before the committee clearly indicated that the moment there was a violation of the law and the department desired to cancel the license which could not then be renewed, the pressure of political friends became so insistent that, however willing the minister might be to discharge his plain duty, he was in many instances overborne by the pressure of that political influence. The converse also was true; that where you found those engaged in the business opposed to the administration of the day and there was a possible breach of the law, the pressure of political friends against that political opponent to break down his business by cancelling the license was very great. The cases we had before us were clear. Obviously, of course, they did not say that that was the reason for doing this. I suggest that there should be

[Mr. Dunning.]

a power of review. It is not right that in the hands of a minister such a power should rest, nor should it be a purely political power. It must be remembered that that is a punishment of the most severe character. It destroys the business of the person concerned. That is not the prerogative of government. It rests with the courts awarding sentences, fines and penalties, to carry into effect that punishment which follows an infraction of the law; but the punishment here is to destroy the man's business, and it may be done. I am perfectly frank; I say to the minister that I do not think he would do it, but I also say that he might do it without knowing he was doing it. Not that the minister is in any sense lacking in astuteness, but the exigencies of political necessities in cases such as I have had occasion to observe may result in that end being attained, although the reason given for it will be a very high-sounding one, and in the public interest, of course, in the noblest sense of the term. We have heard of these things happening before. I suggest that this section should be reconsidered. If it were as it stood originally I intended to speak to it, because it was quite clear before our committee that this section placed in the hands of the minister a power dangerous alike to the subject and the crown, and I think it should not be there without the right of appeal.

Mr. EULER: The bill as now printed, which is I believe in the hands of members, is somewhat different from the bill as introduced into this house and given its first reading. After the bill was given its first reading, certain representations were made, some from western Canada, asking for other amendments to the Excise Act, and we thought that we should make those changes. I therefore propose to move certain amendments as we proceed, introducing these other changes, but they have already been incorporated in the bill which is now known as Bill No. 54. What is now the first section of the bill was not in the bill as originally introduced.

Mr. BENNETT: It was not in the bill when it was given its first reading?

Mr. EULER: No. I move, Mr. Chairman, that the following be inserted as section 1 of the bill:

> 1. The said act is amended by inserting after section nine thereof the following section:
>
> 9a. (1) The rates and duties of excise imposed by this act or any other law relating to excise as well as the rates and duties of excise heretofore imposed by any law relating to excise or inland revenue enacted and in force since the first day of July, one thousand eight hundred and sixty-seven, shall be binding and are declared and shall be deemed to have been always binding and payable by His Majesty in

respect of any goods which may be hereafter or have been heretofore manufactured or imported by or for His Majesty, whether in the right of His Majesty's government of Canada or His Majesty's government of any province of Canada, and whether or not the goods so manufactured or imported belonged at the time of manufacture or importation to His Majesty; and any and all such acts as aforesaid shall be construed and interpreted as if the rates and duties of excise aforesaid were and are by express words charged upon and made payable by His Majesty. Provided, however, that nothing herein contained is intended to impose or to declare the imposition of any tax upon, or to make or declare liable to taxation, any property belonging to His Majesty either in the right of Canada or of a province.

(2) Without restricting the generality of the foregoing when any goods subject to excise have been seized or forfeited by His Majesty's government of any province in Canada or any public authority established by or under the authority of any such government, the duties of excise imposed by this act shall be payable and may be recovered in the same manner as if the said goods were found in the possession of any private person.

I might explain that this amendment arises out of legislation which has been passed by one of the provinces giving the province the power to go into the business of distilling liquor. There is some doubt whether when a province does that, the Dominion government has the right to impose excise taxes and we just want to make sure that we can collect excise taxes on liquors whether the liquor is made by private manufacturers or by the province. I think the committee will see the reasonableness of that amendment.

Mr. BENNETT: Does this refer to brewing and distilling?

Mr. EULER: To collecting the excise taxes on the distilling of liquor.

Amendment agreed to.

Section as amended agreed to.

On section 2—Minister may refuse or suspend license.

Mr. BENNETT: This is the section to which I was speaking, which was section 1 in the bill as originally introduced. My hon. friend from North Simcoe has made a suggestion which I think would do much to meet that difficulty, and that is to amend it to read that the minister may, in the case of conviction, do so and so.

Mr. EULER: For violation of the act?

Mr. BENNETT: Yes. That at least involved a fair court trial and determination of guilt before the minister acts, and to that extent releases the minister, it seems to me, from unfair pressure at least at the inception, because first there must be a conviction. I think the suggestion of the hon. member for North Simcoe would go a long way to meet the situation, and is not unreasonable.

Mr. EULER: I do not see any particular objection to that. Without casting any reflection upon any of the brewers or distillers, I think possibly in most cases that would give the minister power to suspend or cancel the license.

Mr. BENNETT: At least it would give them warning that that power was there for use in the future.

Mr. EULER: I think the committee should realize that the criticism of the leader of the opposition is directed just as much against the bill as it was originally introduced as it is against the amendment before us because under the bill as originally introduced the department or the minister had the power to refuse to renew the license at the end of the year, on March 31st. The hon. leader of the opposition has stated that that is an extreme power to put into the hands of the minister, and that it might be used for political reasons.

Mr. BENNETT: I said, because of the pressure of political friends.

Mr. EULER: I do not like to admit that such a thing could possibly happen. I hope it would not happen under present conditions at least. If any have tried to exercise that pressure in the past, it has never been successful. As I say, in the past the minister has had the power absolutely to refuse to renew a license at the end of the year on March 31st, and if that were done the business of that particular distiller or brewer would be wiped out. But that has never been done. In addition to that, I think most men even in public life have some sense of fairness and justice, and would not deliberately wipe out a heavy investment even of a distiller or brewer without very good reasons. We have power now to withhold the license, and it is only consistent with that power that we should have power also to cancel or suspend the license. I might explain that it was merely a coincidence that at the time of the withholding of a license of a certain brewery in the city of Toronto the books of which were not produced, its license had expired, and we did not renew it until they had paid their taxes; they did not produce their books. But if the order for the production of those books had been made a few days later, the license would have been issued in the ordinary course on the first of April, and we would not have had the

power to cancel or suspend it. If it was right that the minister should have the power to withhold the license at the expiration of the year, I think it is right that he should have the power to suspend or even cancel the license in case the holder abuses his privileges or his rights. I hope the leader of the opposition will not press that point too strongly. I have no particular objection to the insertion of his amendment, but frankly I do not believe it is necessary.

Mr. BENNETT: I am going to speak very frankly to my hon. friend. It is true that the licenses have not been cancelled, it is true that the discretion has been exercised favourably; but it will be recalled that during the course of the investigation the auditors reported contributions to political parties by these same gentlemen. Now, just put the two things together. That is my point.

Mr. EULER: But it never resulted in the withholding of licenses.

Mr. BENNETT: Quite so; it resulted in something else. That is the point exactly.

Mr. EULER: My hon. friend said he was going to be frank; I wish he would be a little more frank.

Mr. BENNETT: The evidence before the committee did not give the details. It was pressed in certain quarters as to what were the amounts, and what they were paid for. It will be recalled that the royal commission also made certain investigations. Now, the public observing this power, and observing that licenses are always renewed, regardless of the antecedent conduct, connect the two things. That is the position. This is to make it clear that in future, misconduct followed by conviction will involve the loss of the license.

Mr. EULER: Would the hon. member say that loss would automatically follow after conviction?

Mr. BENNETT: No, because there might be a technical breach of the law. My hon. friend referred to such a case. I simply suggest this as being worthy of careful consideration.

Mr. EULER: I might draw to the attention of the committee that this is based directly upon the royal commission's recommendation. They did not add any proviso that there should first be a conviction.

Mr. BENNETT: I know that; I was looking at the recommendations to-day. Commission or no commission, the fact is that we had those things brought to our attention, and they caused a great furore throughout the Dominion. Now every step you take that enables the public to look upon business transactions as being above suspicion is in the interest both of the public and of good government. The removal of that power under those circumstances would be something very much to be desired.

Mr. EULER: As I said before, I am not greatly prejudiced against the suggestion made by the hon. gentleman, but I do think it might occasionally delay and tie the hands of the department if it were absolutely necessary first to secure a conviction in the courts. Or this might happen: a distiller or brewer might violate the law and leave the country. You could not proceed against him, you could not cancel his license, his business would still go on, and yet it might be highly desirable that his license should be suspended. Again I wish to urge upon the committee, with due regard to what my hon. friend says, that, in a practical way, I do not believe there is any very great danger of working injustice to any brewer or distiller if this is allowed to go through as it stands.

Mr. BOYS: The minister admits there must be misconduct. Then how is the misconduct to be established? Surely the man charged should be given an opportunity of defending himself in the courts either by way of prosecution or appeal. No doubt it is a tremendous power; "the minister may for any reason he deems sufficient;" it does not even say there must be misconduct.

Mr. BENNETT: I suggest that the clause be allowed to stand to give the minister an opportunity to consider it further. Certainly in view of what transpired in the committee regarding the action not only of the minister but of other members of the government of the day, and of members of parliament being placed in a difficult position by their constituents—all these matters were before the committee—this is an undesirable power. It is the power of punishment without conviction; it is the exercise of the functions of a court without trial, and it affords an opportunity for pressure to be brought to bear of a kind certainly not in the public interest in connection with these matters.

Mr. EULER: I appreciate what my hon. friend has said; but after all the committee should realize this also, that never yet has anything which he fears and dreads taken place.

Mr. BENNETT: I think it has.

Mr. EULER: Never. I am taking the word of the commissioner of excise.

Mr. BENNETT: But he does not know what we are talking about. The most flagrant violations of the act on the part of some distillers were proven before that committee. But was the licence ever suspended or cancelled? Never. What did the evidence show? Journeys to Ottawa; representations; the licence renewed.

Mr. EULER: But I understand my hon. friend to say that he does not desire to make it mandatory upon the minister to cancel the licence if there is a violation of the act proven in the courts. I must confess that I cannot appreciate the point which my hon. friend is trying to make.

Mr. BENNETT: I think my hon. friend appreciates it all right.

Mr. EULER: A distiller may violate the act half a dozen times and be convicted in the courts, but even then, as I understand his suggestion, the minister may not cancel or suspend the licence; the distiller can still continue his nefarious practice.

Mr. BENNETT: But no minister would hesitate to cancel the licence under those circumstances. That is the point exactly.

Mr. EULER: I am not so sure.

Mr. BENNETT: My hon. friend would not anyway.

Mr. EULER: No matter what has taken place in the past, whether in the shape of political contributions or anything else—and I have not anything to say about that phase because I know nothing with regard to it—

Mr. BENNETT: Continue in your innocence!

Mr. EULER: —in no instance—and I am taking the word of the Commissioner of Excise—has the licence ever been withheld, no matter what party was in power.

Mr. BENNETT: That is my whole point.

Mr. EULER: Suppose the suggestion of my hon. friend is adopted, if I chose, my political friends could come to me, having been convicted of violating the law once, twice or three or four times; their licences ought to be cancelled; but I do not cancel them, I still have power to decline to do so. If the hon. gentleman suggested that once a conviction has been registered against a distiller, the minister must cancel the licence, then I think there would be some teeth in the suggestion.

Mr. BENNETT: It is never usual to do that in this form of statute. But this is also true, that where you have a provision with respect to a conviction, no minister dare to disregard enlightened public opinion by continuing a licence under those circumstances. It is merely the effect of public opinion upon a condition that is then known. The evidence before the committee abundantly established it. The law was set at naught, laughed at. What about the licence? The licence was all right. If there was a conviction, the effect of public opinion is all powerful with respect to the minister. We had a striking illustration of that recently in some discussions on questions of privilege that took place in this house.

Mr. MANION: It would be a dangerous rule that upon one conviction, of any character, the license should be cancelled. A man might be convicted of a very minor offence, or the conviction might be altogether unwarranted. I have in mind the case of a brewer convicted by a magistrate whose judgment was, in my opinion, unsound. He was convicted because of some act on the part of his agent, although I do not think he was personally responsible. I submit this suggestion to the minister.

Mr. EULER: A conviction might easily be registered once or twice, or four or five or six times, as has been the case. A good many brewers in this and other provinces have violated the provincial liquor laws as many as six times, and I venture to say—I am not referring to the government of any particular party—that there would not be very grave doubt what public opinion might be as to whether these licenses should be cancelled. I would observe this further: I believe that there is a sense of justice in most public men—I believe it characterizes those in responsible positions in charge of departments, whether they belong to one party or the other—which would restrain them from doing such a thing as my hon. friend suggests. My hon. friend has spoken about public opinion. Would a minister, for political reasons or for no adequate reason at all, dare to cancel a license, even if he did not have that sense of justice to which I have alluded? I cannot agree with my hon. friend that a power like this would be abused. After all, I have a good deal of faith in the sense of justice of most men; and there is the further fact that such power has never been abused in the past.

Mr. BOYS: In the Customs Act you have very much the same thing. Any man who offends under that act is given an opportunity of being heard by the minister and there is

an appeal from the minister to the Exchequer court. But there is nothing here that indicates that the offender is to have a hearing. I do not say that the present minister would not give him a hearing; but we are discussing the act as it stands, and under that act the minister is not obliged to give him a hearing or to assign any reason. He can act upon any reason, good, bad or indifferent. There should be something in the act affording the offender an opportunity of being heard. If the minister does not like the thought of prosecution and wants to assume jurisdiction himself, let there be some provision to ensure that the offender shall be heard, just as a man is heard under the provisions of the Customs Act. Under that act he is not only heard by the minister, who gives a decision, but there is an appeal from the minister. Why not have such a provision in this act?

Mr. KENNEDY: What does the minister think the words "public interest" mean in this connection? Would the paying of campaign funds to either of the parties be one of the offences?

Mr. EULER: I am not sure that my hon. friend expects an answer to that.

Mr. KENNEDY: Why not?

Mr. EULER: I am free to say I do not think I know so much about campaign funds as my hon. friend appears to do. Certainly it would have no weight with me at all. But "in the public interest" would mean in the interest of the revenue, and I think the Department of National Revenue, when it found any brewer or distiller defrauding the revenue, should have the power to suspend the license immediately without waiting to go to the courts. I repeat, I do not think that any minister, I care not to what party he might belong, would exercise the power unjustly.

Mr. BOYS: You must have proof that he is defrauding.

Mr. EULER: Public opinion would drive him from office if he committed so palpable an injustice.

Mr. BOYS: But you must have proof.

Mr. EULER: And no minister would refuse a hearing.

Mr. BOYS: But do you not think the act should give that right?

Mr. EULER: It would be tying the hands of the minister unduly.

Mr. BOYS: You might as well say the same of the Customs Act.

Mr. KENNEDY: What was the amount in dispute in the case referred to to-night where the license was cancelled?

Mr. EULER: We got $320,000 I think, and perhaps we might not have received it had not the moment been opportune, because it was just then a question whether or not the license would be renewed. Had the occasion been a week or two later we should not have been able to exercise the power we did.

Mr. KENNEDY: Were the arrears in that case the accumulation of several years or of one year?

Mr. EULER: Two or three years.

Mr. CHAPLIN: That was the sales tax?

Mr. EULER: Yes.

Mr. CHAPLIN: That was only the sales and gallonage tax?

Mr. EULER: Yes.

Section agreed to.

On section 3—Security may be by bond of liquor commissions.

Mr. EULER: This is one of the new clauses added to the original bill. I move that:

3. Subsection one of section fifty-seven of the said act is amended by adding thereto the following proviso:

Provided that if the applicant for a license is any board, commission or other government agency which by the law of any province of Canada is vested with the right of selling or authorizing the sale of intoxicating liquor, the security hereby required may be by bond of such board, commission, or other government agency without sureties.

This is advanced at the request of one of the provincial governments who felt that they were put to unnecessary expense in obtaining the bond of any ordinary guarantee company. We thought we should be safe in accepting the bond of the commission itself. I might ask the opinion of my hon. friend from Fort William as to whether I am on safe ground in saying that.

Section agreed to.

On section 4—Recovery of penalties.

Mr. EULER: This is also a new section. It is rather lengthy, but I may explain that it extends the jurisdiction of magistrates to impose imprisonment not only for six months but for a year. We ordinarily choose to proceed by what the lawyers term summary

action. The judges have already the power to impose this punishment, but we should like to make it certain that the magistrate shall have the same power. It follows the law in the Customs Act.

Section agreed to.

On section 5—Bottling spirits in bond.

Mr. EULER: This merely gives to the liquor commissions in the provinces the right to bottle in bond just as is given the distillers.

Section agreed to.

On section 6—Duties of excise on imitation beer.

Mr. EULER: This section has been reconsidered and I now move that section 3 of bill No. 54 as introduced, now section 6 of the reprint, be struck out.

Mr. BENNETT: Why?

Mr. EULER: It is struck out for this reason: it imposes upon the manufacturers of beer who do not make their beer out of barley malt a higher tax than is imposed upon those who make their beer out of rice, say.

Mr. BENNETT: You are going to leave the old section 198 as it is?

Mr. EULER: Yes, and those who desire to make malt out of rice can do so on the same basis as those who make malt out of barley.

Mr. BENNETT: I wonder if the minister would leave the bill in committee until the first of the week?

Mr. EULER: Is there some special reason?

Mr. BENNETT: There is an hon. member on this side who is very familiar with it, and he will not be here until Monday.

Mr. EULER: I am quite content, although the sections are so non-contentious that I should like to get it out of the way.

Mr. BENNETT: I believe the hon. gentleman has something to say with regard to section 2.

Mr. EULER: Very well, I will move that the committee rise and report progress.

Progress reported.

CANADIAN NATIONAL RAILWAY ACT AMENDMENT

Hon. C. A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 194, to amend the Canadian National Railway Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Application of Railway Act to Canadian Government Railways.

Mr. GARDINER: Will the minister explain the scope of this proposed legislation?

Mr. DUNNING: Under the old section, which will be seen in the explanatory note, the Canadian Government Railways were under the jurisdiction of the Board of Railway Commissioners with respect to their operation but not with respect to construction and maintenance. The object of the amendment is to put the Canadian Government Railways under the Board of Railway Commissioners as all other railways are under their control, especially with regard to the construction and maintenance of the lines. It is thought that there is now no reason for what might be called special privilege for the government railways, and when I speak of government railways I am distinguishing between them and the Canadian National Railways generally. It is understood that the Canadian National Railways generally are already under the control of the Board of Railway Commissioners. This section deals with the old Canadian Government Railways, the Intercolonial Railway and the National Transcontinental Railway, and seeks to bring them more completely under the jurisdiction of the Board of Railway Commissioners than is now the case.

Mr. BENNETT: What necessity has arisen to demand this legislation?

Mr. DUNNING: The necessity arises through the demands of people along the lines affected for improvements of one kind or another for which, in any other part of the country, they would secure an order from the Board of Railway Commissioners. With respect to these particular lines they find it necessary to come to the minister exactly as they did when the minister had direct control over the Intercolonial Railway and the National Transcontinental Railway.

Mr. BENNETT: Surely this does not apply to the Intercolonial Railway?

Mr. DUNNING: Yes.

Mr. CANTLEY: Do I understand that the minister wants to be protected from the people of the maritime provinces?

Mr. DUNNING: No, I have no desire to be protected from the people of any part of Canada, but I do desire to give the people

of every part of this country the same right to appear before the Board of Railway Commissioners and appeal for anything they think should be done which comes within the scope of the Railway Act. Really this simply creates a standard practice on our Canadian railways, and I think the house will agree that it is desirable that all our system should be operated in a standard manner.

Mr. CANTLEY: We in the maritime provinces regard the Intercolonial Railway as something quite different from the other railways of this country. It is part of an agreement which was made at confederation, and there is a feeling abroad to some extent at least that we have certain obligations toward the Canadian National Railways, or in other words that we are not entitled to the benefits of competition. I should like the house and the minister to understand that the Intercolonial Railway was built for the people of the maritime provinces; it was one of the conditions of confederation, that the railway be built to serve us.

Mr. DUNNING: Perhaps if I were to say to my hon. friend that this amendment is not desired by the Canadian National Railways, who believe themselves to be subject to much less expense under the present system than they will be if under the jurisdiction of the Board of Railway Commissioners, he will not regard it as something which is not in the interests of the people of the maritime provinces. The Canadian National Railways do not desire this amendment.

Mr. BENNETT: If they do not want it and it is going to cost more money, why have it?

Mr. DUNNING: We are doing this in the interests of a standard practice, and I will point out an instance to my hon. friend. In connection with the matter of fencing, he well knows through his connection with railways what a problem this has been throughout the country. The Board of Railway Commissioners have gradually developed a standard practice in regard to ordering the railway companies to provide fences. All down through the maritime provinces that problem still exists, and under this amendment the Board of Railway Commissioners will have power to order the company to build the fences. I submit that there is no reason why the people of that part of Canada should not have the same right to apply to the Board of Railway Commissioners for an order against the railway company, just as the people in any other part of Canada do. It is also desirable that the same regulations with regard to clearances, for example, should be operative on all the railways of Canada. It is unfortunate, perhaps, but in some of the communities served by the Intercolonial Railway, due largely to the period in our history when the railway was built, the clearances are not as complete and free as they have become since on the railways generally under the jurisdiction of the Board of Railway Commissioners. I think everyone will agree that it is desirable to have standard clearances throughout Canada, and under this amendment the Board of Railway Commissioners will have power to see that the clearances along the Intercolonial railway are standardized. The National Transcontinental, of course, was built at a later period and consequently has greater clearances. I give these merely as instances. My friend the leader of the opposition is correct in saying it may cost the Canadian National more money to comply with orders which the Board of Railway Commissioners may make; but inasmuch as similar orders are already being made throughout Canada, I see no reason why the people of the maritime provinces should not have the protection of the same orders and standard devices which prevail elsewhere throughout Canada.

Mr. BENNETT: I understand that standard orders as to clearances and so on are in force already throughout Canada.

Mr. DUNNING: That is not quite correct.

Mr. BENNETT: I have not recently been over the road as frequently as I used to be, but from 1912 on the clearances were standard, and everything else was done under the same rules and regulations as though it were under the Board of Railway Commissioners. At one time I advocated in the house the bringing of the Intercolonial under the Board of Railway Commissioners, and I believed it was right. Subsequently I changed my mind, because I realized that the Intercolonial was different from any other railway in Canada; that it owed its being to the provisions of the pact by which its construction was provided for. I cannot understand what is behind this. If it is going to cost more money and nobody is asking for it, why should we do it?

Mr. DUNNING: My hon. friend is correct except in this respect: as applying to construction and maintenance, these railways are not and never have been under the Board of Railway Commissioners. Difficulties arise every few months, I may say, particularly in respect to labour unions, on matters of maintenance. That is another point which I did not mention before. Standard methods and practice are of importance to labour and labour

unions. At present the government railways are under the Board of Railway Commissioners with respect to management and operation, and with respect to maintenance so far as the safety and protection of railway employees and passengers upon the railway are affected; but always there are questions of interpretation, as to whether or not the particular matter of maintenance under discussion is one which affects the safety of passengers and employees. By this amendment we eliminate that question of interpretation altogether and make the Board of Railway Commissioners the judges of what is needed.

Mr. BENNETT: In other words you substitute some other engineer for the railway's engineer.

Mr. DUNNING: If my hon. friend is right, we might as well eliminate all the expenses of the Board of Railway Commissioners.

Mr. BENNETT: As a matter of fact, they do very little. The Canadian Pacific Railway maintains a higher standard than is required; then there is the rock ballast of the National railway line also to Chicago. What I cannot understand is why this should be done, having in mind what the minister has said.

Mr. DUNNING: I thought it was so self-apparent that it would require no explanation. If other members of the committee share my hon. friend's view, and if there is no demand for a standard of maintenance, I should like to know of it. I thought this was something so much in the public interest that I was taking a forward step in bringing about the same conditions in the maritime provinces as exist elsewhere in this regard. If it is desired to let railways decide their own standards of maintenance and construction, let parliament say so.

Mr. BENNETT: I do not say that; the hon. gentleman cannot get away with that sort of thing. When he talks about the standard of maintenance he knows very well he is talking piffle. The standard of maintenance between Toronto and Montreal is different altogether from that which prevails in other parts of Canada, and the standard is one which the Canadian National and the Canadian Pacific do not respect, because their standard is much better. In this country, under any system of government, the Canadian National Railway is bound to provide for the Intercolonial such a standard of efficiency as the traffic demands. I admit I am taking up too much time in talking about it, but what I am anxious to know is who is wanting it. The minister says the railway does not want it.

Mr. DUNNING: I must object to my hon. friend's word when he says I am talking "piffle" in advocating the standardization of practice and equipment. There is a minimum standard set up, as he well knows, by the railway commission. Will he argue for a moment that the setting up of that minimum of standard by the Board of Railway Commissioners has not tended throughout the years to improve the general standard of construction and maintenance throughout Canada? Of course he will not.

Mr. BENNETT: I would say at once, no, it has not. The standard which now prevails on both the Canadian National and the Canadian Pacific is higher than that laid down by the Board of Railway Commissioners, as to rail, fastenings, roadbed, class and kind of ballast, and structures and approaches.

Mr. DUNNING: But not on the Intercolonial in all cases.

Mr. BENNETT: I will tell you where you will find the minimum—on some branch lines in western Canada.

Mr. DUNNING: On some of the branch lines on the Intercolonial. If the member for Temiscouata (Mr. Pouliot) were here to-night, he would tell my hon. friend all the refusals, from his point of view, for instance,—and there are others,—of the Canadian National to do what the Board of Railway Commissioners would order them to do were they under the jurisdiction of the board, in the matter of fences, for instance. I have mentioned the representation of the unions with regard to the matter of standards of maintenance on the Intercolonial lines. I believe I am correct in saying that that particular matter has been adjusted, for the reason that I took it up with the railway; but I cannot see any reason why, with respect to this particular part of the Canadian National system, the management should be able to say: We do not have to take any notice of the Board of Railway Commissioners, whereas with respect to the rest of the same system they are compelled to do so. I should like to hear an expression of opinion from the rest of the committee, because if this is not a proper step to take, I should like to know it.

Mr. CANTLEY: We have a general opinion in the maritime provinces that we have suffered in recent years because the road has been taken over and operated as it has, and naturally or unnaturally we are a little suspicious of any additional changes which will further put the railway under the control

of any other department, whether it be the Board of Railway Commissioners or any other. We would prefer to have the Intercolonial railway as we had it before unholy hands were laid on it ten or fifteen years ago, or say before 1912. The explanation, so far as I can see, appears all right. I do not know that the proposed change is going to interfere very much, but I am not sure that I see all the way through it, and I would prefer to leave the situation as it was.

Mr. KENNEDY: Will the minister explain the reference to the Expropriation Act in the last few lines of the bill?

Mr. DUNNING: The difference between the expropriation procedure under the Railway Act and under the Government Railways Act I think I can put briefly in this way—and some of the legal members may help me out if I get off the track a little in my terminology. If the government railways undertake to expropriate property they may surrender that property again to the former owner and are liable only for any damages which may have accrued during the period of occupancy of the government railways. If expropriation proceedings are taken under the terms of the general Railway Act, the expropriation once made confirms the ownership of the property in the railway. They must pay for the property and then of course they have the right to sell it, but they cannot hand it back in the same manner as the crown can do under the ordinary crown expropriation procedure which applies to the Canadian Government Railways Act.

Section agreed to.

Bill reported, read the third time and passed.

CUSTOMS ACT AMENDMENT

Hon. W D. EULER (Minister of National Revenue) moved the second reading of Bill No. 198, to amend the Customs Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Vessels found hovering in territorial waters may be boarded and brought into port.

Mr. BENNETT: Subclause (2) reads:

> Any vessel in territorial waters of Canada, shall bring to when required so to do in the king's name.

Is "bring to" the proper term?

Mr. EULER: I am told so.

[Mr. Cantley.]

Mr. BENNETT: I have always heard that "heave to" is the proper term. It is the term used in admiralty cases.

Mr. EULER: The matter was discussed in the office the other day and I was assured by the chief official there that "bring to" was the proper term.

Mr. BENNETT: In the English statutes in the English cases and under the admiralty jurisdiction the term used is that the ship is ordered to "heave to". I have never seen the term "bring to". It may be technically correct.

Mr. EULER: I do not think there is any doubt as to the meaning.

Mr. BENNETT: According to the clause I do not think "bring to" means anything. The subclause reads:

> Any vessel in territorial waters of Canada, shall bring to when required so to do in the king's name by any officer or upon signal made by any government vessel or cruiser by hoisting the pennant and ensign approved and appointed for the purpose by order of the governor in council.

Of course, what it is intended to do is clear. The vessel, if it is a sailing vessel, must come up in the wind and thereby lose headway. If it is a steamer, this means that she must stop. I think it is desirable to use some term that will give rise to no uncertainty.

Mr. EULER: If it were a steamer, "heave to" would not be as appropriate as "bring to."

Mr. BENNETT: No, the word "stop" is right.

Mr. DUFF: "Heave to" is the proper term.

Mr. EULER: The matter was discussed in the department and the officials there seemed to know a good deal about it. I am quite willing to accept the opinion of the hon. member for Antigonish-Guysborough.

Mr. BENNETT: If the hon. member for Antigonish-Guysborough will follow me, I think the term "heave to" is proper with respect to sailing ships.

Mr. DUFF: Quite right.

Mr. BENNETT: But with respect to a steamer I think the idea should be made perfectly clear. Motor boats or vessels using secondary power are supposed on demand to shut off their steam or other motive power and come to a standstill.

Mr. EULER: Why not use a plain English word and say "stop?"

Mr. BENNETT: That is exactly what I was going to say. In the case of a steamer it should stop; in the case of a sailing vessel it should heave to.

Mr. EULER: You want the vessel to stop in either case. Why not use the word "stop" in both cases.

Mr. DUFF: You cannot stop a vessel which has sails.

Sir EUGENE FISET: Why not say "heave to, bring to, or stop?"

Mr. EULER: I think the clause is all right the way it is.

Mr. KENNEDY: Will the minister explain what is meant by territorial waters?

Mr. EULER: I made that explanation as well as I could on Tuesday. It is explained on page 2 of the bill. Subclause (7) reads:

Territorial waters of Canada shall mean the waters forming part of the territory of the Dominion of Canada and the waters adjacent to the Dominion within three miles thereof.

Mr. CANTLEY: I appealed to the minister before in regard to this whole question. So long as the customs and excise duties are as high as they are to-day you cannot stop smuggling in the maritime provinces. For instance, Nova Scotia has two thousand miles of coast line. If the minister had a hundred protective vessels and a thousand coastguards on the coast of the maritime provinces he could not stop the smuggling of liquor. But the Minister of Customs can stop it overnight by reducing the duty to what it was ten years ago, $2.40. If he will turn up the speech that the Hon. Mr. Fielding made the last time he changed the duty, he will find there a wealth of information based on experience. While I am not able to quote verbatim what Mr. Fielding said at the time, in effect it was this: He increased the duty from $1.80 to $2.40, and he said that he was convinced that he had put the duty as high as, and he rather thought higher than, was in the country's interest, and he was absolutely sure that he had reached the limit. He had had some considerable experience. He knew the conditions, and continuing he said he might be asked why, if he viewed the matter that way, why he was raising the duty, and he said that he was making the change at the solicitation of his temperance friends who thought that an increased duty would be conducive towards greater sobriety in the country. I submit that it has not had that effect, that on the contrary it has had the opposite effect, and I tell the minister, in all seriousness, that he will never be able to stop this smuggling with the duty remaining as high as it is to-day, because human nature is the same everywhere, whether it be in the maritime provinces or on the great lakes. While $10 a gallon is imposed on spirits coming into this country and while the customs duty on a case of whiskey costing say $14 is $21 or more, which in the case of West India rum means a duty of 1,000 per cent of the value, smuggling cannot be stopped. You can buy rum at Demerara of first class quality for one dollar a gallon or less. That is the situation to-day, and the minister might as well face it. I understood from the minister last year and the year before that the duty would be reduced simply for the reasons I am outlining now, and I would like to know why it has not been done.

Mr. EULER: Does the hon. gentleman say that I made the statement in the house that the duty would be reduced?

Mr. CANTLEY: The minister in charge at the time.

Mr. EULER: I was in charge last year.

Mr. CANTLEY: Well then, I think the conversation was with you.

Mr. KENNEDY: Subsection 7 of section 1 says:

(7) For the purposes of this section and section two hundred and seven of this act, "territorial waters of Canada", shall mean the waters forming part of the territory of the Dominion of Canada and the waters adjacent to the Dominion within three marine miles thereof, in the case of any vessel, and within twelve marine miles thereof, in the case of any vessel registered in Canada.

Does this mean we are going to have two rum rows, one three miles out and the other twelve miles out? If so, how on earth are you going to enforce the law? What is the advantage of that subsection?

Mr. EULER: As the law now stands, vessels registered in Canada can hover around the three mile limit awaiting an opportunity to discharge their cargoes into smaller boats. If we can make them stay twelve miles out from our coast, we have a little better opportunity of watching them and seizing their cargoes.

Mr. HEAPS: Would not this result in more Canadian vessels coming under foreign registry?

Mr. EULER: I do not think so.

Mr. ERNST: I doubt if subsection 7 will have any real effect. I am still of the opinion I expressed the other day, that the jurisdiction of Canada, even over its own nationals, is

territorial. It is an accepted fact that only sovereign states have jurisdiction over their own nationals extraterritorially, and ships would come within the same category once they get beyond the borders of the country. I am firmly of the opinion that that portion of the act which permits the seizure of a vessel of Canadian registry outside the three mile limit, as it is called, will be held ultra vires by the courts. I do not think that even since the last imperial conference we can be classed as a sovereign country. Certainly there is nothing which would induce the courts to change the opinion they have formed, and they have definitely held that the jurisdiction of non-sovereign states is purely territorial. Great Britain has jurisdiction over its own nationals, or at least can punish them for offences committed outside of Great Britain on the high seas, but once our ships leave the three mile limit they come under British mercantile law. My opinion is that subsection 7 is not going to accomplish anything, but if it does, all it will do will be to make ships of Canadian registry register in the United States or at St. Pierre. If the minister were at all conversant with the conditions he would surely realize from the outset that the clause is futile.

Mr. EULER: I spoke on this the other night. As I said, I am not a constitutional lawyer or any other kind of lawyer, and I am not in a position to express any legal opinion. But I should think it at least regrettable if the Dominion government has not control over its own vessels.

Mr. GARLAND (Bow River): It is time it had, but it has not.

Mr. EULER: The Minister of Justice will probably like to make some comments upon this, and I move that the committee rise and report progress.

Mr. BENNETT: Perhaps he would look into the expression "bring to" at the same time.

Progress reported.

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

Friday, April 13, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Fifth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

[Mr. Ernst.]

JUDGES' SALARIES

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER QUESTION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That in accordance with the resolution passed by this house on the twentieth of March, 1928, the special committee to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada, and all matters pertaining thereto, consist of the following members: Messieurs Boys, Bell (Hamilton), Bell (St. John-Albert), Cantley, Carmichael, Duff, Fafard, Gershaw, Hay, Ladner, Lapointe, Miss Macphail, Messieurs Sanderson, Thorson and Totzke, with power to send for persons, papers or records, and to report from time to time.

Motion agreed to.

VALUATION OF IMPORTS

On the orders of the day:

Sir HENRY DRAYTON (West York): I desire to ask the Minister of National Revenue (Mr. Euler) whether it is correct that the order in council which enables him to put a fair valuation on fruits and other imports from the United States has been cancelled and, if cancelled, why.

Hon. W. D. EULER (Minister of National Revenue): It is quite true that the order to which the hon. member refers has been cancelled by council.

Sir HENRY DRAYTON: Why?

Mr. LAPOINTE: That is a large question.

Sir HENRY DRAYTON: It could not be answered.

CHICAGO DRAINAGE CANAL

On the orders of the day:

Hon. CHARLES STEWART (Minister of the Interior): I promised to lay on the table of the house to-day the papers and communications between the Canadian government and the government of the United States in connection with the Chicago drainage question. That promise was made upon the request of the hon. member for St. Lawrence-St. George (Mr. Cahan). I find, however, that in respect of the two recent dispatches that have passed between the two governments the government at Washington has not yet consented to their being made public. We expect to have that consent within a few days, when I shall bring down the return.

RADIO—CANCELLATION OF LICENSES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Would the Minister of Marine

and Fisheries (Mr. Cardin) supplement what he said yesterday with regard to the cancellation of certain radio licenses, by stating the reason for the cancellation of the license of Universal Radio of Canada, Limited, which I understand is an independent concern although its equipment has been used by the International Bible Students Association. What reason is there for cancelling the license of this organization?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The reasons for the cancellation of that license were the same as those advanced for the cancellation of the others. I quite realize that this company may be in a somewhat different position. This point has been brought to my attention, and I am considering the facts in regard to that particular case. I will be in a position before very long to give a decision in regard to it.

Mr. WOODSWORTH: Would the government afford us an opportunity to discuss this very extraordinary proceeding?

Mr. CARDIN: The house will have full opportunity to discuss all matters in that connection when the estimates of my department come before the house.

CUSTOMS ACT AMENDMENT

The house resumed from April 12 consideration in committee of Bill No. 198, to amend the Customs Act—Mr. Euler—Mr. Johnston in the chair.

On section 1—Vessels found hovering in territorial waters may be boarded and brought into port.

Mr. BENNETT: Is the minister going to leave the words "bring to" as they are?

Hon. W. D. EULER (Minister of National Revenue): We had some debate yesterday as to the propriety of those words, which are intended to indicate that a vessel should come to a stop. Yesterday I was rather in agreement with the hon. member for Antigonish-Guysborough (Mr. Duff) with regard to the words "heave to" rather than the words "bring to", but I think we might settle the dispute if we adopt some different words which will be perfectly clear. For that reason I move, seconded by Mr. Lapointe, that the words "bring to" in line thirteen be struck out and that the words "proceed to come to a stop" be substituted therefor. I think that should meet all objections.

Mr. DUFF: Before the amendment carries, I am afraid the minister does not realize what those words mean. You cannot bring a ship at sea to a stop without great danger to the passengers, the crew and the cargo, whether it is a sailing ship or a steamer. In the case of a sailing ship the words "heave to" are correct; they mean that the vessel comes into the wind and proceeds gradually. In the case of a steamer the words "slow down" are proper, because if a steamer stopped and got into the trough of the sea, or if the wind were ahead and she went backwards, she might capsize and founder. Consequently I think the amendment is not in accordance with marine rules and usage.

Mr. LAPOINTE: I would have hesitated to venture an opinion with reference to language of this kind if I had not had the benefit of the views of an officer of my department with regard to the expression "bring to". I am told that the expression "bring to" is defined by Todd and Whall on Seamanship as an order from one ship to another to heave to, that it may be boarded or spoken. Evidently the distinction is that "bring to" is a special expression while "heave to" is a general expression. The Admiralty Manual of Seamanship defines "bring to" as an expression used in bending sails or when a ship is about to anchor, and I am also told that this expression has been used in Dominion legislation for some time past. Still, I have no objection to seconding the amendment of my hon. friend.

Mr. EULER: I took some trouble this morning to get advice with regard to this expression from those who should know. After all it is a small matter, and I do not think there should be any doubt as to what is intended. In answer to my hon. friend from Antigonish-Guysborough I would say that the words "proceed to come to a stop" does not indicate any sudden effort to stop; I think it will answer the requirements of sailing vessels as well as steamers.

Mr. DUFF: "Come to a stop" means that eventually the ship will stop, but it is a dangerous thing for any preventive ship belonging to any government to order either a sailing vessel or a steamer to stop in the middle of the ocean. That is a dangerous proceeding, and it is not fair to the owners of ships, because it will endanger the lives of the crews and subject the ships themselves to great hazard.

Amendment agreed to.

Mr. ERNST: I understand that the Minister of Justice was to give an opinion with regard to subsection (7); we were so informed last night by the Minister of National Revenue.

Mr. EULER: I was not trying to bind my friend: he can do as he wishes.

Mr. LAPOINTE: I am sorry I was not here last night, but I read Hansard this morning and I think my hon. friend has made a slight mistake. It was he who suggested that I should express some view in the matter.

Mr. ERNST: No, it was the minister.

Mr. LAPOINTE: It does not matter very much anyway. I was not here on Tuesday either, but I took the opportunity this morning to read Hansard in order to see what took place on the other two occasions. The views of my hon. friend are about the same as those set forth in this house in 1923, when as Minister of Marine and Fisheries I introduced some legislation with regard to the north Pacific halibut fisheries. That legislation was designed to put into force the provisions of the treaty with the United States concerning the protection of the halibut fisheries in north Pacific waters. Both in the treaty and in the statute adopted by this house there was a provision which conferred extraterritorial jurisdiction upon the enactment of parliament. I mention the fact that this was in the treaty also because that treaty was ratified by His Majesty the King, and no one either in England or in Canada challenged the right of Canada in that respect, and that statute never has been challenged since. It has been enforced since, giving the right to our officers to seize vessels, even on the high seas, which are engaged in fishing halibut in the prohibited zone during the prohibited season. However, at that time the same objection was raised against that statute, and I am free to admit that my hon. friend can quote authority in support of his contention. It is a debatable question in some respects; it has been debated, but I believe that the trend of constitutional authority is now rather to the effect that the dominions have the same right within their sphere of legislation as the Imperial parliament has within its sphere. This view is specially supported in the case of the award re Cooks' and Stewards' Union. That was a New Zealand case, in which the court decided that the award of a New Zealand court of arbitration as to wages to be paid on vessels trading between New Zealand and Australia was binding with reference to vessels registered in New Zealand.

In the well known Canadian case of Cain versus Gilhula, where aliens had been deported under the Canadian legislation with regard to alien labour, for having come to this country in contravention of our law, those men took proceedings by way of habeas corpus, and the court of first instance decided that as there was a question of extraterritoriality involved our statute was not constitutional; but the Privy Council decided otherwise, and that Canada may exert extraterritorial powers for the purpose of exercising her sovereign powers as effectively as the Imperial authority.

There have been two cases decided by the Supreme Court of Canada, in re Frederick Gerring and re North, in which vessels had been captured outside the three-mile limit, taken in hot pursuit, and the seizure was declared valid by the supreme court.

Mr. ERNST: Different circumstances.

Mr. LAPOINTE: I admit that the circumstances may be a little different, but still the extraterritoriality was admitted in that case. My hon. friend is right as to the point that there is a certain element of doubt attached to the matter, and it is for that reason that in 1920, I believe, the then government submitted to parliament the resolution for the purpose of amending the British North America Act, in order that it should be made clear that any enactment of this parliament within its jurisdiction had the same effect with regard to extraterritorial rights as an enactment of the Imperial parliament. The resolution was adopted by the parliament of Canada in 1920, but I see in the correspondence that there was some difficulty as to the drafting of the resolution or rather of the legislation to be introduced in the Imperial parliament. There was an exchange of views between the law officers of the crown in Great Britain and the Department of Justice; and as a result, in 1924, I myself, as Minister of Justice, introduced a new resolution to this parliament with somewhat different language. It was to the effect that

> An enactment of the parliament of Canada, if expressed to operate extraterritorially, shall have, and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada.

This resolution was voted by the parliament of Canada, but I may qualify this by saying that the Senate amended it in some slight manner, so as to safeguard the rights of the provinces in that respect. The amendment came to the House of Commons on the last day of the session and was accepted then; but we found afterwards that the language was not exactly what it was intended to be, and that a new resolution would have to be passed by this house to amend it.

The whole question came before the Imperial conference of 1926, not brought there

by Canada but by other dominions, and it was then decided that this matter should be submitted as well as other matters to a committee of jurists which is to be appointed for the purpose of looking into all those questions. Meanwhile, as it is a very important matter concerning peace, order and good government in Canada, I think this parliament should take the same view as was taken in regard to the halibut fishery treaty, and that it should be made clear that as far as we are concerned we believe that for the peace, order and good government of Canada we should have in that respect the extraterritorial jurisdiction which the legislation of the Imperial parliament has provided with regard to their own affairs.

Mr. ERNST: Mr. Chairman, I am very much indebted to the minister, as I am sure the house is, for his discussion of the matter, and I can assure him that we are as desirous as hon. gentlemen opposite are to make effective and enforcible the customs laws of this country. Unfortunately I am not familiar with the section in the north Pacific convention to which he refers, and it is impossible without it before me to say whether it is the same as the proposed subsection 7 with which we are now dealing.

A number of the cases cited by the minister are not in point. For instance, the case of the ship North. The infraction in that case was committed within the teritorial jurisdiction of Canada, and what was involved was the right of immediate pursuit, or hot pursuit as it is termed. It seems to me we ought to approach this question frankly. The fact that the fishery decision was not challenged is no answer; that simply means that it has never stood the test. What I have suggested, and what I suggest again, is that we should be frank in the matter. The Minister of Justice admits that there is doubt, and knowing that there is doubt, knowing that this provision is almost certain to be challenged, that seizures will be made within the twelve-mile limit, and that the question will come before the court and result in expensive litigation, why not go before the Imperial parliament and get legislation which will make it certain?

Mr. LAPOINTE: My friend has not noticed my statement in that respect. The Imperial government were quite willing to enact legislation to enforce the will of this parliament in that regard They asked, and we agreed, that the whole matter should come up with regard to the other dominions as well as to Canada. If Canada asks for that amendment, it will be made and agreed to by the Imperial parliament.

Mr. ERNST: What I am suggesting is that really the proper procedure would be to ask for it immediately, so that the customs laws can be enforced. There is grave doubt whether this is constitutional. My hon. friend is no doubt aware that Lord Halsbury has expressed the opinion that the colonies, including in that the self-governing dominions, have a jurisdiction which is territorial. What is going to be done in this case is to create what amounts to a new and distinct criminal offence on the high seas, that is perhaps ten or twelve miles from the shore. The anomaly that will occur will be that you are creating the offence for Canadian vessels at a time when United States or French vessels can come inside and trade with impunity. As the minister is probably aware, the method adopted by the people engaged in this business to-day is to go to the West India islands, load up with a cargo usually consisting of rum, come to some prearranged point off the coast and there sell the cargo in the open sea. The law leaves the onus or responsibility of getting the goods, as they are called, on shore on the little man, not on the man who makes the purchase in the West Indies. The result will be simply that the business will be carried on by vessels other than those of Canadian registry and the section will be of no value.

Mr. EULER: If that be true, will it not be equally true, if we ask for the remedy that the hon. gentleman suggests, namely, that we secure an amendment to the British North America Act? Would that preclude United States vessels or vessels of any other country, from operating within the twelve-mile limit?

Mr. ERNST: There are two points I want to make. I am suggesting first that this section is not constitutional and, second, even if it is enacted in this form, before you make treaty arrangements with other nations, you will not make any real headway in the suppression of smuggling. The result will be that vessels of Canadian registry will go to foreign ports, become registered there and carry on the business.

Mr. EULER: Is it not true that vessels of Canadian ownership cannot obtain foreign registry?

Mr. ERNST: It is very easy to make a transfer which is only a transfer on paper. That is done every day.

Mr. EULER: This will at least make it more difficult for them to do that.

Mr. ERNST: It may. But I suggest that the difficulty will really amount to nothing in the final analysis. I started however on the

constitutional aspect of this sub-clause. I am suggesting that, as there is this grave doubt, and because, as the Minister of Justice has very frankly admitted, in face of all we have heard about the recent Imperial conference and Canada being a sovereign country, we are not really a sovereign country, we should go to the Imperial parliament and secure the necessary legislation.

Mr. LAPOINTE: My hon. friend goes too far when he says that I admit that. I said that he was justified in expressing his views in that regard and he is not alone in holding that opinion, but I do not agree with him that this would be unconstitutional. I said that the bulk of authority is on the other side. May I quote one of our constitutional writers on the constitution of Canada, namely, Mr. Lefroy, who says:

> Moreover, bearing in mind the fact that, as we shall see, the powers of the Dominion parliament, as also all the provincial legislatures are as plenary and ample within the limits prescribed by the British North America Act as the Imperial parliament in the plenitude of its power possessed and could bestow, and that the expressed intention was to confer upon the Dominion a constitution similar in principle to that of the United Kingdom, it seems beyond question that they must have the same power to bind their own subjects everywhere as the Imperial parliament has to bind British subjects everywhere.

A very distinguished legal gentleman, Sir John W. Salmond, who was Solicitor General of New Zealand, in an article in the Law Quarterly Review for 1917, writes as follows:

> There is no rule of substantive constitutional law which prevents a colonial legislature from enacting such extraterritorial prohibitions or authorizations as may be required for the peace, order and good government of the colony.

Even the law officers of the crown in England, when this parliament adopted in 1920 the resolution to which I refer, make this statement in their correspondence with regard to air regulations, because it was on the matter of aviation that parliament was incited to ask that the whole matter should be cleared up because, as the committee will realize, it is very easy for an aviator to cross the boundary line and if parliament has no extraterritorial jurisdiction attached to its legislation, our law could be broken very easily. The law officers felt that the power actually possessed by the Dominion parliament entitled them to make their regulations applicable to Canadian aviators even for offences committed while they were outside of the boundaries of Canada. This question is being discussed in all the dominions. I remember that after the peace treaty, when the territory of Samoa was put under the mandate of New Zealand, New Zealand thought that as there was doubt as to her power of extraterritorial jurisdiction, she could not have her laws apply in that territory, and an imperial order in council was adopted for the purpose of giving that right to New Zealand. But General Smuts, who was then premier of South Africa, to which West Africa which had been taken from Germany was given as a mandatory territory, claimed that South Africa as a self-governing dominion had the right of extraterritoriality and no order in council or legislation was passed in order to give that additional right. So I think we are in pretty good company in asserting this right in this case and I am sure there will be no difficulty because the whole matter will be made clear when the judicial committee make a decision in this connection.

Mr. EULER: I cannot pretend to make any legal argument and I have no intention of doing so, but I should like to set forth what I regard as a reasonable view to take of the situation. The department has been very much troubled by the practice of these rum-smuggling vessels loitering just beyond the three-mile limit and demoralizing the whole coast line in many instances.

Mr. CANTLEY: They are not loitering They are very active.

Mr. EULER: We want the power to cope with them just as quickly as possible. We might go to the British parliament and ask for an amendment to the British North America Act as the hon. member has suggested, but that would take time. There is, as the Minister of Justice has conceded, a reasonable doubt as to the constitutionality of what we propose to do, but there is a pretty strong presumption that we are right. If the clause goes through as it stands, we are certainly going to exercise our rights under it. Then we are in a practical position to have the constitutionality or legality of it tested out. The case will be fought out in the courts. If we win, the matter is settled. If we lose, we still have the remedy of going to the British parliament for an amendment to the British North America Act. We should like to have a remedy now. We are dealing with a difficult situation and if we postpone much longer dealing with it, it becomes all the more difficult to apply the remedy. I should also like to say in reply to my hon. friend when he spoke of the danger of our Canadian boats securing United States registry and becoming owned by Americans, that does not seem to me to be so serious a danger because of the fact—and I think I am right in this—that an American-owned vessel cannot legally carry liquor at all.

Mr. DUFF: That is quite right.

Mr. ERNST: But they do.

Mr. EULER: I hope the committee will consent to leave the clause as it stands.

Mr. CANTLEY: I am opposed to this legislation for half a dozen reasons. In the first place, it is autocratic. In the next place, it will be inefficient, and I should think the minister by this time would have realized that. My hon. friend from Queens-Lunenburg (Mr. Ernst) referred a moment ago to vessels going under American registry. I do not think they will go under American registry, but under Newfoundland or French registry, and what can the minister do then?

Mr. EULER: That would take some time.

Mr. CANTLEY: It would take about fifteen minutes, just time enough for them to go down to St. Pierre, which is where the great bulk of this traffic originates, where it all originates so far as spirits are concerned. So far as rum is concerned, the traffic originates in the West Indies. The ships could also register in South America or British Honduras. There is no end of places where they could register.

Mr. EULER: They would have to change ownership.

Mr. CANTLEY: I can tell the minister that they do not have to change ownership, and we have had abundant proof of that in the last two years in this house. That will not get you anywhere.

Then look at the provisions of this bill. Look at subsection 4, for instance. What is the effect of that? It is almost an inducement for his officers to commit murder and be held free of all consequences in doing so. That is a provision entirely uncalled for, and his proposals will be entirely ineffective. I think the minister himself is convinced of that fact, and if he is not, he ought to be. If he lived in the maritime provinces or in any maritime country he would realize what the difficulties are. You cannot stop rum running in that way. There is one simple method of stopping it to which I have referred before in this house several times, and that is by lowering the duty.

Mr. EULER: That will not stop it either.

Mr. CANTLEY: It would stop 90 per cent of it.

Mr. EULER: It will not stop it entirely because smuggling existed before the duty was raised. I am not expressing any opinion whether the duty ought to be cut or not. I am rather in sympathy with what my hon. friend suggests, but there was smuggling of liquor prior to the time that the duty was raised to $10 a gallon.

Mr. CANTLEY: I am glad to have the minister admit that he is in sympathy with my view. I knew that he was. Now why does he not act on that view? What is the use of our attempting to pass in this house legislation that we know we cannot enforce, and which is vicious in principle and contrary to British justice and contrary to all commonsense, because that is what it is. As I said before, you cannot stop smuggling in this way. I would ask the minister how much liquor was smuggled into Canada when the duty on whiskey was $1.80 a gallon? Smuggling was not worth while then, and it would not be done to-morrow under the same conditions, but the difficulty is that to-day on some of the liquor that is coming in the duty is practically 1,000 per cent. How are you going to stop smuggling under those conditions? The hon. member for Queens-Lunenburg has referred to the modus operandi, how vessels come off the coast and peddle their goods to smaller boats that run them into the shore. The twelve mile limit will not affect these boats at all because they will be there under foreign registry. I am surprised that the Minister of Finance is supporting this legislation. He knows what the situation is, and he is the man who is responsible; there is no question about that, and I appeal to him and to the minister in charge of this bill to use that large stock of commonsense which I know they both possess and do what ought to be done instead of attempting in the way proposed by this bill to stop the smuggling of spirits.

Mr. DUFF: I am sure that the reason for the amendment contained in subsection 7 is because the minister feels that extending our territorial waters to the twelve mile limit will have a greater effect in stopping smuggling than when the territorial waters extend only to the three mile limit. That may be quite true. But if it is true, I would like to ask the minister why he has increased the limit from three miles only to twelve miles, because if the twelve mile limit is going to be more effectual than the three mile limit in preventing smuggling, and if this parliament has the power to extend the limit, I respectfully submit that instead of making the limit twelve miles the minister should make it fifty miles, because then the vessels would have to lay off fifty miles from the shore, and if they came within the fifty miles the revenue cutters of the minister would be able to seize them and take them into port and

tie them up. This is a good subsection if this parliament has the constitutional power to enact it, which I very much doubt. I agree with the hon. member for Queens-Lunenburg that this is an international matter; it is not a matter for the British parliament at all. The worst feature of this legislation is that the ships of Great Britain, where they manufacture the whiskey, can load up with whiskey in Scotland and then come across and lay to off the United States and our Canadian coast, while our own ships will have to lay to beyond the twelve mile limit. If the British government was so anxious to stop the smuggling of whiskey into Canada, they should agree not to allow their own vessels to clear from their own ports when they know that they are going to break the laws of Canada. But if we have the constitutional right to enact a subsection of this kind, which I very much doubt, then let the minister go the whole way and instead of making the limit twelve miles, make it perhaps fifty miles. I would ask the minister why he fixed upon twelve miles rather than some other figure.

Mr. EULER: I suppose it really springs from a recommendation based upon the limit which they have along the coast of the United States. I have no constitutional objection to making it fifteen or twenty miles. As a matter of fact, I think it was eighteen miles in the first draft, but we reduced it to twelve to conform, I suppose, with the case I have cited. That is all; there is no other reason. Fifty miles might sound a little unreasonable.

Mr. DUFF: The results on the United States coast have not been very successful, and I think we should go them one better, and if the minister would agree, I would ask him to amend his bill to make the limit twenty-five or fifty miles instead of twelve.

Mr. EULER: I think we had better try the half of it first.

Mr. DUFF: I am suggesting fifty.

Mr. CANTLEY: Why not send your cutters right down to St. Pierre and seize these boats just as soon as they come out of port with a full cargo? That shows the ridiculousness of the position the minister takes.

Section agreed to.

Section 2 agreed to.

On section 3—vessel carrying dutiable or prohibited goods liable to seizure.

Mr. ERNST: I think this section needs careful examination on the part of the minister. May I point out to him the exact wording of it? By subsection 7 of section 1 we have in so far as Canadian vessels are concerned extended, prima facie at least, the territorial waters of Canada to twelve miles from the shore. Now section 3 reads:

If upon the examination by any officer of the cargo of any vessel hovering in territorial waters of Canada—

Let us say that she is eleven and three-quarter miles from the shore:

—any dutiable goods or any goods the importation of which into Canada is prohibited are found on board, such vessel . . . . shall be forfeited.

I quite appreciate why that provision should be made in the case of alcoholic liquors, but in the case of other goods a vesel can scarcely be within the territorial waters of Canada or anywhere else without having some dutiable goods on board. If she has dutiable goods of any character, no matter where they may come from, and she is found in the territorial waters of Canada within the twelve-mile limit—

Mr. EULER: She must be hovering.

Mr. ERNST: Let us say that she had to heave to because of stress of weather, the question arises whether or not she is hovering, and she may be seized unjustifiably. Why not limit the clause to alcoholic liquors?

Mr. EULER: I think the preventive forces will have to be given credit for exercising reasonable discretion in these matters. In my opinion we ought not to make the distinction my hon. friend suggests.

Mr. CANTLEY: I would cite another case to the minister. A yacht is cruising, your officers may term it hovering within the twelve-mile limit; she has an admiralty warrant, which gives her the right to take out of bond liquor and other dutiable goods; she has these goods on board legally—they are not dutiable; a revenue cutter overhauls the yacht, and according to this section she may be seized and condemned. What is to be done in that case?

Mr. EULER: That would not be cargo at all, but ships' stores.

Mr. CANTLEY: The section says that if dutiable or other goods are found on board the vessel shall be seized and forfeited.

Mr. DUFF: I agree with the hon. member for Queens-Lunenburg (Mr. Ernst) that fishing vessels sometimes anchor off the Nova Scotia coast to pursue their peaceful avocation of catching cod and haddock. Under this section the preventive officers may go aboard, demand the ship's papers, and make a search.

Mr. VENIOT: That is an extreme case. Her clearance papers disclose her status, and if she is engaged in that pursuit the preventive officers cannot accuse her of hovering.

Section agreed to.

Sections 4, 5 and 6 agreed to.

On section 7—Export of deer.

Mr. SIMPSON: What changes are made in the regulations with respect to the export of deer?

Mr. EULER: Under the present law citizens of Canada are not permitted, for instance, to export deer hides. It very often happens that there is no market for them in Canada but there is in the United States.

Bill reported.

LOAN OF $500,000,000

REDEMPTION OF LOANS AND PURCHASE OF UNMATURED SECURITIES

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 35 to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Loan authorized.

Mr. BENNETT: My friend the minister will observe that "the governor in council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by parliament by any act heretofore passed, raise by way of loan." With respect to those authorizations, in some instances there is no limitation imposed that they shall be used for the redemption of existing securities; whereas this loan is limited to the proceeds being used for that purpose. I simply call his attention to this.

Mr. ROBB: I quite appreciate it. I do not recall the other authorizations under chapter 2 of 1926.

Mr. BENNETT: There are seven or eight of them altogether.

Mr. ROBB: The memorandum I have is that with respect to the loans authorized by chapter 11 of the statutes of 1926 there is still a balance of $131,000,000. I am not sure whether it is limited to renewals or not; I imagine it is; but it is quite understood that this is limited to redemptions.

Section agreed to.

On section 3—Charge upon consolidated revenue fund.

Mr. BENNETT: The minister has not given us any information as to how he proposes to utilize this money. Conferring upon the governor in council power to borrow half a billion dollars for the purpose of redeeming existing securities is a very large grant of power without any scheme being submitted. I had occasion a few days ago to draw attention to the course pursued in England. Whenever it is contemplated by legislation there to retire existing securities, it has always been the custom to formulate a plan, and when the house is in committee the Chancellor of the Exchequer expounds at length the principles which govern in connection with the redemption of outstanding securities or the conversion of existing loans. Now this measure contemplates the possibility of conversion; that is clear. It must mean that. It contemplates the possibility of borrowing $500,000,000, let us say, at 4 per cent for the purpose of retiring existing securities, if they were selling at such a rate as would enable the minister to make money thereby. That is clearly what he has in mind. But the minister has formulated no plans, and it is unusual to ask parliament to grant authority to the governor in council to borrow so considerable a sum, under such circumstances, without some statement of the principles that are to govern with respect to redemption or conversion.

Mr. ROBB: My hon. friend is right. I explained on the resolution that we had no plan worked out, but that representations had been made to us from time to time by financial houses that money was becoming easier and that we could convert these outstanding loans and get a lower rate of interest. I think I also made it clear—and I want to emphasize this to-day—that the government has no intention whatever of trying in any way to compel the holders of these 1933's and 1934's to part with their securities before maturity. But from time to time these bonds are on the market; there is trading in them all the time. The government therefore believe that they can work out a plan which will enable them to take in these securities at a lower rate of interest, thus saving that revenue to the Canadian people. Representations have been made to us that in future financing we should provide for a sinking fund so that yearly these maturities might be taken care of. The experience of the department is that some sinking funds we now have are somewhat expensive to administer, as my hon. friend (Sir Henry Drayton), who has been in the Finance department, will agree. But there is a method

of providing for serial or instalment bonds so that we may be able to take care of so much every year. That is what we are doing now with small maturities coming on. In presenting the resolution I stated to the house that we hoped to be able, from now until 1933, to take care out of our revenues of the smaller maturities. As respects this large maturity in 1933 and 1934, however, no one will suggest that it can be taken care of without some refinancing. We will try to work out a plan of refinancing which will be profitable to the people, and we shall be placed in the position where we can get these bonds off the market, with their high rate of interest, and thus save money to the people.

I did not intend to make it public, but I do not mind saying right now that of the maturities coming along this fall—I forget the amount, but I believe it is some fifty million dollars odd—we have bought up a portion which we now have in the government vaults. We are picking them up from day to day whenever we have the money, buying them on a basis that will enable the country, instead of the holders of the bonds, to earn around 4 to 4¼ per cent.

Mr. SPENCER: I understood the Minister of Finance to say that he did not intend to pay off any of the bonds due in 1933-34?

Mr. ROBB: I did not say any; I said we could not take care of all.

Mr. SPENCER: I understood the minister to say that he did not intend to go out on the market and force it.

Mr. ROBB: That we did not intend?

Mr. SPENCER: What I understood the minister to say was that he did not intend to buy them before they matured.

Mr. ROBB: Not to force them.

Mr. SPENCER: I believe that we have to-day outstanding over $800,000,000 in tax free bonds.

Mr. BENNETT: More than that—a couple of billions.

Mr. SPENCER: In view of this very large amount outstanding, and considering the fact that the investors, after all is said and done, have since the war received a very nice return over a number of years, I think it would be in the interest of Canada if some scheme could be carried out whereby these bonds could be bought and any other bond issue made taxable.

Mr. ROBB: They always are.

Mr. SPENCER: Although most of these bonds are, I understand, owned by Canadians, they are owned by very few Canadians, so that the majority of the people are paying for the privilege which this minority enjoy. It would be in the interests of the mass of the people—probably 85 or 90 per cent of the citizens—if these few, this small minority who have received this great benefit for a number of years since the war were paid off so that everybody would come under the ordinary taxation of the country.

Mr. ROBB: The tax-exempt bonds outstanding are: 1931, five per cent; $52,931,600; 1933, five and a half per cent, $446,658,800; 1937, five and a half per cent, $236,299,850.

Mr. BENNETT: And 1934?

Mr. ROBB: That is not tax-exempt. Then there is a five per cent issue of $90,166,900. These are the tax-exempts.

Mr. BENNETT: The Loan Act of 1926 has provision with respect to the process being used for paying, redeeming, or otherwise retiring the whole or any portion of loans or obligations of Canada. It is rather an unfortunate way in which to accumulate authorization, but that perhaps is not so important a matter. The point I do make, however, is this: In the loans that have been made in the last few years, notwithstanding the experience of corporations, no provision has been made for retiring them when money can be obtained at a lesser rate of interest. No provision has been made for retiring them at a premium. However small the premium might be, it seems to me that this country should have the right to retire on notice any securities it hereafter emits. I suggest that because of what has transpired in the world of finance. In England it is so, and has been so for over a hundred years. There has been a provision there enabling them to retire on notice their annuities, 3 per cent and 3½ per cent or consuls. Most corporate financing is now done on the principle of the company having power to retire all the preferred shares at a premium, as well as bonds, depending upon the period which they still have to run. It does appear to me that as most of this financing will be done on the American continent, at any rate, where it is well understood that securities may be retired on notice, there should be a provision—whatever the rate of interest may be at which the securities are hereafter emitted—enabling the minister to take advantage of a possible plan for conversion or refinancing if money was much lower than at the time the issue might be made. My hon. friend (Mr. Spencer) no doubt had some such idea in mind when he referred to tax-exempt securities, and the

amount he mentioned is, I think, correct. I was assuming to deal with the sum total which was maturing before 1937, and not the tax-exempt. The tax-exempt is something less than a billion. So I think there is practically $2,000,000,000 of the debt maturing between now and 1937, and I cannot see just how the minister is going to make any substantial profit. It is clear that he cannot borrow money to-day at the rate for which he disposed of the Canadian National securities in the middle of 1927, which would be between 4½ per cent and 4¾ per cent and purchase these tax-exempt securities which now yield something like 4.15 per cent or 4.18 per cent in some instances, because the demand for them has become very great and the yield has become very low. In fact, at one time the 1937's were selling at $110.752, or something like that, the 1933's at about $109 and the 1931's at $106.

Mr. ROBB: The quotation to-day on the 1933's is $104.90.

Mr. BENNETT: What is it for the 1937's?

Mr. ROBB: They are selling at $110, tax free.

Mr. BENNETT: Obviously to buy those at $110 will make it necessary for the minister to sell securities at a lower yield than 4¼ per cent, say about 4.10 per cent. When you take into consideration other matters in connection with them the minister would have to sell securities at not more than 4¼ per cent to be able to buy these other securities, so I cannot see how he can make any money if the market continues as it is at present. Two or three years from now, however, when they begin to go down in price due to the fact that they are nearing maturity—because the price is dependent upon the nearness to maturity in some instances—he might be able to make a little money, but that is the only way I can see in the circumstances.

Sir HENRY DRAYTON: I believe my hon. friend will not make use of this legislation unless the price reaches such a point as will ensure an immediate profit to the country in these transactions; I would assume that to be his underlying policy in this matter. I do think, however, that the minister should take very careful cognizance of the suggestion made by my leader in connection with the right of redemption. Personally I think we are in for lower money rates; we have had no difficulty at all in disposing of very large emissions both in Canada and the United States where the right of retirement is given after the lapse of so many years, at $102, $104 or $106, which is the highest I remember in any single emission of really good securities. That, of course, is extremely valuable in case what I expect does come about; that is, if we have a progressively lowering rate of interest so far as governmental securities are concerned.

During the discussion another point has come up; that is, the danger of these maturities accumulating at any one time. I assume that my hon. friend does not consider issuing all these securities at once, or making them all payable at a certain time; I suppose he will issue them in each instance having regard to two things. First he will consider the way to get the best value for the security at the time it is issued, and then he will bear in mind the dates upon which other payments fall due, in order to avoid that lumping of governmental obligations which would naturally depress the market price.

Then my hon. friend said something about a sinking fund, and I think he is really getting around to that idea. I will admit that it does cost something to administer a sinking fund, but I do not think it is going to cost much more to administer it if we make use of the machinery and personnel we already have. Even if we give them a great deal more work to do I do not think it will cost a great deal more, although of course my hon. friend has to consider several things in connection with that proposition. He has mentioned the sinking fund on the one hand, while on the other he appears to lean more to the alternative that we should sell instalment bonds. I desire to point out to my friend that instalment bonds do not command a price anything like as good as the bonds which are issued for a stated period, and I think he would find that as a rule we would save money by looking after our retirements through a sinking fund, even though it cost a little more, rather than by selling securities at the lower rate which these instalment bonds always carry.

Mr. ROBB: I will keep that in mind. Just before the chairman rises I want to point out one fact in connection with the last long term loan, which was made not very long ago. My hon. friend will be glad to know that we then followed the practice which he has emphasized to-day, of putting in a callable clause operating within ten or fifteen years.

Mr. MATTHEWS: Was there a callable clause in the railway bonds issued in 1927?

Mr. ROBB: I could not say; I am talking about the government financing. We have adopted this callable clause.

Sir HENRY DRAYTON: We should have that clause in all the bonds, whether for railways or anything else.

Mr. ROBB: I quite agree.

Mr. SPENCER: I think this is probably the best time to draw to the attention of the minister the fact that in December last the government borrowed from the banks on treasury bills to the extent of $48,000,000, I think. The minister will correct me if I am wrong.

Mr. MATTHEWS: They borrowed $45,000,000.

Mr. SPENCER: They borrowed that money at 4 per cent, and I understand that under the Finance Act these same treasury bills can be bought back by the banks, and that they can get Dominion notes upon them at 3¾ per cent. In other words, the government borrows from the banks at 4 per cent, and the government loans money back to the banks on the same security at 3¾ per cent. I would like an explanation of this, if the minister would be good enough to give it.

Mr. ROBB: As a matter of fact, under the Finance Act I think the rate was reduced to 3¾ per cent, but the banks have not availed themselves of that privilege to any great extent. Of course my hon. friend will understand that to keep the finances of the country sound that sort of thing cannot go on indefinitely, although I admit that it can be done to a limited degree.

Mr. SPENCER: The minister will admit that it does seem extraordinary for the government to pay one-quarter per cent more when they borrow on a security than when they lend on the same security to private institutions.

Mr. ROBB: You must allow them something for administering the affairs of the country; you must remember that the banks pay all these interest coupons and cheques all over the country for the government at par.

Sir HENRY DRAYTON: My hon. friend is right, and yet perhaps he is wrong. It is not quite fair to say that the government borrow on the same security used by the banks; they do not. As a rule the government gives its obligation with no further security, and that is first rate security. When the banks come to the Department of Finance for a loan, they do not give their obligations or anything like that; they give securities in other forms. For instance, when we had the stress on the currency at the time we first stopped the operations of the wheat pool, we introduced what are known as prime bills. I thought they made a first rate basis for the emission of currency, and events proved that I was correct. The banks either use those bills or they leave with the government its own securities, such as victory bonds and so on, which are held by the banks. So the situation is not exactly the same. My hon. friend from Battle River (Mr. Spencer) has followed this question very carefully, and he will recall the evidence given before the committee on banking and commerce the other day by Mr. Harding, who pointed out that all these emissions of currency, or emissions of credit one way or the other, have to be controlled by something which would make for an immediate and proper return at the right time, in order to do away with any danger of inflation. All these bank transactions are protected and fortified in that way. For example, when we looked after the financing of the wheat crop, all the emissions at that time which were on a 5 per cent basis, all the extra currency, all the issues had to be retired, because it was manifestly in the interests of the banks to retire them as soon as possible.

Now just one other point in connection with these loans. The treasury report fixes the rate of interest, at least it ought to fix its rate of interest having regard to the then value of money and the then needs of Canadian commerce. My own view is that the latter consideration is greater than the first, but those are the two great considerations one must always have in mind. The rate of interest was then high and I used to be able to get 5 per cent without any trouble. To-day my hon. friend was pointing out that at one time there was a very low rate, only 3½ per cent. The reason of that would appear to be that at that time the banks could borrow at that rate and even less in New York; and it is just as well for us to keep our banks borrowing money here on perfectly good security, prime bills and the like, against which we issue currency, costing us nothing, and under such terms that the currency must in the very near future be redeemed. It is a question of fighting for the business, and that was the situation, I would imagine, at the time that low rate was got. That would have nothing whatever to do with the rate the government was paid because the times or conditions might not have been at all similar. I apprehend that if at that time the government also had been in the market for money it would have got a lower rate. The fact may be that the rate was higher at that particular juncture.

Mr. SPENCER: I would like to remind the minister, Mr. Chairman, that if he is anxious to get money at a cheap rate, he would get very large amounts if he would simply increase the rate on post office savings to 3½ to 3¾ per cent. The accounts having a government guarantee behind them, I have not the slightest doubt that a very large amount of money would be put in the savings banks and the government could make use of these deposits. This seems to have been simply ignored by those in charge up to the present time. Why the rate is kept down to 3 per cent, when the government is paying anywhere from 4 to 5½ per cent, I cannot understand.

Mr. ROBB: I am ready to listen to my friend's argument, but the government is not paying anything like 5 or 5½ per cent. We have paid that in the past but are not now.

Mr. SPENCER: I mean in the past. There are some bonds outstanding, I take for granted, that are carrying 5½ per cent.

Mr. ROBB: Yes.

Mr. SPENCER: If the government expects to borrow at 4 per cent, why not give the rank and file who have some savings or want to make savings, the guarantee of the extra one per cent? Why not!

Section agreed to.

Bill reported, read the third time and passed.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

The house resumed, from April 10, consideration in committee of the following proposed resolution—Hon. Mr. King—Mr. Johnston in the chair:

Resolved, that the Department of Health and of Soldiers' Civil Re-establishment be amalgamated in a single department to be called the Department of National Health and Veterans' Welfare, presided over by a minister of the crown; that the powers and duties of the minister be defined; and provision be made for the appointment of a deputy minister, the making of regulations, and the employment of such other officers, clerks, and employees as may be deemed necessary.

The CHAIRMAN: The minister moves to strike out the words in the second and third lines:

to be called the Department of National Health and Veterans' Welfare.

Mr. LADNER: Just what is the change which the minister has made in that matter?

Hon. J. H. KING (Kootenay, Minister of Health): I have not changed the name but I propose to strike it out. I suggested the other night in committee that we strike out the name, and then on the second reading of the bill we would be ready for suggestions for the name, and then the name would be inserted. Leave it in blank for the present.

Mr. McGIBBON: May I ask the minister if it is intended to appoint a separate deputy minister?

Mr. KING (Kootenay): No.

Mr. McGIBBON: You are going to amalgamate it under the same deputy ministers?

Mr. KING (Kootenay): Yes.

Mr. McGIBBON: Will the minister tell us just what will be the advantage on the whole?

Mr. KING (Kootenay): I think the whole amalgamation will be advantageous. I stated the other night that the work of re-establishment, for which the department was primarily organized, was largely past; and to-day the work is confined pretty much to the administration under the Pension Act and to the treatment in our hospitals, and the care of certain unemployable people in our vetcraft shops, and measures of that character.

I have here some statistics, prepared by the department officials, which will bear out my statement. The total expenditure under the department for the year 1926-27—the figures for the past year, 1927-28, are not quite up to date—is shown as $47,774,371.92.

Administration costs	$ 1,447,127 39 or 3.03 %
Pensions	37,674,163 50
Returned soldiers insurance	778,413 07
War service gratuities	22,968 72
Pensions, administration fund	319,836 53
Interest on funds	24,804 80
	$40,267,314 01

The balance of $7,507,000 would be applicable to medical care and re-establishment. As regards treatment the expenditures are as follows:

Hospital treatment	$3,314,269 62
Limb factory operation	211,647 40
Capital expenditure	6,412 30
Transportation	130,035 25
Funeral expenses	25,549 99
Shelter employment	358,517 52
Employers' liability compensation	65,174 80
Treatment, stores purchased	271,334 09
Accounts receivable	175,458 78
Pay and allowances	2,008,844 80
Burial of destitute	10,000 00
Total	$6,577,244 55

Under re-establishment the expenditures are as follows:

Unemployment relief	$376,055 35
Transportation of blind	4,950 87
Vocational training	1,353 55
Vocational loans	1,250 14
Federal appeal board	163,416 01
Total	$567,025 92

Or 7.29 per cent of the total. I think that covers the information sought the other night and bears out the statement I made that more than ninety per cent of the work of the department to-day is in the nature of treatment or care of the veterans rather than re-establishment. This amalgamation was not gone into hurriedly. It was only in May last that, after some months of observation in the department, I suggested to the government that there should be a reorganization or an amalgamation of the department possibly with the Health department. In making that recommendation to the government, in order that we might have confirmation of my opinion, because one who undertakes to reorganize a department of government or to amalgamate one department with another, undertakes a very responsible and rather difficult task. I suggested to the government that an outside authority should be asked to come into the department and make a survey. Mr. Gordon W. Scott, of the firm of P. S. Ross and Sons of Montreal, was asked to make this survey and he spent some two or three months investigating the work of the department. His report has been tabled and it is now in the hands of the members. He confirms my opinion that an amalgamation could be properly made; that economies could be had, and that the administration would thereby be improved. That is why we are bringing down legislation and asking that it be accepted by the house.

Mr. GEARY: This is a matter in which some of us are interested and I hope we may be allowed to listen to the discussion.

The CHAIRMAN: I hope we shall have better order.

Mr. KING (Kootenay): There should not be much doubt in the minds of the members, because I find on going back over Hansard that this question of amalgamation has been suggested not only from this side of the house but from the other. In Hansard of June 12, 1925, the hon. member for Yale (Mr. Stirling), who apparently had given very considerable study to the affairs of the department, had this to say, as reported on page 4219:

> My criticism is that this department has outlived its usefulness, and that considerable economies could be effected were it abolished.

And so on. His opinion was to some extent confirmed by another hon. member opposite. I refer to the hon. member for Fort William (Mr. Manion). I cannot just place my hands on his reference, but he commended the hon. member for Yale for having given so much study to this department, and for his speech in reference to it. In 1923 the hon. member for South Wellington (Mr. Guthrie) had this to say, as reported on page 3893 of Hansard:

> As we are drawing into the fifth or sixth year since the conclusion of actual hostilities, the time is coming for a consolidation of some of the departments of government, and the one which is due first for consolidation is, I think, the Department of Soldiers' Civil Re-establishment.

And he goes on. So the subject is not a new one to the members of the house nor to the members of the government.

Mr. ESLING: Did the Prime Minister himself not suggest in 1926 that the two departments under discussion should be consolidated with some other department He thought they were running so smoothly there was no necessity for further expenditures in that connection.

Mr. KING (Kootenay): I have not the reference to the Prime Minister's speech in 1926 or 1927, but there is no doubt that the matter has been considered for some time and I believe a consolidation such as we have undertaken will be advantageous to the service that is being rendered by those departments.

The name of the department seemed to be the chief contention the other night. The government are not wedded to any particular name. What we are desirous of having is a name that will indicate the activities of the two departments. Since the resolution was last in committee several suggestions have been made as to names, and I might cite them:

> Department of Pensions and Health.
> Department of National Health and Pensions.
> Department of National Health and Veterans.
> Department of National Health and Veterans' Services.
> Department of National Health and Veterans' Affairs.

The hon. member for Vancouver South (Mr. Ladner) suggested the other night the name "veterans' affairs". I am not wedded to any one name and I am open for suggestions when the bill comes up for second reading. I want merely to have a name that will properly designate the activities of the combined departments.

Mr. CLARK: I do not think the chief concern on this side is with the question of the name. We are, however, concerned with the name if the amalgamation is to take place. I think the hon. member for Fort William (Mr. Manion) suggested a name which the minister did not mention to-day. He suggested the department of soldier

re-establishment and health. Another name that has just occurred to me is the department of soldiers' problems and health. The question is not so much one of re-establishment details as one of problems. There are a number of suggestions that might be considered, for instance, "soldier problems and health".

Mr. KING (Kootenay): May I ask if my hon. friend prefers the word "soldiers" to "veterans"?

Mr. CLARK: I do, yes, decidedly. I am not wedded to the word "veteran." These are returned soldier problems, and the phrase that we are most familiar with and which is most commonly used among those who served overseas is returned soldiers. Therefore, I think "soldier problems" would be best adapted to the situation to-day. But the chief concern at the moment is that some concrete evidence be presented as to the increased efficiency that is going to result from this amalgamation. What increased efficiency will there be? If there is to be any, I think the minister will find support from this side of the house. And if there is to be increased efficiency, the next concern is economy. We would like to know what those economies, if any, will be.

Mr. KING (Kootenay): In regard to the economies to be effected, they will come about in administration, largely through centralising the auditing, registration and accounting systems. We know that there will be a very considerable saving there. The units themselves have not been reorganized, but the question is being carefully considered with a view to making economies, and improving the organization of these units where possible. That is a matter that cannot be done hurriedly. It requires the very careful consideration of each individual unit with a view to bringing about an organization that will co-ordinate in the various functions. I think we can bring about a better condition than has existed.

Mr. McGIBBON: Like the hon. member for Vancouver-Burrard, I am not very particular about the name, but I am particular about having an organization with some life in it. There can be only one effect of this amalgamation, and that is the uniting of the soldiers' department to a department that is a corpse, nothing more or less. If the Department of Health during its seven or eight years of existence had in any respect led us to believe that it ever could do anything I would not object so much, but I have been studying the working of that department now for some years and I cannot find anything it has done that was not equally well done before.

Mr. KING (Kootenay): That is not fair.

Mr. McGIBBON: I have read the minister's reports and I have waited patiently year after year when his estimates came down for an explanation from him of what his department had done, but he has always very diligently sought not to tell us. I repeat that the effect of this amalgamation is the wiping out of the soldiers' department by tying it up to another department which is no more than a political corpse. What is the reason for doing that? Is it because the Department of Health has nothing to do? Or is it because there is nothing to be done for the returned soldiers? It must be the one or the other. If there is anything to justify the existence of the Department of Health, it must surely have something to do, and if it has enough to do it should not have a large and important department like the soldiers' department tacked on to it under the same deputy minister, and the same staff I presume, all the way through—a staff, the qualification of which is qualified to deal with soldier problems I doubt very much. The minister himself after presiding over this department for some years admits that he has to go outside of the department and get a chartered accountant to tell him something about it.

Mr. KING (Kootenay): Very wise, too.

Mr. McGIBBON: The minister ought to know his department by this time, having been in it for several years.

Mr. RALSTON: How long?

Mr. McGIBBON: If hon. members on that side have not anyone who can master it in a few months, I can pick out a dozen over here who could do so.

In the first place, Mr. Chairman, I object to the soldiers' department being wiped out. I am not averse to creating a department that will be wholly concerned with the returned soldiers. You have your land settlement scheme, which the government have very conveniently dropped so far as the soldiers are concerned, but which I think ought to be revived in the interest of this country. Then again, those of us who have been sitting on the pension committee know that there are innumerable problems coming up all the time. Our advice from the officials appearing before that committee is that these problems are going to increase, and at the very moment when they are on the verge of increasing and giving us a lot of difficulty, the whole soldiers' department is to be wiped out.

Mr. KING (Kootenay): No.

Mr. McGIBBON: I say it is wiped out. It is fundamentally changed and absorbed into another department. That is obvious from the very fact that you are putting the soldiers' department under another deputy minister who will be the executive head. The minister is making a mistake, and so far as I am concerned I am going to oppose the change.

Mr. ROSS (Kingston): This bill might well be called the narcotic bill, because it is intended to put to sleep, if not put out of business, the soldiers' department. Personally I object to an amalgamation which makes the soldiers' department subordinate to any other department. I do not care how many departments you tack on to the soldiers' department, but I object to making it secondary to any other. I have no objection to the deputy minister of health being made the deputy minister of the soldiers' department, because he is a good man with considerable experience, and perhaps there is no one better qualified. Secondly, I object to the name, "national health and soldiers' welfare". That smacks too much of the child welfare movement, and suggests that it is just about of the same importance. The minister has failed to give us any reasons for this amalgamation. Would he tell us, to begin with, of any one section of the Soldiers' Civil Re-establishment Department that is being wiped out? Perhaps the one nearest to it would be the workshops, but if the minister had been in the committee this morning he would have come to the conclusion that there is more necessity for the workshops movement to-day than ever before.

Mr. KING (Kootenay): I am familiar with that.

Mr. ROSS (Kingston): The minister also says that there may be changes in the financing and accounting systems. Has the Department of Health any branch that can do that work? Then in connection with the work of re-establishment—

Mr. KING (Kootenay): My hon. friend is under a misapprehension. I stated very definitely the other night that this section would remain distinct, and operate on the lines along which has hitherto proceeded.

Mr. ROSS (Kingston): Then why not leave it alone? I do not care how many departments you amalgamate with the Soldiers' Civil Re-establishment, but what we do object to is that this important department should be tacked on to the Department of Health. The Soldiers' Civil Re-establishment Department is more important than the Department of Health, and if the minister would consider it in that light perhaps there would not be as much objection. What does the minister expect to accomplish in the way of economy and efficiency by wiping out the Department of Soldiers' Civil Re-establishment? I do not care for the report of Mr. Scott or anyone else; we all recognize the fact that changes could be made. Put Mr. Scott in any other department of government and he might well make a similar report. What benefits or economies will be effected by this change?

Mr. KING (Kootenay): My hon. friend was informed a few moments ago that considerable economy had already been effected in the internal organization of the Ottawa branch by centralizing our auditing, registration and accounting systems. That will be evident when my estimates are before the house, for I shall then move for their reduction. The reorganization beyond the central department has not yet been completed. It will be carried out by officers of the department after careful investigation. The suggestion that the organization which has been dealing with the soldiers' affairs will be wiped out is not fair and cannot be attributed to anything that I have said; in fact my remarks have all been to the contrary; and there is very little use in trying to create that impression. For many years to come we know there will have to be an organization to deal with the problems to which my hon. friend from Vancouver-Burrard (Mr. Clark) referred. They are soldier problems.

As to the proposed amalgamation, I have quoted authorities from my hon. friends opposite in support of it. Only two or three years ago the then leader of the Conservative party intimated that the department should be done away with, and there have been other suggestions from all sides of the house that it might well be amalgamated with another department. My observations convinced me of the wisdom of this course, and my judgment has since been confirmed by an independent audit.

Mr. ROSS (Kingston): I do not think the minister has added to our information; all he says is that the registration office and another section will be combined. That is no argument for the proposed amalgamation. Two or three years ago I suggested that the department itself might well consolidate two or three of its sections; but I cannot understand why the soldiers' department should be placed under the Health department in order to bring together a couple of sections within the department itself. I still think that the amalgamation is all right in principle, but I

fail to see any reason for putting the Soldiers' Civil Re-establishment department under the Health department. The minister's idea was that a rose by any other name would smell as sweet. Well, whether you call it a rose, a leek, or any other name, I would remind the minister that something goes along with the name. The mere fact that two or three members who are not returned men made certain suggestions does not necessarily make those suggestions of any greater value than if they proceeded from returned men. I think any returned man will say that the proposed title is destructive of the idea of sympathy which we all entertain for our returned soldiers.

Mr. RALSTON: Probably the apprehensions of my hon. friends are due to the fact that they are still discussing the title of the amalgamated department. As I understand, my colleague has already moved an amendment to the resolution whereby the name is to be left over for further consideration.

Mr. McGIBBON: We are not objecting to that.

Mr. RALSTON: At the same time I feel sure that he and his friends have that in the back of their heads, if they will permit me to say so. This must be so when it is suggested that the veterans' department is to be wiped out, because the resolution does not so provide.

Mr. McGIBBON: The minister himself admitted that it is to be put under the Health department.

Mr. RALSTON: I beg my hon. friend's pardon; nobody has admitted anything of the kind. The resolution provides that there is to be an amalgamation of the two departments. The Department of Health happens to be mentioned first. If the Department of Soldiers' Civil Re-establishment had been mentioned first, I suppose my hon. friend would have claimed that it was swallowing up the Department of Health. As I understand it, the activities of the Health department will carry on, and the activities of the department which was known as the Department of Soldiers' Civil Re-establishment—which perhaps is no longer an accurate title—will also carry on. According to the report submitted to the hon. minister, there will be a saving of administration expenses, and he has already intimated that his estimates will show a reduction. So far as economy is concerned, it seems to me that that ought to satisfy my hon. friends, for the present at least.

The two departments are made into one, but, I repeat, the veterans' department is not to be wiped out. So far as I am concerned, I am perfectly happy to have the names of the departments reversed, so that the soldier activities should be mentioned first in the title and the health activities second. One or the other must be mentioned first; you cannot mention both in the same breath. I think such a change should at least remove the objection that the soldiers' department will be wiped out. While listening to the discussion it seemed to me that the title Department of Pensions and Health would meet all the objections which have been made on this score. In England the department which administers soldiers' affairs is called the Ministry of Pensions. Someone may say that that does not include treatment. But the point is that treatment is only ancillary to pensions. You treat a man in hospital in order that he may be cured of his disability so far as possible and his pension reduced if he gets into a better physical state. Therefore I think the word "pensions" will cover the general activities in regard to ex-service men.

I disagree with my hon. friend from Vancouver-Burrard—with whom I am generally in accord on soldier matters—in suggesting that the word "soldiers" be retained. I do not think the ex-service man wants to be still regarded as a soldier. The department over which I happen to preside has to do with soldier matters, and it seems to me there will be some difficulty in the public mind if you have two departments, both apparently having to do with military affairs. The word "re-establishment" is also equally inappropriate in view of the fact that re-establishment in so far as it refers to land settlement, vocational training and so on, has been largely done away with. Therefore I think the time is come when the department may well be called by the name which best expresses its activities—the Department of Pensions. Whether the title be the Department of Health and Pensions, the Department of National Health and Pensions, or the Department of Pensions and National Health, I do not think makes the least difference. The ex-service man will not be very much concerned with the discussion we are now having as to the title of the amalgamated department; he wants to be assured that his difficulties and problems will be squarely faced; and the minister assures us that will be done. I think hon. gentlemen who have listened to the evidence which has been given before the special committee this session have realized that the officials of the department are alive to the interests of the ex-service men, and are endeavouring to do their duty in that respect. These officials will

be the officials of the pension side of the new department and will proceed to carry on in the same way. Let us get out of our minds the obsession in regard to the name, and realize that we are dealing with a resolution that contemplates the amalgamation of two departments, preserving the activities of both but under one head. After all, it is just the same as it was previously, because my hon. friend has been minister of both departments and there is no difference in administration. It seems to me that we shall be able to think a little more clearly—if I may say this without offence—and get along with the real question in hand if we do not concentrate so much on the name. The important thing is what will be involved in the matters that will come up as a result of the report of the committee.

Mr. LADNER: Will there be two deputies or one?

Mr. KING (Kootenay): One.

Mr. RALSTON: Let us disabuse our minds of the idea that the soldiers department will be wiped out. I do not think my hon. friends want to be unfair, nor do they want the country to get any such impression. I believe that if they will read the resolution carefully, and listen to the explanation of the minister, they will offer no objection, because nothing is further from the fact than the thought that the activities now carried on in the interests of the ex-service men will be abandoned or in any way curtailed. I do not want to review the matter to-day; some time I may do so. But the activities of the past four or five years, and the legislation that has been passed in that time, will convince this committee and the country, I think, that there has been a real appreciation of the problems of the soldiers and an endeavour to improve in every possible way by legislation the situation as we have it.

Mr. LADNER: The minister mentioned a short time ago, in connection with the question of names, that my suggestion was, "national health and veterans' affairs". The suggestion which I made at the inception of this discussion was "soldiers' affairs", but the Minister of National Defence has rather convinced me that "soldiers' affairs" would be better replaced by "veterans' affairs", in view of the fact that his department also covers soldier activities in the sense of dealing with men in active service at the present time. I suggest therefore that the name should be the "Department of Veterans' Affairs and National Health". I think that veterans' affairs should come first: it is veterans' matters with which we are dealing, as the Minister of National Defence has pointed out. The question of national health should come second. I agree with the Minister of Health that the word "national" has a place. Some of my colleagues here have considered it wise inasmuch as there are departments of agriculture and of health in the provinces. The only purpose of and advantage in using the word "national" in this connection is that it would be a clear indication to people at large that this was a federal department. Some years ago in Vancouver there was a soldier settlement board and a department of the provincial government—I have forgoten its exact designation—with a similar name, and this made for some confusion.

Mr. KING (Kootenay): Land settlement.

Mr. LADNER: My suggestion is, therefore, that the title should be "Department of Veterans' Affairs and National Health".

Mr. MARCIL: It has been my experience in this house over many years that nothing is so pleasant as the announcement that some department will be amalgamated with another, while there is nothing the house dreads so much as the creation of a new department. It is an old standing grievance that we have too many departments, and I have heard many complaints from both political parties on that score, accordingly as they sat to the right or to the left of the Speaker. The argument has been always the same. So far as the soldiers are concerned, they objected strenuously not long ago to being linked up with the Department of National Defence, on the ground that they were no longer soldiers and wished therefore to be treated as civilians. Now there is something in having a brief name for the department; a long name is quite unnecessary. It strikes me that if the word "welfare" is going to be retained the title of the department should be simple and brief: "Department of National Welfare". I suggest this in view of the fact that the departments of Customs and Excise have been called the Department of National Revenue. If you are going to call it the department of health and veterans, very well; but why add the word "welfare"? If you want to summarize the name, make it as brief as possible and call it the Department of National Welfare.

Sir EUGENE FISET: Will you please translate that into French so that we may see what it looks like?

Mr. MARCIL: It would be "Le département du Bien-être national". There is nothing to be gained by having a long name for

the department. The suggestion of the Minister of National Defence, of "Pensions and Health", might also be recommended on the ground intimated, that the name of a department should indicate its activities as far as possible.

I think the government should be congratulated on the attempt which is being made to amalgamate our departments so far as this is deemed wise, because the cost of civil government in this country has been increasing at an enormous rate. If hon. members want to get an idea of what government now costs, they should go back to the estimates that used to be presented in this house thirty years ago. That would open their eyes, and I do not think, in the light of the comparison, that they would object to this amalgamation. If dollars are to be saved the country by this amalgamation, efficiency being promoted at the same time, the proposal should receive the support of the house. Economy is particularly necessary in the administration of the affairs of the country at this time owing to the enormous burdens we have to bear and the great problems we have to face.

Mr. McGIBBON: I am glad to hear one voice in the wilderness over there preaching economy; it is the first one I have heard this session from that side. In reply to the Minister of National Defence I wish to say this: my objection is not to the name at all; I have tried to make that clear. I object to the soldiers' department being united with the Department of Health in any shape or form.

Mr. RALSTON: Would you object to the Department of Health being united to the soldiers' department?

Mr. McGIBBON: Yes, equally. I claim there are soldier problems enough in this country to justify retaining the department. You might combine pensions, land settlement and soldier problems, which we are discussing every day in the committee. We were told only this morning in the committee that there were 2,000 problems cases before the country to-day, registered, and the opinion was that these did not constitute any large percentage of the total. They did not think for a moment that the cases were all registered.

Mr. RALSTON: Those are pension cases.

Mr. McGIBBON: They are problem cases, including both pensions and other matters. They are problem cases which the department must look after, and everyone knows that they will increase as the days go by. Now what are you doing? You are taking the deputy minister from the Department of Health and putting him in charge of the whole thing. He is to be the business head, notwithstanding that he has never been associated for a moment with the soldiers' department. Ten years after the war you are taking the head of some department other than that concerned with the soldiers and putting him over the amalgamated departments. Your deputy minister should be one who has been in touch with these problems all along. Surely there are in the present department men who have been in touch right along with these soldier problems, with seven or eight years' experience behind them. Then there is the pensions committee, with all its ramifications; and you have the soldier land settlement board, which could be brought under; it deals with soldier problems.

Mr. RALSTON: My hon. friend does not want any more brought in?

Mr. McGIBBON: I presume the theory is that the department has not enough work. If you amalgamate all the soldier activities there will be plenty of work, and I think there is plenty now.

Mr. MARCIL: Would the veterans like to be linked up with the Department of National Defence as far as pensions are concerned? I think they would strenuously object.

Mr. McGIBBON: I was not discussing the Department of National Defence.

Mr. MARCIL: I understood the hon. member to say he wanted all soldier activities under the Department of National Defence.

Mr. McGIBBON: I was refering to returned soldiers' problems, and I think these problems are going to increase and become more acute as the years go by. There is bound to be some interlocking between the work of these different departments such as the Pension board and the present Department of Soldiers' Civil Re-establishment, and this interlocking will become more apparent in the future. Problems will come up then which we do not face now; disabilities will increase as the men get older, and as I have already said in this house there are a large number of additional diseases breaking out. A regular wave of insanity is sweeping over this country which everyone knows is the result of war service but which cannot be definitely connected up with it. That is a problem which is bound to become more acute, and I believe there is plenty of work in all the departments dealing with returned soldiers to keep the deputy minister and his staff busy. I do object to

having this work united with the work of the Department of Health; I think it needs a live organization and a deputy minister who has been connected with it for the past ten years.

Mr. POWER: I had not intended to take part in the discussion of the principle of this matter, because I do not think it is of very much importance to the returned soldier by what name the department is called. Personally I do not care what they call it so long as they keep on giving the service they have given for the past few years. However, I cannot believe that the hon. member (Mr. McGibbon) really understands the purpose of this bill. He has been telling us that he objects to having the Department of Soldiers' Civil Re-establishment tacked on to the Department of Health.

Mr. McGIBBON: Or vice versa.

Mr. POWER: He does not want the Department of Health to have anything to do with the Department of Soldiers' Civil Re-establishment; but surely he knows that the two departments have been under the one head for eight years or more. The objection of the hon. member, therefore, must be to the deputy, but I am sure he must be aware that the present deputy minister of health, who will be the executive head of the amalgamated departments, is Doctor Amyot, who had a magnificent war record overseas and who among all our physicians who served in France was particularly distinguished. So he is well aware of the problems of the returned soldier. If we should have a returned soldier as deputy minister of this department I submit that he should be a medical man as well, who can look on all these questions from both points of view.

Mr. McGIBBON: I am not criticizing Doctor Amyot in the least, but does my hon. friend know the position he occupied overseas?

Mr. POWER: I am not quite sure, but I believe he was either an A.D.M.S. or a D.D.M.S.

Mr. McGIBBON: He was engaged in sanitation work.

Mr. POWER: I know he had a high executive position. He may have been dealing with sanitation also, but if the hon. member wishes me to do so I will look up his record, or will ask the minister to do so.

Mr. McGIBBON: Oh, no.

Mr. POWER: So the only objection we have had so far is that these two departments are to have the same deputy minister, but the hon. member must be aware of the fact that all the higher officials of the Department of Soldiers' Civil Re-establishment are to remain in that department.

Mr. McGIBBON: I do not like to interrupt, but my point is that we should have a deputy who has been conversant with this work for at least the last ten years.

Mr. POWER: I have no doubt that the next deputy minister of that department will be someone who has been conversant with the work for ten years, but at present that position is vacant, and in order to fill it a new man would have to be appointed. In that case a man would have to be taken from the Department of Soldiers' Civil Re-establishment, which doubtless would meet with some objection from hon. members opposite who have constantly criticized that department; or we would have to take an outside man with no experience. If we must take an outside man I see no reason why we should not take a soldier with a distinguished overseas record, who knows something of medical matters as well.

The suggestion has been made by the minister that the bill based upon this resolution should be referred to the committee dealing with pensions and returned soldier problems, and to that suggestion I wish to object most strenuously. I have no desire to exaggerate the amount of work which is before that committee at present, but we have been sitting almost every day since the opening of the session. We have heard innumerable witnesses; the evidence we have heard covers some 800 or 900 pages, which we have to wade through before we can make a report. We have had suggestions and submissions with regard to pensions, and I also happen to have with me a list of the subjects which have been brought before this committee. They are as follows: Pensions; civil service preference; employment of returned soldiers; grave markers; returned soldiers' insurance; last post fund; medical examination and treatment; returned soldiers' advisers; old age pensions; Victoria Cross veterans; housing schemes; indigent veterans; soldier settlement boards; vetcraft shops, and recently the Minister of National Defence referred to this committee a bill dealing with canteen funds.

Mr. McGIBBON: Does not the hon. member think that is enough work for one department?

Mr. POWER: I am quite sure it is enough for one department, but it would not hurt to add the little work which the doctors of this country would give. We have all that work before the committee, and although I

do not wish to make that work appear unduly important lest when the report is brought down someone may say, "Parturiunt montes, nascetur ridiculus mus", I think we have enough work to keep us busy until the end of the session. There is this further point, that hitherto in this house matters relating to returned soldiers such as pensions and so on have been dealt with in an impartial, non-partisan manner. It has been shown clearly that this question of amalgamation is a matter of government policy; perhaps otherwise there would not be so much opposition to it. If a matter of government policy is brought before this committee it is likely to be opposed or upheld on grounds not unconnected with political partisanship, and I believe it very important that the discussion of matters which relate to the welfare of our returned soldiers should be free from even a suspicion of partisanship. I therefore ask the members of the house not to refer this bill or any question arising out of it to the committee on pensions and returned soldiers problems.

Mr. CLARK: I certainly agree with the member for Quebec South (Mr. Power) that the committee which is at present sitting is loaded with work; and I should like also at this moment to pay a tribute to the work of the chairman of that committee, who has been there daily and has been indefatigable in his efforts. It struck me when he read the list of matters which are being dealt with by that committee that there must be work for at least one department; and it also struck me that perhaps there is nothing so important as the organization of that department. I am not so sure that the committee which is now sitting is not perhaps the best qualified of all the bodies at present functioning to give consideration to the method and manner of organization of this particular department.

As I have said before, and I have said it repeatedly, I am not quibbing over a name; but I want to be convinced that there is going to be some increased efficiency and some real economy. I have not heard anything which would give any indication of that, except the minister's statement that when the estimates comes up he will move for a reduction; but he does not give us any idea of what will be the nature or extent of that measure of economy. The Minister of National Defence said that things would be just as they are—I think I am quoting him correctly—

Mr. RALSTON: That the same service will be carried on.

Mr. CLARK: Then I would say if they are going to be just as they are, the only thing we are doing here is to change the name; and if that is the only job we have it seems to me we are wasting a lot of time. We might just as well—

Mr. RALSTON: Will my hon. friend permit me? When I said that, I called attention to the statement which had been made by the minister with regard to the reduction, and also the report as to the saving in administration expenses.

Mr. CLARK: I mentioned that, and I say that is the only reason, so far as I can see, which has been given for the change. But there has been no indication as to what those reductions will be, what will be the saving, and what will be the increased efficiency. If they are to be just as they are, I conceive that the department is going to operate with the organization as it exists, and there would be very little advantage except that there will be one deputy minister instead of two; and there has been one minister for the past eight years, as has been indicated. The only change, so far as I can observe, is one deputy minister instead of two. Well, there is some economy, I suppose; but the member for Quebec South has stated there is a tremendous number of problems to be dealt with; and the question is can they be dealt with efficiently by one deputy head? Judging from the amount of work which this committee has before it, I question whether it can be done efficiently. We would like some conclusive evidence that there is to be increased efficiency, something more than a mere change to one deputy head where there were two, and something more than the mere change of name.

So far as the name is concerned, some names have been mentioned to which I do object so much, though I do not consider the name of any great importance. The name the minister suggested is simple and I think applicable, and so far as I am concerned personally I would be prepared to support it. I do not see, however, why he should object to "soldier problems" or "soldier re-establishment". Every man who served is known as a returned soldier and is proud of it; he speaks of himself as a returned soldier and will be known and will speak of himself as such until the day he dies. So that I think the words "returned soldier" will always be in use when we are speaking of the men who served during the great war.

Mr. CANTLEY: My objection to the explanation given by the minister has been that apparently he is subordinating soldier services to that of health. I submit that the name he announced and the explanation he offered left

that impression upon me and upon others, particularly on this side of the house, and will undoubtedly leave that impression throughout the country. Without criticizing the minister, I would point out that naturally the minister looks at these matters of health as the most important as between the two departments. All the explanations he has given have rather confirmed me in the idea that the first element in this whole question as it presents itself to his mind is that of what he calls national health. Now, I submit that that is not the important thing. The important thing is to look after our soldiers. The problems in connection with returned soldiers are getting more complex as the years go on. I think all will admit that. I know many cases in my own county which have developed within the last two or three years, and have developed in a way and in numbers and of a character that I fancy was not contemplated by anybody three or four or five years ago. I am sure the Minister of National Defence will agree that that is by far the most important side of what is proposed to be combined under one department. I am afraid that the minister (Mr. King, Kootenay) does not realize that, and is not in full sympathy with that side of the question.

Mr. KING (Kootenay): My hon. friend should not say that. It is not a fair statement—that I am not in sympathy.

Mr. CANTLEY: Possibly I did not make myself sufficiently clear. What I wished to point out is this, that I think his first love is with the medical side. I am not at all blaming him for that. Consciously or unconsciously, I think that would be true, and I am not blaming him for it. I may be wrong, but he is a medical man, and I think that is the part of the combined department which would appeal most to him. The last thing I would think of doing would be to do the minister any injustice so far as his view of the matter is concerned. But the main point is that we should make sufficient provision for the disabled soldiers. We do not yet know how many of them there are. Each month and each year develops new difficulties in connection with returned men. The problems are becoming greater, not less, and it will continue to be so for some little time—how long, I do not know; but the experience of the last four or five years has been such as to support that view. I do not think any satisfactory reason has been given for the amalgamation. We do not take seriously on this side of the house the idea that the consideration of economy is what prompted the change. As I said at the outset, the name suggested gives the impression that the soldier problem is the one of least importance, while on the other hand I consider it by far the one of the greatest importance.

Mr. SPEAKMAN: Mr. Chairman, although not myself a returned soldier, I have been closely associated with their affairs during the past few years, and from my point of view the proposed change may be beneficial in its effects. We have heard a good deal of criticism as to the cost of administration of the department as compared with the money actually paid to the men themselves. The opinion has been expressed that too great a proportion of the vote has been spent in administrative costs. This change, if carried out properly, will I think reduce that proportion; it will enable us to decrease the appropriation to some extent without affecting adversely the returned men. In other words it will increase the amount spent directly for the benefit of the returned men and decrease the expenditure for administrative purposes. So far I think the change is well warranted and will have beneficial results.

There are one or two dangers to be guarded against. The first is that the department of soldiers' affairs, or whatever it may be called, should be made subordinate or minimized by the amalgamation. It is our opinion in this corner; it is my opinion very strongly that that will be the heaviest and most important end of the work for a long time to come; that the greatest stress will have to be placed upon that work, and that anything which would minimize the importance of that work should be deprecated. But I fail to see that an amalgamation, if properly organized and carried out, would have that effect. If an amalgamation is to take place, I can conceive of no more proper department for the amalgamation than that of Health, because a great deal of the work in connection with soldiers' problems deals with medical examination, or in other words with health. The basis of all the assistance which we are obliged to give, the basis of all the pensions which are earned is the question of health and physical disability and the question of medical opinion, and if there is one department more than another which could be attached to the department of soldiers' affairs it would rightly be that of Health. I am not sufficiently well acquainted with the internal economy of the two departments to be able to say what the saving would be; but I believe it might be of such an amount as to be well worthy of consideration, and I am prepared to support the amalgamation as long as it is apparent, through

the bill which will present the details of that amalgamation, that the necessities and problems of the returned men will be kept to the front and will not in any way be ignored or minimized.

As regards the name, I must confess that I am not very much interested except to this extent: once we adopt the principle that the department of soldiers' affairs, or problems, or whatever you like to call it, is the important end of the work, the name should advertise that principle to the country so that there will be, in the minds of the returned men themselves, no misconception as to the amalgamation. That is why I attach importance to the name—not because the name itself will make any difference to the work done, but because of the moral effect of the name upon the men affected. As so many names have been already suggested I am not going to suggest another. Granting those two premises, first, that the soldiers' problems will be kept to the front; that their importance will be recognized; that the growing importance and scope of the problems will be realized; second, that the organization will be of such a character that that work will come first, and third, if I may add another, that the name decided upon will be one which will give to the country and the returned men the proper impression of the amalgamation which is to be effected, I am prepared to support the amalgamation.

Mr. McGIBBON: Possibly the minister can now give us a little information. He tells us that when the estimates come down he is going to ask for a reduction. How much will that be?

Mr. KING (Kootenay): That will be determined by the time the estimates come down.

Mr. McGIBBON: The minister has stated that he intends to ask for a reduction.

Mr. KING (Kootenay): The matter is being gone into very carefully by the departmental officials and I have been advised by them that they will be able to submit to a reduction arising out of the amalgamation.

Mr. McGIBBON: Surely the minister does not mean to say that he is coming here asking for an amalgamation and he does not know whether the reduction will be ten dollars or ten thousand?

Mr. KING (Kootenay): I do not think my hon. friend is serious when he suggests that.

Mr. McGIBBON: I am serious to this extent, that I think the minister should have some idea of the amount.

Mr. KING (Kootenay): We shall have some idea.

Mr. McGIBBON: I am asking what it is.

Mr. KING (Kootenay): I am suggesting to my hon. friend that there will be a substantial reduction, and I think that is as far as I should be asked to go at this time. The estimates will be before the house very shortly. I have asked for a statement from my officials. That is being prepared and at the proper time it will be given to the house.

Mr. McGIBBON: It is almost incredible that a minister of the crown should come before the House of Commons with a resolution of this kind and yet have no information at all except that his officials told him that there would be a substantial reduction. Surely he is not serious. Surely his officials have given him a faint idea within a few thousand or five or ten thousand dollars. If he has no idea, I will let the matter go at that. How many officials are to be let out?

Mr. KING (Kootenay): That has not been decided. It will depend upon the reorganization and the requirements of the department.

Mr. McGIBBON: What will become of the Deputy Minister of Health?

Mr. KING (Kootenay): The Deputy Minister of Health will continue to be the Deputy Minister of Health.

Mr. McGIBBON: What about the Assistant Deputy Minister of Health?

Mr. KING (Kootenay): He will continue to be the Assistant Deputy Minister of Health.

Mr. McGIBBON: What about the Assistant Deputy Minister of Soldiers' Civil Re-establishment?

Mr. KING (Kootenay): An appointment has been made to that position in the person of Mr. J. W. McKee.

Mr. McGIBBON: I assume this economy the minister is speaking of will come through better organization. That means decreased salaries or the elimination of some officials?

Mr. KING (Kootenay): If they are not required, yes.

Mr. McGIBBON: Could the minister give us any idea who would be let out and about what number?

Mr. KING (Kootenay): No.

Mr. McGIBBON: Then I submit the minister is asking too much from the House of Commons. He comes here and he can tell

us practically nothing. Not a single intelligent answer, I say with all due respect, has he given this afternoon.

Mr. POWER: That depends upon the quality of the question.

Mr. McGIBBON: I will let the hon. member for Quebec South ask a question and we will see if he will be better off. We have received only one statement from the minister in justification of this resolution and that is that his officials have told him a certain amount of economy will result. We do not know how much it is. We do not know what it is based upon. We do not know whether it is to be secured by letting out returned soldiers from positions which they occupy at present, as has been done by the minister in the last few months. How is he going to carry out this reorganization? I think the minister should answer the question.

Mr. ADSHEAD: I fully appreciate what the hon. member for Red Deer (Mr. Speakman) said. He exactly expresses the views of those present in this corner of the house. I would like to ask whether the deputy minister will be a returned soldier who is fully acquainted with the returned soldier problems, because in my opinion such a man should be the dominant figure in this new department.

Mr. RALSTON: He will be a returned soldier with a very broad and excellent experience.

Mr. McGIBBON: Did I not understand the minister to say a while ago that the present deputy minister is going to be the deputy minister of the new department?

Mr. RALSTON: That is right.

Mr. McGIBBON: That is settled?

Mr. RALSTON: Yes.

Resolution reported, read the second time and concurred in. Mr. King (Kootenay) thereupon moved for leave to introduce bill No. 205, respecting the Department of Health and of Soldiers' Civil Re-establishment.

Motion agreed to and bill read the first time.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved the second reading of bill No. 197, to amend the Militia Pension Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

[Mr. McGibbon.]

On section 1—reservations from salary treated as deductions.

Mr. BENNETT: If the amounts were different, it could not be said that the dededuction in the one case would be treated as a payment on account of superannuation in the other.

Mr. RALSTON: It is 5 per cent in both cases. As I explained to the committee the other day, all that is being done here is to substitute the title of the present Civil Service Superannuation Act for the title of the act which has been in force for so long a time.

Section agreed to.

On section 2—Time served in public service reckoned in term of service.

Mr. BENNETT: Any change in that except the title?

Mr. RALSTON: No.

Section agreed to.

On section 3—Officers' service in R.C.M.P.

Mr. CLARK: Does this deal with the long standing complaint of the veterans of the Royal Canadian Mounted Police?

Mr. RALSTON: It does deal with a few. I do not know about a long standing complaint. There has been a question for a long time as to whether or not time served by an officer in the Royal Canadian Mounted Police as a constable counted towards pension; I think that is what my hon. friend is referring to, and a very distinguished predecessor of mine gave an assurance at one time that it did count. As a matter of fact, the Department of Justice considers that it does not, and this is being introduced for the purpose of making the point clear.

Mr. BENNETT: There are certain other matters in connection with the veterans of the mounted police, but I suppose they have to be taken up under the Mounted Police Act. The Minister of Justice is familiar with the circumstances and with the claims that have been set up by the veterans of the mounted police, and now that we are changing this law to make it clear that the time served by an officer as a constable shall count, which I think is a very proper amendment, and was understood to be the basis of their pension by those who thus served, perhaps the Minister of Justice, not because it arises out of this bill, but because it touches a point that sooner or later will have to be dealt with, would indicate whether or not the government has concluded to meet the wishes of the veterans of the mounted police with respect

to pension or otherwise. That is the question to which my hon. friend from Vancouver-Burrard has referred.

Mr. LAPOINTE: I thought we had met the demands of these veterans to a large extent two years ago. I know that there are still other claims, and they are being considered.

Mr. BENNETT: But no action has been determined?

Mr. LAPOINTE: Not yet.

Section agreed to.

On section 4—In South African constabulary.

Mr. RALSTON: The explanation here is that the Department of Justice has ruled that only the time served with the South African constabulary when the party so serving was an officer of the militia shall count towards pension. That is not the case with regard to the non-commissioned officer and man, and we are making the same provision here with regard to the officer.

Mr. GEARY: It was never intended otherwise?

Mr. RALSTON: No.

Section agreed to.

On section 5—Gratuity in case of death before pension may be granted.

Mr. BENNETT: This is the new section?

Mr. RALSTON: Yes. I wanted to ask the committee to consider an amendment which I am proposing. I explained the other day that this clause is intended to give back to the dependents of an officer who dies before he has completed the full period necessary for pension at least the amount which has been deducted from his pay. At the present time that cannot be done; the money is forfeited. Then a case was mentioned the other day by the hon. member for Prince, and I know of two cases at least, where an officer died having served the full period for pension, but leaving dependents who did not come within the meaning of the act, which defines dependents as the wife and children. The suggestion has been made that in such a case if he had dependents—in this case the officer to whom I particularly refer left dependent sisters—it would be at least fair to pay to the sisters actually being supported by him the amount which he had paid in, not by way of pension but gratuity. Therefore I am suggesting to the committee that section 5 be eliminated, because it provides only for the case of an officer who served an insufficient time to entitle him to a pension, and that this clause be substituted.

I therefore move that:

5. Section eleven of the said act is amended by adding thereto the following subsections—

"(3) If an officer dies before a period at which a pension might be granted him, the governor in council may grant to his widow, or, if he leaves no widow, to his children under eighteen years of age at the date of his death a gratuity equal to the amount of the deductions made under subsection one of section ten of this act from such officer's pay during his service.

"(4) If an officer dies leaving no widow or child to whom a gratuity under the provisions of the preceding subsection, or a pension or compassionate allowance under this act would be payable, but who leaves a person or persons who, at the date of this officer's death were wholly or partially dependent on him, the governor in council may grant to such person or persons a gratuity not exceeding the amount of the deductions made under subsection one of section ten of this act from the officer's pay during his service."

(2) This section shall be deemed to have come into force and effect on the thirtieth day of June, nineteen hundred and twenty-three.

That is the date when the pensions' legislation came back to normal. As I explained to the committee the other day, there was a period when a man who had served ten years was entitled to a pension, but on June 30, 1923, we reverted to the normal procedure, and it was thought that that would be a convenient date to make this effective.

Mr. BENNETT: Is it done for the purpose of taking in this particular case?

Mr. RALSTON: It is made retroactive for the purpose. There will be one other case at least; that is all the department knows of.

Mr. GARDINER: This proposal will be applicable only to officers; it does not include warrant officers ?

Mr. RALSTON: It applies to warrant officers also.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ST. CLAIR TRANSIT COMPANY

Mr. W. T. GOODISON (West Lambton) moved the third reading of Bill No. 23, to incorporate the St. Clair Transit Company.

Mr. WILLIAM IRVINE (Wetaskiwin): Before this bill gets its third reading, while

I have no special objection to the measure I want to direct the attention of the house to one section in particular which, in my opinion, should not be passed. I refer to section 12. I wish to read that section to the house because it will be observed that it leaves the door wide open to any kind of stock watering which might be desired. I do not believe there is a member of this house who is in favour of the watering of stock, and in my opinion the people of Canada have expressed disapproval generally of this practice. This house certainly should not by its own action make the watering of stock any easier than it is, and for that reason I intend to move an amendment to this section. The section itself reads:

12. The directors may issue as paid-up stock shares of the capital stock of the company in payment of any business, franchises, undertakings, rights, powers, privileges, letters patent, inventions, real estate, stocks, assets and other properties which the company may lawfully acquire, and may, for such considerations allot and hand over such shares to any person or corporation or its shareholders or directors; and any such issue or allotment of stock shall be binding upon the company and such stock shall be not assessable for calls; nor shall the holder thereof be liable in any way thereon; or the company may pay therefor wholly or partly in paid-up shares or wholly or partly in bonds and debentures or as may be agreed upon.

In amendment to that clause I move, seconded by the hon. member for Athabaska (Mr. Kellner):

That the said bill be not now read the third time but that it be referred back to the committee of the whole for the purpose of amending it.

That all the words after the word "directors" in the eighth line of section 12 be struck out and the following substituted therefor:

"but no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company.

(a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up; nor

(b) Unless in each and every case in which the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual cash value;

(c) And, in case the foregoing provisions of this section are not complied with, the holders of the shares so issued shall be liable to the company and to its creditors to the amount of the par value of the shares held by them respectively.

[Mr. Irvine.]

I leave it to the house to decide whether it is our wish to facilitate the watering of stock by any company.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I voted for a similar clause in connection with a previous measure proposed by my hon. friend (Mr. Irvine) who now moves this amendment. I did so on that occasion because of the evident desire of my hon. friend to deal with what is generally regarded as something which should be dealt with, but I disagree with the practicability of subsection (c), having studied it more closely since then. Under the former subsections shares would be issued by the company, some for cash and some for other considerations, and unless there were distinguishing marks on the share certificates issued from time to time, innocent third parties in future years would be unable to tell whether or not the particular shares which they purchased at any time were subject to this perpetual liability of litigation, and I am afraid such a provision as this would make it impossible to finance such a project. I do not see how it could be worked out practically, because this subsection creates for all time the possibility that the holders of some of the shares of this company might be liable for the par value of the shares irrespective of what the market value might be or of what they might have paid for them. If some way could be found to avoid that difficulty, which I think would lead to litigation and would create that sense of uncertainty which makes the financing of any enterprise very difficult. I am in agreement with the principle which it is sought to establish.

Mr. GARLAND (Bow River): May I ask a question? Is not this very clause copied almost verbatim from the English Companies Act?

Mr. BENNETT: Yes.

Mr. DUNNING: Possibly my hon. friend is more familiar with its origin that I am. Perhaps the mover of the amendment can tell us.

Mr. IRVINE: Yes, that is so.

Mr. GARLAND (Bow River): The mover of the amendment and the leader of the opposition, who is no mean lawyer, have said that it is so. I would like to ask a further question. Knowing that the minister is in agreement with us as to the advisability of doing away with the watering of the stock as far as may be possible, has he any proposal to submit by which this bill could be amended to meet that desire?

Mr. DUNNING: I am in the unfortunate or perhaps the fortunate position of not being a lawyer. I supported a smiliar amendment on a former occasion; I thought my remarks to-night would be received sympathetically by the hon. gentleman moving the amendment, and that has been the case. My legal friends will correct me if I am wrong, but it does strike me that if the company failed to obey the injunctions contained in subsection (b) the company would be liable to action by anyone for not having done so.

Mr. IRVINE: Does not the minister think that with subsection (c) in this bill the directors of the company would be a little more careful about what was done, knowing that their company would be liable under this subsection?

Mr. DUNNING: On that point I have this in mind: The question as to the fair actual market value of something for which shares are given as a consideration is always a debatable matter, and by this legislation it continues to be a debatable matter during the whole of the period of the existence of the company while its shares are on the market. Anyone could take the attitude at any time that perhaps ten years earlier more than the fair market value had been issued in shares for a particular consideration, and in that way the affairs of the company would be brought into litigation. For my own part, if I were promoting a bill of this kind I would eliminate a lot of the invention stuff and so on and allow it to be dealt with in accordance with the ordinary company law of the country, because in my judgment that is the proper way to deal with it.

Mr. GARLAND (Bow River): In the meantime may I ask this question? The minister comes from the old country originally; can he tell us how this section actually works out in practice and whether there is watered stock as a general rule?

Mr. SPEAKER: This is all irregular; we are not in the committee stage.

Mr. DUNNING: Perhaps we had better get into committee, when I may have a chance to say something further.

Mr. E. J. GARLAND (Bow River): I know your honour appreciates the situation; we are anxious to secure as much information as possible before this bill goes back into committee. The objections raised by the minister have not been convincing to me. I appreciate the practical difficulty, which may be minor or major, but we do know that this English company law has worked out well in that country, and I have heard no protests against it. We have lawyers in this house who are acquainted with English law and its practical application, and unless they can produce evidence to show that this section has not operated well in England and has not militated against undue watering of stock, then I am afraid the entire case of the minister falls to the ground. I am in sympathy with the mover of the bill; I have made some investigation of the matter and I really believe the bridge is needed. Apart from that, however, we are faced with this question of the watering of stock, which has become a common practice in all our corporations and which is perhaps particularly common in bridge companies. As far as it may be possible we must protect the public, the stockholders and the interest of the company by avoiding undue and false capitalization. Therefore I intend to invite the mover of the bill to accept this amendment in good spirit and let the bill embody some measure of public protection. That is all that is asked for, and if the mover of the bill is so unwise as to reject it, then I feel that I must vote for the amendment.

Hon. R. B. BENNETT (Leader of the Opposition): The legislation of which this house is asked to approve is vicious in its character from two standpoints: First, it creates a bridge company with rights which interfere with navigation which under treaty is free to the countries on either side of the river in question. In the second place, the measure itself contains terms such as no enlightened parliament in the British Empire or in any state of the American union would pass at this period of progress. It starts first with a company whose shares have no par value, and makes provision that the whole of these shares may be given to the promoters. This amendment is designed to check the provision having to do with the no par value of the stock.

Let us analyse these matters. I say first that it interferes with a river on which navigation rights are granted by treaty, although it is true that this measure is not to become law unless certain conditions are fulfilled. Those conditions involve first of all concurrent legislation by the congress of the United States; they must enact a law which will enable this bridge to be constructed. In the second place, the conditions imposed by the bill, which I do not intend to discuss at length on the third reading, safeguard the public interest to some extent, but place the power in the hands of the governor in council.

Mr. STEWART (Edmonton): Is my hon. friend through with it from the navigation point of view?

Mr. BENNETT: I am just saying that it affects navigation to some extent.

Mr. STEWART (Edmonton): No structure could affect navigation.

An hon. MEMBER: The Navigable Waters Act covers it.

Mr. CANNON: Unless the act is excepted in the bill.

Mr. BENNETT: I quite appreciate, for instance, that the Beauharnois canal matter is now being submitted to the cabinet. I have not had a chance to analyse it since, but it is not perfectly clear that the Navigable Waters Act would apply to this structure.

Mr. STEWART (Edmonton): My hon. friend will agree that no structure could be built over navigable waters without the consent of the governor in council.

Mr. BENNETT: Here is a bill which shall come into effect with the consent of the governor in council, provided that the United States authorities give authority to construct the bridge at the other end. I am not certain, and I do not think the Minister of Justice will say he is at all certain, having regard to the way the bill is drawn and the provisions is sets forth, that it does not eliminate the provisions of the general statute. It substitutes for the general statute the governor in council.

Mr. STEWART (Edmonton): I can hardly take that in. Navigation is paramount.

Mr. BENNETT: Navigation is paramount, but my friend the minister overlooks this fact, that parliament has control over navigation; it can impede navigation, and sometimes has done so; and navigation is not paramount unless this parliament keeps it paramount. It may or may not be paramount, depending upon what the attitude of this parliament may be. Leaving that aside for a moment, we will assume that parliament has concluded that the bridge company shall exist? Now what is the result? We have given, as the books say, life and vitality to something, an entity that we hereafter call the bridge company or whatever it may be; it comes into being by act of this parliament; it is clothed with the power that this parliament confers upon it. Leaving out for a moment the question of the power to construct the bridge, let us say that the view suggested by the Minister of the Interior is sound, that the project is subject to the provisions of the Navigable Waters Act and that there must be the consent of the minister. In this bill the governor in council must consent before it comes into force.

[Mr. C. A. Stewart.]

Now come to the next point. It is a toll bridge, is it not? Last week the governor of New York state vetoed all bridge bills dealing with tolls, declaring that the time had come in his country when the state can borrow money so much more cheaply than the individual that if it is desirable to construct bridges over any water on which people shall be charged tolls, that the people should pay the least possible toll; which means that the public should build the bridge and recoup themselves from the tolls. That is the position which the governor took. Is not that a sound principle?

The government must adopt some principle in regard to this. Is it the sound principle that the capitalists of any country shall meet together, form themselves into a syndicate and then take this company's charter, which gives them a living entity called the St. Clair Transit Company, charge tolls to yield back to them the cost of this bridge and interest on their money, with all the promotion expenses incidental to it, with the stock issued under the terms mentioned in the bill; then say that they shall have these powers conferred upon them, and when they get their money back that the bridge shall revert to certain people? If it is in the public interest, that a bridge be built at St. Clair let the people of this country give their collective credit to it, and the country will get the money much cheaper than anybody else can get it. We have had a number of toll bridges in this country, but they have been abolished in most of the provinces because it has been found a most unfair use of the powers of parliament to create them; and I think the last one was brought out in the older provinces. I cannot speak of them all, but I know that has been done.

We have a toll bridge across the Niagara, and there has been a great deal of difficulty in connection with it. Tolls must be fixed in this case by the governor in council. On what basis are they to be fixed? Tolls are to be fixed from time to time by the governor in council and by the railway board so as to yield a return upon the capital invested in the construction of the enterprise. They are going to borrow the money to build the bridge, and issue stock for the services rendered in getting the charter. That is the position. Now what is suggested by the hon. member? When I listened to the amendment being read it sounded familiar, and I have now read it. Subsection (c) is one which becomes operative only in the event of there being non-compliance with the other provisions of the section. In other words sub-paragraph (c) does not become effective unless there has been non-

compliance by the company with the provision with respect to capital, namely the filing with the Secretary of State of the agreement showing how the capital was issued and for what services it was emitted from the treasury. That is all. Our Companies Act makes certain requirements with respect to filing prospectuses and contracts with the Secretary of State. You have to file a contract, for instance. You are asked in your prospectus to state what contracts are outstanding or have been issued, and if there is a contract outstanding it is supposed to be filed with the minister. This section is partially copied from the English section, and is somewhat different; it is modified to meet the case. The amendment says:

> But no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company—
>
> (a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up; nor
>
> (b) Unless in each and every case in which the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual cash value.

Now in respect to that there is a decision of the Supreme Court of Canada in the case of a company that was promoted in Ontario, one of the Orchard companies. There are numberless decisions in Great Britain from the House of Lords down to a single judge. It is therefore well settled by well determined precedent and a well regulated line of cases, so that there is no difficulty in respect to that.

Mr. RALSTON: What is settled? I did not catch that.

Mr. BENNETT: What relation the services rendered have to the stock issued has been settled by a series of cases. We had one in the Supreme Court of Canada in which the whole of the capital stock of the company was issued not for services but—

Mr. RALSTON: For a boat, a one-man company?

Mr. BENNETT: No, not for a boat. It was one of the Orchard cases, and the court said it will not be astute to discover whether the consideration is adequate up to a single dollar, but whether it bears some relation to the capital stock issued for it. The minister will probably bear that case in mind. I sent for Palmer's Company Precedents, but I did not get them in time to turn up the section from which this is taken, because I imagine, with certain changes, this is the form which will be found in Palmer's Company Precedents.

Mr. RALSTON: I thought I recognized it too. But is the hon. member sure that paragraph (b) is in the English statutes?

Mr. BENNETT: That was my memory when I read it.

Mr. RALSTON: I have Lindley's Company Law here.

Mr. BENNETT: My hon. friend will remember that the Companies' Act was amended, but I do not think Lindley's to which he refers deals with the latest amendments to the Companies' Act. The paragraph to which the Minister of Railways takes exception is one that can have no effect at all upon the question now before the house. It is a paragraph that becomes operative only in event of the company failing to discharge their duties. In other words, if they take the chance of issuing shares without fulfilling the agreement called for by the preceding sub-paragraphs, then they run the risk of being liable for the par value of the shares. But in this case the difficulty is that no par value is attached to the shares. That is an unusual feature with respect to the matter. Furthermore, the Minister of Railways was very fearful lest this should result in litigation. Let me point out to him that the courts, rightly or wrongly, decided two generations ago that any man who buys shares in a company must be considered as having read the memorandum and the articles of association. He buys them at his peril and when he buys shares in this enterprise he knows that that paragraph is there. The courts decided that question very early in the history of incorporated companies. There having been fixed upon him the onus of knowing what he is buying, the terms of this section are known to him, and if he buys shares, like a pig-in-a-poke, without knowing what he is buying, the law says that that is his business, because it attributes to him, when he bought the shares, knowledge of the charter and all its terms. That is the position with respect to that.

The matter has nothing more than a general public interest so far as I am concerned but this is a step backwards in the worst sense. No such legislation as this would be passed in these days by any parliament or legislature that I know of. It would be desired by promoters if they could secure it. It has about it all the earmarks of legislation that existed in the United States at least fifty years ago and about which we read so much, except that

it has set no par value for the shares instead of setting a par value of a fixed price per share. It does permit, in its very terms, of the issue of shares for the service of getting this charter through the House of Commons, the expense of preparing the bill and other expenses incidental to the completion of the charter.

The government should have a well-defined policy with respect to this bridge, indeed with respect to all these bridges. The government should have enunciated a policy with respect to all these bridges that cross international waterways. It is neither meet nor proper nor just nor in the public interest of this country that private bills should be introduced and passed through parliament because someone is rather a nice gentleman, you like him, you do not like to vote against him, you have a desire to accommodate him and a desire to support his bill. It is not a pleasant thing to vote against legislation promoted by my hon. friend whose name is on this bill; anyone would like to oblige him by voting in support of his bill, and too often the public interest is subordinated to our personal likes or dislikes and the popularity or unpopularity of the person who has the legislation in charge. I have discharged my duty in the matter of directing the attention of the administration to these facts, to the abuses that will follow and to the retrograde character of the legislation, which is at variance with all modern ideas. The time has come for the enunciation and declaration of a policy in regard to bridges crossing international waters instead of leaving such bills in the hands of a private member who, by suggesting that if you and your friends will support my bill, I and my friends will support yours, may be able to get it through the select standing committee and into the House of Commons and then, with the aid of party associations and good friendship, get it through the house. I will vote for the amendment as a protest against legislation of this character and I leave with the government the responsibility of having placed upon the statute books of this country legislation which is more backward in its character and more far-reaching in its effects than any bills of a similar nature to which my attention has been directed in recent times.

Hon. J. L. RALSTON (Minister of National Defence): Just two points. At first I was impressed by what was said by the mover of the amendment with regard to this being copied from the English statutes. Is that correct?

Mr. IRVINE: The principle, I mean.

[Mr. Bennett.]

Mr. RALSTON: My hon. friend is wrong about that, as I felt sure he was. There is a principle which is contained in a good many of the provincial companies' acts and that principle is that when shares are issued for a consideration other than cash, the contract showing the consideration for those shares shall be filed with the registrar of joint stock companies in order that anyone who buys shares may have an opportunity of going to the registrar's office and seeing just exactly what property the shares represent. In other words it provides publicity in order that a man may see just what he is buying when he buys these shares. That provision was contained in the English Companies Act of 1867 and from that act it was copied into most of the provincial acts. I have just had an opportunity of looking at Palmer's Company Precedents, thirteenth edition, 1927, page 574, and I find that that section was repealed in England and now under section 88 of the act of 1908—

> A contract and a return have to be filed within one month after the allotment of shares in whole or in part for a consideration other than cash.

That is about the same principle as was contained in the former act. But note this:

> In case of default there is no provision that the shares are to be deemed to be allotted on a cash basis. Penalties are, however, imposed in case of default on officers of the company.

That is in case of default in the matter of filing the contract. Now in regard to this proposed amendment, subparagraph (a), to which the Minister of Railways has referred, provides in general terms for the same idea which is contained in provincial legislation, namely, the filing of a contract in order to show what the consideration was for the issue of shares. Subparagraph (b) I cannot find in the English act and I have never seen it before.

Mr. BENNETT: Paragraph (b) or (c)?

Mr. RALSTON: Paragraph (b). Paragraph (b), with all due respect to the Minister of Railways, is the one which, it seems to me, perpetuates the possibility of litigation and makes a pretty serious situation for anybody who buys shares no matter how innocently. It is one thing to insert in an act a provision that the directors shall not issue shares for a consideration other than cash unless they file with the registrar of joint stock companies a contract showing what those shares are issued for, whether for property or service. Then a man can go and buy the shares, and if he finds there is no contract he has a right to assume that the

shares are issued for cash and that therefore the cash proceeds will be found in the treasury of the company. But it is quite another thing to say that not only shall there be a contract filed when the shares are issued for other than cash, but that the consideration for those shares shall be received and credited by the company at not more than its actual cash value. By the proposed subparagraph (c) if, in a company in which that provision has not been complied with, I buy shares ten years after the company is incorporated, I shall be liable to the company to make up in cash the par value of the shares notwithstanding the fact that I have paid in full for them already to the person from whom I bought them. The effect of it is this. I buy shares in the company from some other individual. The company was incorporated ten years ago. If the liquidator of the company can prove that ten years ago the directors of that company received certain property in consideration of the issue of shares, and that the value of that property was not the full par value of those shares, then I am liable to pay the difference.

Mr. BENNETT: The statute of limitations would apply if it was ten years ago.

Mr. RALSTON: Then let us say six years, although I do not think the statute of limitations would operate, because the action would accrue against me only from the time I purchased the shares.

Mr. BENNETT: The statute would run.

Mr. RALSTON: The statute would run against me from the time the cause of action arises, but I do not think the cause of action arises against me until I become the owner of the shares. So I say that the effect of this would be that six years at least after the company had been incorporated and had issued its shares, for property or services which it turns out were not worth the full par value of the shares, and if the company fails, the liquidator of that company could come into the courts and cause me to pay up to the par value of those shares notwithstanding the fact that I had paid par for them to the person from whom I purchased them. That is going a long way in this sort of legislation; it is going further than any provincial act goes, and it seems to me that this house should stop and consider before arbitrarily passing such legislation, and particularly before putting it in the provisions of any particular bill when it is not the general law.

I know nothing about the merits of this particular legislation which is before the house, but I do believe that we should not pass that sort of legislation without a good deal more consideration than we can give to it on the third reading of this bill.

Mr. IRVINE: Suppose the minister was going to buy shares as he has suggested, would he not be careful first to inquire how those shares had been acquired in the first place?

Mr. RALSTON: Certainly I would inquire. If the first part of the section were in force, I would go to the registrar of joint stock companies and there find out that the shares were issued, for instance, for services, perhaps six years before, but does my hon. friend tell me that I could be in a position to make up my mind what the court would decide five years afterwards as to the worth of those services? I would have to go back to the time those shares were issued and decide in my own mind whether the property or services for which they were issued was worth the amount of the shares? That burden should not be put upon any purchaser of shares.

Mr. BENNETT: It is on some of them now.

Mr. RALSTON: I do not know of any.

Mr. BENNETT: Where shares were issued under contracts filed with registrars of companies in the provinces where the old English act was in force, that risk was always present.

Mr. RALSTON: My hon. friend is quite wrong about that.

Mr. BENNETT: I have had to do it in my province.

Mr. RALSTON: The very case my hon. friend cited decided that so long as the contract was filed with the registrar of joint stock companies, and the directors of the company considered in good faith that the property was worth the amount of the shares issued, that decision was conclusive and would not be inquired into. My hon. friend, I think, is under a misapprehension about this. The individual is not required to try for himself any such question in that case. I say that my hon. friend's amendment, Mr. Speaker, goes far beyond anything I know in the English statutes and far beyond anything in the provincial statutes. Further than that, there is no provision even with regard to filing a contract under our Federal Companies Act.

Mr. IRVINE: There ought to be.

Mr. RALSTON: I may agree with my hon. friend. The leader of the opposition is quite right that a prospectus is required to be filed, but there is no provision for the filing of the contract.

Mr. BENNETT: One of the questions asked in the prospectus is, what contracts are there.

Mr. RALSTON: I understand that, but that is very different from saying that the shares shall be taken as issued for a cash consideration. My hon. friend from Wetaskiwin raises the real point. It seems to me it would be worth while considering in this house at some time an amendment to the general company law of this Dominion, putting into that law a provision similar to the one they have in the provinces, and I for one will be very ready to consider such a proposition when it is made, but I do not think we should select any particular bill as the one into which to put this special provision, when, after all, it is a matter of general company legislation.

Hon. E. B. RYCKMAN (East Toronto): I feel it necessary to say a word in view of some of the expressions that have been made in regard to the law as applicable in a case of this kind. The object of this bill, I conceive, is to hand upon a silver salver a golden bonus to some friends of the government or to those who desire to enjoy this charter. For my part, I would very much like to support the hon. member for West Lambton (Mr. Goodison) and to give him anything he wants in reason from this house, but in my view, if we gave this franchise, each one of us when we sat down in the cool of the evening and reasoned with ourselves would seriously castigate ourselves for allowing a bill of this nature to go through. What does it mean? It means that some men have got together to get a franchise out of which they expect to make money at the expense of the public; in a word, that is the situation. And who are the gentlemen who are seeking the franchise? I dare say they are very estimable gentlemen, but I find that in a matter of this kind, which concerns the public, the Canadian National Railway seems to know pretty nearly all about it. The first one mentioned is George Newton Galloway, a Canadian National engineer. The next one is John Alexander White, salesman. I would not fancy that he would be a man of very great means, or one who was capable of taking part in the building of a bridge the cost of which would run into millions of dollars. The others are William Robert Paul, loan company manager, John Morris Tobin, barber, Peter Paton, merchant, James Manford Norwood, Canadian National engineer, and Chester Holdsworth Belton, lumber merchant, all of the city of Sarnia. The object plainly is to get this franchise from the government and having got it, to see how they can build this bridge and obtain the most money for themselves, and incidentally charge as high tolls as the government will allow them to charge.

The capital stock of the company is to consist of one hundred thousand shares of stock of no par value. I think the judgment of the house has been obfuscated by the debate that has taken place upon how the shares may be dealt with. In less than half an hour I could draw up a contract that would fully pay up those shares. What for? For the Hansard reporter's pencil, and no more value at all. It is the law of this country. That can be done, and in a case of this kind it will be done, and I desire to offer a protest against any such valuable franchise as this being given to men who expect to turn it to their own account as a gift of grace from the government by which they will reap money for themselves.

If this bridge is necessary, let the Canadian National Railways, which seems to know something about it, build it. This is a public enterprise and members of this house, one after the other, get up and declare themselves in favour of public ownership. This very day I heard a member of the government declare how strongly he stood for public ownership. Well, this is a case for public ownership, if this bridge is necessary at all. Let the people have this accommodation if it is necessary, but let the government build the bridge. Do not let it be built by salesmen and barbers, who expect by means of this franchise to line their own pockets with gold. I think parliament at this time cannot afford to grant a franchise of this nature in defiance of public protest, and I am sure that once the people understand what is involved in this case they will be keen to resent such a grant when the public welfare is at stake.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, I am not opposed to this bridge in the same way that I am opposed to a bridge on the Niagara frontier. There may be a reason for this bridge; there is none for the other. There is no other bridge where the promoters desire to erect this bridge.

Mr. SPEAKER: May I call the attention of hon. members who are yet to speak that there is an amendment before the house, and that they should address themselves to

the merits of the amendment, not to the general principle of the bill? I had intended to bring this to the notice of the hon. gentleman who has just taken his seat (Mr. Ryckman).

Mr. CHAPLIN: Mr. Speaker, you have been pretty lenient with some hon. members who have spoken. I will try to keep within the four corners of the amendment.

Mr. SPEAKER: I have no doubt that the hon. gentleman will do so.

Mr. CHAPLIN: In my judgment this is a proper amendment. In addition to the reasons already advanced in its favour, I wish to place before the house other reasons for its adoption. In this bill it is provided that eventually the bridge is to revert to the Dominion or to the province of Ontario. When that happens I do not want it to be encumbered with a lot of watered stock. Of course, members of the government will assure me, as some have already, that they are not behind the bill, but it will be noticed that with one or two exceptions they have all been helping its passage. I contend that the amendment is fair and proper and, to a certain extent at least, will prevent the watering of stock. Will the minister tell me what harm can come to this or to any other company by inserting in the charter a provision that the company must get cash only for its stock?

Mr. RALSTON: I have endeavoured to point out that the harm can come to people who purchase shares and are not in a position accurately to judge what a court will decide as to the value of the consideration for which the shares were issued.

Mr. IRVINE: Why a court?

Mr. RALSTON: Because that is the only way in which the penalty under (c) can be enforced.

Mr. CHAPLIN: The officers of the company can obviate all trouble in reference to the stock if they issue it for cash only. We want to prevent the giving away of shares in exchange for something that is of no value; that is, the watering of the stock. As I have already pointed out, my particular interest in this bill is that it purports to give something back to the country a little later on.

Mr. RALSTON: Did my hon. friend ever yet vote in this house for a bill which provided that shares could be issued only for cash?

Mr. CHAPLIN: I have no doubt that I have done so, but I am prepared to say now that I am no longer in favour of this sort of thing, and in the future I shall vote against it, even if I stand alone in my opposition.

Mr. FRANKLIN SMOKE (Brant): Mr. Speaker, I gather from the remarks of the Minister of National Defence (Mr. Ralston) and other members on the government side that they are quite in sympathy with the idea embodied in the amendment, but do not believe that it is practicable. The main objection of the minister seems to be that some ten years hence the question may be raised and the stockholders at that time may be held liable to the company or its creditors for the value of their holdings not paid in cash. It strikes me that if the minister is so much interested—

Mr. SPEAKER: Mr. Smoke moves, seconded by Mr. Dickie, that the debate be now adjourned.

Mr. CANNON: He has not moved that.

Mr. SPEAKER: Does the hon. member object to the motion for adjournment of the debate?

Mr. CANNON: He did not move any motion.

Mr. SPEAKER: Then the bill will fall to the bottom of the order paper.

Mr. BENNETT: It is nine o'clock.

Mr. SPEAKER: The hour for private bills is exhausted.

MILITIA PENSION ACT AMENDMENT

The house resumed consideration in committee of Bill No. 197, to amend the Militia Pension Act—Mr. Ralston—Mr. Johnston in the chair.

Mr. RALSTON: When the committee rose we were considering section 5, and I intimated then that I would move an amendment. I explained the subsection intended to benefit those dependants, other than wives and children, of men who had served their full pensionable period but on account of whose death nothing was payable because they had left neither wife nor child. A suggestion was made that the use of the word "dependant" might be somewhat ambiguous, and I have therefore redrafted the section which I submitted this afternoon.

Mr. BENNETT: The word "dependant" does not appear in section 5.

Mr. RALSTON: Not as printed, but I read before recess a proposed amendment. The first subsection of that amendment as I gave it then remains; the second subsection I have

redrafted, adding a few words descriptive of "dependant". The redrafted subsection 4 reads:

If an officer dies leaving no widow or child to whom a gratuity under the provisions of the preceding subsection, or a pension or compassionate allowance under this act would be payable, but who leaves a father, mother, brother, sister or child who, at the date of such officer's death was wholly or partially dependent on him for support the governor in council may grant to the person or persons so dependent a gratuity not exceeding in the aggregate the amount of the deductions made under subsection one of section ten of this act from the officer's pay during his services.

Mr. BENNETT: Is there not a possible incongruity there? The word "child" is used in the preceding subsection, meaning one under eighteen years of age.

Mr. RALSTON: True, the word "child" is used in both subsections. If the child is under eighteen then he or she comes under other sections providing for pensions to children. But there may be a child over eighteen dependent upon the father for support, and in that case he or she comes under the second subsection.

Mr. BENNETT: This would apply even to a married daughter.

Mr. RALSTON: Yes, if dependent upon the father for support.

Mr. BENNETT: I see no reason why the amendment should not pass, inasmuch as it merely permits the governor in council to hand over to certain named persons money which belonged to the officer, which was deducted from his salary or compensation in his lifetime, which he could not get, and which is now made available for those persons. I would point out however that the retroactive feature is an invitation to a request for similar legislation in other cases. It is exceptional and involves a principle which I am sure will be invoked hereafter by others in connection with the mounted police, and under other statutes. Once you concede the right to make this provision effective as from June, 1923, you will certainly be asked to extend the same consideration to others.

Mr. LAPOINTE: You probably will.

Mr. BENNETT: Yes, you probably will. I cannot see on general principles that there is anything wrong with the section except that it has not been customary in this parliament to adopt this retroactive feature. This covers a special case, and one which no doubt is deserving; we are providing that the provision shall be retroactive over a period of five years. But I warn the minister—and I use the word "warn" this time in its proper sense—that many similar applications will come before parliament. I remember having heard the same question discussed once before in the House of Commons, and the minister of the day thought it was too dangerous a thing to do when dealing with gratuities and pensions; for once you make legislation retroactive in respect of gratuities and pensions—fixing the year 1923, as in this case—there will be someone here next session saying, "I am willing to have you make it 1926". Others will say that 1924 will do. The minister should be able to devise some other method, and I should be glad to co-operate with him to meet the cases he has in mind. That, I think, would be preferable to putting on the statute books an invitation to all and sundry, affected either directly or indirectly, to ask for legislation of a retroactive character. I have in mind particularly a case I mentioned to the Minister of Justice last year in connection with the mounted police. In respect of the widow of an officer an effort was made to pass a measure retroactive for a year, and there was a good deal of discussion about it. I bring this matter to the attention of the minister because I think it is my duty to do so.

Mr. RALSTON: I thoroughly agree with my hon. friend as to the undesirability of passing retroactive legislation, but in this instance it is, I think, amply justified, not by the circumstances of the individual case, but by this fact: Up to the thirtieth of June, 1923, the wife of a soldier could get a pension if that soldier had served for ten years; but on the thirtieth of June of that year that privilege ceased, so that while the woman whose husband had served ten years and died the day before could receive a pension, the widow of the man with similar service who died on the first of July found herself deprived of her allowance. In the event of an officer dying before he attains the pensionable period this provision will enable the widow to receive the amount deducted from his salary. I think therefore that the retroactive feature is justified. not, as I say, because of individual reasons but because it will, if I may use the expression, ease off the sharp break that took place when the new legislation was passed in June, 1923.

Section 5 agreed to.

On section 6—Term of service of militiaman.

Mr. ROSS (Kingston): During the course of the discussion of this bill I inquired of the minister whether he had received any communications. I have one from a member of

the permanent force asking that consideration be extended to some of them who have served continuously, but in another department of the government. I thought that service should go towards their pension in the same way as the service of these reservists would be estimated. I have no objection to the first part, but here is a suggestion from one of our own men who since the war has joined the permanent force and has served continuously in some department of the government. He thinks the same favour should be granted to them as is granted to the other people referred to in the present bill.

Mr. BENNETT: The point is this: A civil servant joins the permanent force, and my friend suggests that the time during which he was a member of the civil service but not in the militia department should count as part of his service. I think that is not an unreasonable request, having regard to the fact that we are extending this to service in the constabulary, the navy and the air force, as well as to other services. After all, if a man was a civil servant paying into the superannuation fund, it seems to me that that time should count in the new branch of the civil service in which he finds himself.

Mr. RALSTON: I think that is dealt with in section 2, although I am bound to say that I speak with some hesitation as to that.

Mr. ROSS (Kingston): I cannot make it out from this, but they evidently do not consider that it covers their case.

Mr. BENNETT: This afternoon I thought that was the very thing we were endeavouring to do in section 2, is that clear?

Mr. RALSTON: I thought so also, but I am bound to say that I did not differentiate between the outside and the inside service. I shall be glad to look into this question.

Mr. GEARY: Under the Civil Service Superannuation Act the time served will apply towards a pension, but if that civil servant enlisted, even though he became a commissioned officer, he would not come under this section because this is an officers' section.

Mr. RALSTON: I will look into that question.

Section agreed to.

On section 7—Pension to officer or militiaman of His Majesty's Army Reserve who enlisted in permanent force.

Mr. RALSTON: I endeavoured to explain section 7 quite fully the other day; it deals with those cases of reservists who served with the British army and were afterwards placed on the British army reserve. They then enlisted in the Canadian permanent force and were liable to be sent back to England at the outbreak of the war. Their services were requested by the British authorities, but the Canadian authorities asked that they remain here, and that request was granted. These men are now asking that some provision be made for accepting the time they served under the British colours, with the British army and with the reserve, for pension. Provision is made to add their service in Great Britain to their service in Canada up to the time they were demobilized, and they are given the same pension they would have received if they had served in England, with the alternative of taking the Canadian pension from the time they started to serve in Canada.

Mr. CLARK: I endorse the principle of this section, but I cannot understand the words:

> An officer or militiaman who, whilst belonging to His Majesty's Army Reserve, enlisted in the permanent force . . . .

Why should it be "officer or militiaman;" surely it would not be necessary for one of the reservists to be an officer or militiaman when he enlisted in the permanent force?

Mr. RALSTON: No, I do not think that is what is meant. An officer or militiaman is defined in the act, as my hon. friend will notice, as follows:

> An officer or militiaman means a non-commissioned officer or private of the force.

This section says he is entitled to this option.

Mr. CLARK: My point is that he might be a reservist but not an officer or militiaman.

Mr. RALSTON: I do not think it is intended that he shall be contemporaneously an officer or militiaman and one of His Majesty's army reservists. He becomes an officer or militiaman when he enlists.

Section agreed to.

On section 8—Provision of 1919, c. 61, to apply to certain cases.

Mr. RALSTON: This section also I explained previously, quite fully. It provides for those members of the permanent force who served in the war and who were invalided out on account of war disabilities or sickness before July, 1919, when the act came into force which permitted them to retire even though they had only served ten years. It is said that the effect of their war disability was that they were out of the force before that section

came into effect and this provision is to make them come under the provisions of that legislation as though they were members of the force at that time, in order that they may get their pension.

Section agreed to.

On section 9—Application to Royal Canadian Navy.

Mr. RALSTON: The other day there was some discussion with regard to deserted wives, and I think this a convenient time to discuss that matter; I promised to consider the question, and I think I have a suggestion which will meet with the approval of the committee. Under the superannuation act the deserted wife of an ex-civil servant gets no gratuity or payment; that payment is made to the husband, but I find that in the Pension Act relating to war disabilities there was an administration section inserted when the act was passed in 1919, which gave the Board of Pension Commissioners quite wide powers in appointing someone to administer a pension. Perhaps hon. gentlemen do not know that the pensions dealt with by this act are also paid by the Board of Pension Commissioners, although they do not decide the right of payment, which is a matter for the governor in council. The Board of Pension Commissioners act as paying agents for the department.

Mr. BENNETT: For all military pensions.

Mr. RALSTON: Yes; and I am proposing that we insert in this act an administration section, similar to the section to which I have referred.

Mr. BENNETT: There was a good deal of trouble in working out that section, as I had occasion to discover at one time.

Mr. RALSTON: I have discussed the matter with the chairman of the Board of Pension Commissioners and he assures me that this section has worked very satisfactorily in connection with disability pensions. In my discussion with the chairman of the Board of Pension Commissioners he assured me that, although they did not ask for any further responsibility than they now have, yet they have found that section to work out very well in that connection with disability pensions, and they would be prepared to take on if desired similar duties in connection with service pensions. I have endeavoured therefore in the section which I propose to make the Board of Pension Commissioners the recommending authority, and to provide that when the Board of Pension Commissioners recommend, the minister may order the appointment of a person to administer the pension. I have used the same words as in section 16 of the Pension Act except that I have substituted the minister for the board in the operative portion of the section. If the committee will allow me, I will read it now. The provision is:

9. The following section is inserted after section 34:

34a. When the Board of Pension Commissioners of Canada is of opinion that the pensioner is incapable of expending or is not expending the pension in a proper manner, or that he is not maintaining the members of his family to whom he owes the duty of maintenance, the minister may order that the pension be paid to such person as it may appoint, in order that the money may be expended by such person for the benefit of the pensioner and the members of his family. The expenses connected with such payment, if any, shall be paid by the commission.

This is where my friend the minister of pensions and health will come in and perhaps have to provide the board with a little extra for the purpose of such expenses. I am saying that is the exact section 16 contained in the Disability Pension Act, except that the word "minister" is substituted for "board".

Mr. BENNETT: In one case which came to my attention it was found that it does not pay the minister to pay the money directly to the widow—you observe the way in which it is put. Might it not be better if the board recognized that the money be paid directly to the person thus entitled instead of to the administrators?

Mr. RALSTON: I agree with my hon. friend, and if I had been drafting a new section I would have done it that way. It is really one of their own people who acts as agent in the district where the man happens to be living; he administers the fund and he pays it for the wife and children. It is because we have a practice which is already settled that it seems to me it would be better possibly to adopt this than to attempt to lay down something new.

Mr. ROSS (Kingston): Do I understand that the minister says that the pension is not paid directly to the widow and children in the case of disability pensions?

Mr. RALSTON: No. What the Board of Pension Commissioners do is go through the form of appointing someone to administer the pension, but the one they appoint is generally their own respresentative in that district.

Mr. BENNETT: This will be a very great step forward. In the case to which the member for Kingston (Mr. Ross) referred the

other day, and which I fancy most of the members of this house have had brought to their attention, the pensioner is out of the country and the wife is left in destitute circumstances. This will enable the payment to be made under the Pension Act. It is a great improvement on the old condition, and I think it is worthy of being tried out.

Mr. ROSS (Kingston): The minister will find that the cases to which I have referred, while not numerous, are very deserving cases. The amendment, I think, will work out satisfactorily.

Mr. RALSTON: I think it will in practice, because I have talked it over quite fully with the chairman of the Board of Pension Commissioners. I am going to move, Mr. Chairman, that that be inserted as section 34A of the act. My hon. friend will see that part II follows; it should be in the first part and then will be made applicable automatically to parts II and III.

Mr. CHURCH: Why do you not make it a new section 9?

Mr. RALSTON: I will have to make it section 9 of the act. I will have to renumber them.

Mr. BENNETT: Then say "the following section is inserted as"—

Mr. RALSTON: As section 34A.

Amendment agreed to.

The CHAIRMAN: Shall part II of section 9 carry?

Section agreed to.

On section 10.

Mr. RALSTON: That should be renumbered. The section which you just read previously, introducing part II, should be renumbered as section 10, the section which you have just passed. The next one, on page 5, will be section 11.

Section agreed to.

Title agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. BENNETT: Next sitting of the house.

DOMINION FOREST RESERVES AND PARKS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 193, to amend the Dominion Forest Reserves and Parks Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Withdrawals from forest reserves.

Mr. GARDINER: Will the minister give an explanation?

Mr. STEWART (Edmonton): I might make an explanation of the whole bill. The bill proposes no additions to the forest reserves. These are withdrawals that have been recommended, after inspection by our officers who do land inspection work, as being lands that were included in the forest reserves and are fit for agricultural settlement. There is one withdrawal in Manitoba, the remainder being in Saskatchewan, and none in Alberta or British Columbia. Application, I may say, has been made to homestead these lands, and we are withdrawing them for the purpose of allowing them to be used for agricultural purposes.

Mr. KENNEDY: Is it the policy of the department to withdraw from forest reserves lands that are fit for agriculture and apply them as homesteads?

Mr. STEWART (Edmonton): Yes, with the single exception that sometimes we have applications for lands within the centre of a forest reserve, but my hon. friend will readily understand that it would not be feasible to allow settlement in the centre of a forest reserve, even where there is good agricultural land. Wherever good agricultural land is found on the boundary of a forest reserve, it is the policy of the department to withdraw it from the reserve. These lands are all on the boundaries.

Mr. GARDINER: When these lands are withdrawn, what steps are taken in regard to allowing homesteading privileges? Will everyone have the same chance?

Mr. STEWART (Edmonton): Yes, they are advertised as being open for homesteading.

Mr. GARDINER: In that case the returned men will have the preference the same as they do now?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: This raises a very serious question, as perhaps the minister knows. After much consideration these lands are put into a forest reserve, and in some instances that has been done by order in council. It has been provided by the statutes of Canada that lands thus placed within a forest reserve by order in council cannot be taken out of that reserve

except by statute. That is the present law. The minister says that they have reports covering all these lands, which, except for one group which is in Manitoba, are all in Saskatchewan. Next week the minister is undertaking a great effort in connection with preventing the destruction of forests by fire. The public have been accustomed to these lands being part of a forest reserve, and it is true that a considerable area on the edge of the forest is free from trees and that this constitutes or has constituted a great bulwark against the attack on the forest itself by fire. The planting of homesteads near the forests—and while I was not able to trace them carefully on the maps, some of these come quite close to the forest itself—increases in a marked degree the fire hazard with respect to these areas. If we are sincere in our efforts to protect the forests, if they are of the value that the minister has intimated in connection with next week's campaign, and if we are reciprocating with the people of the United States in our efforts, this statute will at least increase the fire hazard of the forest reserves in Saskatchewan by not less than fifty per cent—and I think that is a conservative estimate—because, as the matter stands now, the fringe of forest in the reserve is protected by a strip of agricultural land. My understanding from the little checking up I was able to do is that these lands do not comprise sections within the reserve; that they all lie on the outskirts, and that they constitute one of the greatest safeguards we have against fire.

Mr. YOUNG (Weyburn): Are they prairie lands?

Mr. BENNETT: They are mixed lands. The hon. member knows that is too large a question to expect me to give an answer that will be of value to him. Some of them are practically prairie lands and some are scrub lands, but there is no habitation upon them.

Mr. YOUNG (Weyburn): My experience in western Canada is that as habitation increases, the risk of fire decreases.

Mr. BENNETT: That is true as regards prairie fires, but need I say to the hon. member for Weyburn that these strips of arable land surrounding a forest reserve are very carefully safeguarded by the fire guardians. They burn them, for instance, at certain seasons of the year so as to protect from fire the forest that lies beyond. I fancy that my hon. friend has seen just what I mean with respect to that. These forest reserves are being protected by aeroplanes, telephones and fire guards. I noticed particularly that that was the case in British Columbia and in some parts of my own province of Alberta They string lines along the trees for the purpose of carrying on telephonic communication, and they have depots from which they are able to make observations with respect to the cause of fires and immediately to take steps to protect the forests from destruction. There is no doubt that this fringe of untreed, arable land, when properly burned for purposes of protection and without habitation, constitutes a great safeguard with respect to the forests. From that standpoint I felt that we should have complete information because the area we are now withdrawing amounts to thirty-two square miles.

Mr. STEWART (Edmonton): That is out of all the reserves.

Mr. BENNETT: Yes. The area involved amounts to thirty-two square miles which, roughly speaking, is about twenty thousand acres. From a settlement standpoint that is not a large area scattered over Saskatchewan and Manitoba in all these reserves. It comprises only a limited number of homesteads. There are only four to the square mile, so that in an area of thirty-two square miles there would be about one hundred and twenty-eight homesteads in all. I am questioning the minister as to whether the benefit that accrues from a mere designation of these lands as agricultural lands for one hundred and twenty-eight homesteads is to be compared with the resultant risk that attaches of the destruction of the forests which we are doing so much to save, especially in the western provinces. I merely put the matter before the minister. I have not any expert evidence to support my point beyond a mere inspection of the map and a determination of the areas, but what we have to face is this: Is it desirable to render subject to fire hazards to a very much greater degree than now exists the forests affected in Saskatchewan, Alberta and Manitoba, for the sake of rendering open for settlement one hundred and twenty-eight quarter sections of land? That is the proposition. I think the minister should give us some information with respect to that question so far as he is able to give it.

Mr. STEWART (Edmonton): I shall be very glad to do that, Mr. Chairman. I think my hon. friend is unduly alarmed about the fire hazard, because these eliminations are alongside of the forest reserves. They do not involve a very large area except in one instance, where the most we are taking is twenty-one square miles. We do not increase the fire hazard by taking these lands that

are fit for agricultural purposes owing to the fact that the forest reserves in many instances, particularly in Manitoba, are settled right up to the boundary of the reserve. That is the case in many of the forest reserves in Saskatchewan. It is not the case in the more northern districts, but we have not yet selected forest reserves in what are strictly the unsettled parts of the country. They will have to be selected later on, and the endeavour will be to select for the forest reserves lands that are unfit for agricultural purposes, and every precaution will be taken to protect them from destruction by fire. I want to relieve my hon. friend's mind of any anxiety that by the elimination of small areas on the fringes of the forest reserves we are increasing the fire hazard.

Mr. BENNETT: You are bound to increase the fire hazard.

Mr. STEWART (Edmonton): No, because these lands are settled right up to the boundary of the reserve, and the taking of a small additional portion of the land for agricultural purposes does not in any degree increase the fire hazard.

Mr. BENNETT: It puts the fire that much nearer the forest.

Mr. STEWART (Edmonton): But settlement is right up to the boundary of the reserve.

Mr. BENNETT: And now you are changing the boundary.

Mr. STEWART (Edmonton): We are not changing the boundary. The settlement to-day is up to the reserve in the great majority of cases, and in some cases unfortunately they get into the reserve.

Mr. BENNETT: I know that, and fire happens by reason of it.

Mr. STEWART (Edmonton): These small areas that are desirable for agricultural purposes are, I think, much better in the hands of some careful farmer than allowed to lie uncultivated with grass growing to a considerable height, with the risk some day of a prairie fire coming along. That is the menace. Personally, speaking from my own experience, I would much prefer to have the boundary of the reserve in the thickly timbered areas, because then we have a much better chance of preventing the fire from entering from outside.

Mr. BENNETT: None of these lands will be offered for sale?

Mr. STEWART (Edmonton): No, they will all be opened for homesteading.

Mr. BENNETT: I trust that the particulars given here have all been carefully checked.

Mr. STEWART (Edmonton): Yes.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

REPORTED LANDING OF GERMAN PLANE "BREMEN" ON GREENLY ISLAND

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before we proceed to the next order, Mr. Speaker, the Minister of National Defence has received an important intimation which I think will be of special interest to all hon. members of this house, and I would ask that he might now have permission to announce it.

Hon. J. L. RALSTON (Minister of National Defence): We have had so many rumours, Mr. Speaker, that one almost hesitates to say anything with regard to the intrepid fliers who yesterday morning, started out from Ireland on a transatlantic flight to this continent, but this report which I have received seems to be reasonably official. It reads:

> Plane forced down in snowstorm on Greenly island. Reported by Point Amour wireless station. Official. Lighthouse on island and keeper there to take care of fliers.

Upon looking at the map I find that Greenly is in the straits of Belle Isle, and it is rather significant to note that it is just over the Canadian line and in the province of Quebec.

Mr. SPEAKER: And not far from Gaspe, either.

LOWER EAR FALLS STORAGE DAM

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 195, to facilitate the provision of storage in Lac Seul in the province of Ontario, and to repeal the Lake of the Woods Regulation Act, 1921.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Agreement binding, and governor in council authorized to carry out its provisions.

Mr. BENNETT: Is the agreement signed by the provinces of Ontario and Manitoba?

Mr. STEWART (Edmonton): Manitoba is really not a signatory. The federal government signed on behalf of Manitoba, but the province, of course, was in agreement.

Mr. BENNETT: I know that in most things the federal government claims the right to the mines, for instance, minerals, and water-powers of the province, whether Manitoba likes it or not, but in this case it says that the agreement was signed by Premier Bracken.

Mr. STEWART (Edmonton): That is correct; I beg my hon. friend's pardon. In this case we all signed.

Section 2 agreed to.

Sections 3 to 5 inclusive agreed to.

Bill reported.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 199 to amend the Dominion Lands Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Power in the chair.

On section 1—Entry in southern part of Saskatchewan and Alberta.

Mr. BENNETT: What is the effect of this?

Mr. STEWART (Edmonton): In 1923 we amended the Dominion Lands Act giving the right to homestead within what was known as restricted area "A" on all the lands south of township 31 in Saskatchewan and Alberta. We extended the privilege of homesteading to the sons of farmers residing with their fathers on lands under the provisions of the Dominion Lands Act nine miles from the homestead. This privilege is subject to the discretion of the minister. It is found that all who could do so have taken advantage of the amendment, and it is now proposed to extend the privilege to any applicant. At a later date another amendment provided for the granting of a second homestead to an individual living within area "A" south of 31 if he appeared before the proper authority with the recommendation of the minister of agriculture of the provincial government. There has been considerable agitation to extend this privilege to all those who have proved up and patented their land prior to this year. Of course, the privilege will not be extended to individuals who have homesteaded for the second time; but if they have proved up and are desirous of securing another homestead they will be granted the privilege, a number of homesteaders having sons who are desirous of moving into newer localities. That is the main idea underlying the bill.

Then we have made a slight change with respect to the sale of school lands.

Mr. BENNETT: For what reason?

Mr. STEWART (Edmonton): Formerly we had the right to sell, subject to the approval of the provincial governments, land for any project—reservoir, church, cemetery or hospital sites—but in the case of agricultural societies we could only grant leases. Frequently they establish their agricultural grounds on school lands, but their tenure being only leasehold they cannot erect buildings on the site, and they are asking that they be given the privilege to purchase the land in fee, always of course, subject to the approval of the provincial government. Then in section 39 we are amending the act to revert to the old principle of requiring one-tenth of the purchase money to be paid down at the date of sale of school lands, for the reason that many people took advantage of the small initial payment of one-twentieth, failed to pay the balance, and after allowing the land to become so full of weeds as to be a menace to the surrounding district, abandoned their holding. While we are not changing the rate of interest we think we had better revert to the old principle of requiring the larger initial payment rather than one-twentieth of the purchase price. These are virtually all the changes proposed in the bill.

Mr. EVANS: Does this privilege of the second homestead run all the way across Saskatchewan from east to west down to township 16?

Mr. STEWART (Edmonton): The amendments proposed here allow anyone to apply for the second homestead. It is not confined to a limited area, as it was before.

Mr. GARDINER: I take it that section one deals solely with area A.

Mr. STEWART (Edmonton): Yes.

Mr. GARDINER: If it is passed in this form there will be no restrictions at all on homesteading in that area?

Mr. STEWART (Edmonton): Yes; I thought I made that clear. Under the provisions of the amendment of 1923, even the farmer's son, to whom the privilege was granted, could not secure a homestead except by consent of the minister. That meant, of course, after inspection by the homestead inspector who reported whether or not, in his opinion, there was reasonable chance of succeeding agriculturally on the land. The same provisions apply.

Mr. GARDINER: That is still in existence?

Mr. STEWART (Edmonton): Yes.

Mr. GARDINER: I can quite understand that in some districts it might be advisable to apply this amendment in order that some portions might be more easily homesteaded. But area A, as most hon. members know, is in the dry belt; there is no question about that. This has been a good year in that district, and just at the moment when we get a little rain and harvest a good crop, all the regulations which have been in force in the past are going to be thrown to the winds, with the result that, in my judgment, we shall go through an experience similar to that of the recent past. Homesteading may be restricted to some extent, but not as it is at the present time. I know quite well that there has been a good deal of propaganda in that particular area, more particularly by people in the towns and villages, for the opening up of these lands in order that they may be settled again. The people are desirous of seeing as large a population as possible in the area. Judging from my experience in that area from 1910 or 1911, I should say that it would be in the best interests of the Dominion and of the area itself if we refrained from changing the conditions under which homesteads can be secured. It would be advisable, in view of the fact that probably more than fifty per cent of the people have been forced out of that area to go to other parts of Canada to secure a living, to allow that area to develop gradually and not to be forced. I am afraid that if the minister opens up this area to any considerable extent we shall have a forced growth, due solely to the conditions that have prevailed during the last year in the way of good crops harvested, and in time to come we shall have on our hands the problem which we have tried to solve in the last few years and which we have not yet met. I trust however that if this amendment passes the minister will see to it that there shall be no great extension there at the present time merely on the strength of this year's good crop; otherwise we shall be again faced with the problem with which we have had to deal in the past. If the federal government opens up this land it is its responsibility to see to it that the land is capable of sustaining a population. In my judgment we have a sufficient population in that particular area. There are many quarter-sections owned by the municipalities, held more or less by mortgage corporations and controlled by the Department of the Interior. In respect of these sections there are certain liens, and it is quite true that legislation was passed last year for the purpose of dealing with them. When this is done it will give the settlers now there an opportunity of obtaining larger holdings at a reasonably low cost so that they may go in for stock and be placed in a more secure position in their efforts to make a living. I should regret to see any action taken which would open up that land indiscriminately for further settlement. I believe it is a dry area, with a wet year once in a while, and when the dry period comes along all the good work done during the more favourable time is undone.

Mr. STEWART (Edmonton): I am in hearty accord with my hon. friend in respect of the area. Personally I should prefer to make it a closed area; it would save me a good deal of trouble. But here are some of the difficulties that have to be met. For example, in the constituency of Maple Creek there is a very large ranch. I have had complaints, registered by the former member and the present member as well, to the effect that there is a considerable area of good agricultural land in that ranch, and the farmers who live in the surrounding neighbourhood have had fairly reasonable crops throughout all the years since settlement took place. My hon. friend will remember that at one time he appealed to me to open lands held by ranchers for settlement purposes in his own constituency, south of the Cypress hills. Strange to say, during all these years in this particular locality there has been a fair return for agricultural labour. That is the problem with which I am confronted. If I close the area I shall receive very vigorous and serious protests from a great many settlers, who apparently have been successful during all this time, asking that the lands be eliminated from the ranch and opened for settlement. I went to the trouble of asking the soil expert of the agricultural department of the university of Saskatchewan to go to the district in company with our homestead inspector and make a thorough investigation of the soil. Having in mind the experience of the farmers in the district, I thought this advisable before

even considering the question of releasing these lands for settlement purposes. And that is what I propose to do in every case before allowing crown lands in that whole southern area to be homesteaded. I shall take the utmost precaution to ensure that we shall not have a recurrence of the conditions we have just passed through in recent years.

Mr. GARDINER: In my previous remarks I indicated explicitly that I was aware that there were certain sections in that area which might make good homestead lands. In the particular section to which the minister has referred I know the soil and I believe there is good agricultural land there, but at present it is held under lease for ranching purposes. In the first place, I presume it is under a twenty year lease, and I am not aware how long the lease has to run. Is it the purpose of the department to cancel the lease in order that homesteaders may secure the land?

Mr. STEWART (Edmonton): Where there is undoubtedly good agricultural land.

Mr. GARDINER: I suggest to the minister that he is going to multiply his troubles tenfold rather than get rid of them. If he brought down an amendment embracing the area adjacent to the Cypress hills I could see that he would have no trouble at all, and it would be quite possible for the farmers to make a good living there. I am satisfied of that, and I can appreciate the situation, but the moment you get outside that area I do not know of any portion within Area A of any great value for agricultural purposes. What the minister is going to do is to get himself in trouble to this extent, that he will have representations made to him to open up every quarter-section, provided that someone wants it in that particular area, and he will have to refuse those applications or place himself in the position of putting people on land which cannot sustain a population of any size. I would much rather see the minister confine his operations to that particular district which he has in mind, and if he would do that I should be very glad to support him, because that is good land.

Mr. BENNETT: I hope the minister will not proceed with this legislation. It was my unfortunate duty to have something to do in connection with these areas, and I saw people who had been fairly well to do, able to maintain themselves and their families and buy rather expensive automobiles, actually driven to the verge of starvation in a portion of that area in Alberta.

[Mr. C. A. Stewart.]

Mr. YOUNG (Weyburn): What was the nature of the soil they were on?

Mr. BENNETT: I am not a farmer; I am only saying that it was of such a character that because of lack of moisture they were driven out of the country.

Mr. YOUNG (Weyburn): There are some soils in that district which will grow crops with very little moisture.

Mr. BENNETT: I am only dealing with the actual facts. Have the governments of Alberta and Saskatchewan agreed to this?

Mr. STEWART (Edmonton): Yes, they have been consulted in both cases.

Mr. BENNETT: And have they agreed?

Mr. STEWART (Edmonton): This bill has been discussed with both premiers, and they have agreed to it.

Mr. BENNETT: That seems incomprehensible to me in view of the statements made in the Alberta legislature, and in view of the fact that it has cost the government of that province thousands of dollars to move out these farmers. They have had to provide food and clothing for a large number of these people, who left in their prairie schooners when they could and abandoned everything to go down to the United States. Now, when we are about to return their resources to these provinces, parliament is asked to sanction something which has brought more condemnation upon a former minister of the interior than any other act of his official life. The hon. member for Acadia (Mr. Gardiner) has put the case very mildly with respect to that territory in the Manyberries district.

Mr. STEWART (Edmonton): There is no crown land there, except some under lease.

Mr. BENNETT: There is none now, but once there were substantial areas which were homesteaded. These leases about which the minister speaks were granted to ranch companies after careful inspection by proper officials, and the old story which I have heard every year during the thirty years I have lived in western Canada, that there is an agricultural section or quarter-section in this area which should be granted to the homesteader, is being brought up again. I am sure the minister has heard it ever since he has been there. I feel very strongly about this, because it imposes upon the taxpayers of our province a very great burden. One of the earliest settlers to go to that country said, "I saw the conditions that now prevail obtaining in that district; I saw the change. I saw the agriculturists go in, I saw the crops

and then I saw them fade away and disappear, going back to ranching, the land incapable of producing a single bushel of grain or any other kind of crop, or of sustaining human life of any kind." In these circumstances, is there any such pressing necessity for this legislation that the minister should not leave the statute as it was, in view of the experience of recent years? It amazes me that Alberta should agree to it, because certainly during the short time I was connected with the Department of the Interior the representations made by the minister of agriculture of that province as to the expenditures involved in moving settlers out of that district did not suggest that he would favour such legislation. I believe this government contributed large sums for that purpose; I am not sure of the amount, but I believe it amounted in all to about $25,000, which was contributed by this government. Under these circumstances is there such an urgent necessity that the minister thinks we should make possible the return of these conditions? They did the country a great deal of harm. The Minister of Justice would probably think it impossible that people who were very well to do should be actually driven to sacking for clothing, left practically without food and in some cases put to the necessity of abandoning everything they had in the world, putting a top on a wagon, hitching a horse to it and taking away their women and children to another country. That is a situation which I would not like again to contemplate, and I only point it out because it seems so strange that the government of Alberta should agree to this legislation in the light of the experience of the past.

Mr. STEWART (Edmonton): All these dire results are well known, by no better than by myself. I happened to be a member of the government of Alberta when this occurred, and I would be the last man in the world to allow settlers on any of the abandoned lands in that territory. I am quite willing now to abandon the idea and let it remain a closed area; I took this action only at the request of people interested, mainly in Saskatchewan. In that province there are some lands to-day held by ranchers and some crown lands surrounded by districts which have been successful through all these dry years, but rather than have a feeling that I was going to allow homesteading in any indiscriminate way, which is not the intention at all, I am quite willing to eliminate this section from the proposed act. Therefore I would move that we strike out section 1 of the bill.

Mr. GARDINER: Instead of moving to eliminate this section of the bill I suggest that the minister allow it to stand and that he bring in some amendment which will give him the right to deal with the land in that particular area east of the Alberta boundary. There is no question that there are some good lands in that district which are capable of sustaining a population, and I think if an amendment is brought in which will give the minister power to allow homesteaders in that particular section it would be better for all concerned. I appreciate the attitude of the minister, and I think it would be better to let this stand as it is with that exception rather than bring back the former conditions.

Mr. GERSHAW: I am fairly well acquainted with the area under discussion, and I can assure the committee that the hon. member for Acadia and the leader of the opposition have not overdrawn their description of the conditions and hardships which were endured by the settlers in that district. I am particularly well acquainted with Manyberries. It was a prosperous community, and a busy town which was built up there is now almost completely deserted. It is a fact, however, that even in that part of the country a number of farmers have managed to live through all the bad years and are doing fairly well. The provincial governments have had very capable farm instructors living in that district and giving advice to the farmers there. I believe that many of the farmers who have lived there during all the bad years are in a position to continue to make use of that land and to support their families very well. Of course the school districts are disorganized, and the country is almost back into the ranching area, except that the ranchers have not the leases. But another plan might be worked out. A farmer who is there and has experience might do much better to get more land if some system of mixed farming could be carried out. I strongly support the suggestion that the member for Acadia has made.

Mr. STEWART (Edmonton): For the purpose of getting on with the bill I would prefer to strike out section 1, Mr. Chairman.

Amendment agreed to.

The CHAIRMAN: Section 2 will now become section 1.

Mr. GARDINER: The proposal embodied in this section, now section 1 of the bill, has some merit. I believe that we have in western Canada to-day many people who through no fault of their own have lost their first homesteads and would be very glad in-

deed to secure the opportunity to have a second one, and I am sure they would be very successful. However, there are one or two points in regard to this matter that I would like to draw to the attention of the committee. In the first place it is proposed that a person who has received his patent prior to the first day of January, 1928, may secure, at the discretion of the minister, entry for a second homestead. I do not think that provision is as it should be. Many patents have been issued, for instance during 1928, and the moment you give a person who has recently patented his first homestead the opportunity of getting a second, you make that person a speculator. If you put the date back to say 1922, or 1923 or 1924, as the case may be, it would not be so bad, but once you do this you will induce speculation in homesteads, and that is not desirable. Then as to the discretion given the minister by this section, I do not think any minister should be placed in that position. It is not fair to him, to the house, or to the country as a whole. A second homestead should be granted to all alike or not at all; and no minister of the crown should have the power to determine whether or not a person is entitled to a second homestead. I cannot conceive of any condition where a person who has once received a patent to his homestead would not be just as entitled to a second as any other person. Such a condition would create a condition of partisanship which I think it is desirable to avoid, and therefore I suggest to the minister that this portion of the section be struck out.

The only large available portion of western Canada for homestead purposes is in the north of the three prairie provinces. At present the attention of the public in Canada, and as a matter of fact of the people of the world, is directed towards the Peace River district, and quite a population is going in there. People are going in and homesteading 50, 60 or perhaps 100 miles from the railway; in fact I know of cases where they are homesteading 400 miles from the railway. After a time this parliament is going to be called upon to provide transportation facilities for those people, simply because of the fact that we have given the right to homestead that far from transportation facilities. I maintain it is not fair to people going into those areas. People intending to get homesteads are usually led to believe that the moment they go into a certain area and get reasonable developments they are going to receive transportation facilities. We have many cases of that sort in western Canada, and I could mention thirty or forty places in Alberta which now require transportation facilities. That is a problem which we are up against every day. We find the Canadian National Railway, for instance, criticized because they do not meet that demand, but they cannot begin to meet it for even present day requirements. It seems to me that if we are going to give the privilege of second homesteads to people who have already homesteaded we should place a restriction upon the districts or upon the distance from transportation facilities. Let us thicken up our population to the greatest extent possible. We need population in the west even alongside our present railways, and if we give second homesteads we are going to burden ourselves and be in greater need of transportation facilities than we are even now. I think I brought this matter to the attention of the Minister of the Interior some years ago, as to allowing homesteads to be secured at great distances from transportation facilities, but as far as I can see nothing has been done in that regard. We have either to follow some well-considered policy in regard to giving these transportation facilities within a reasonable time, or to restrict the area within which these people may go; otherwise we will have greater trouble in the future than we have had in the past.

Mr. STEWART (Edmonton): The mere fact that you are giving a second homestead is not making the difficulty any greater, but new settlers coming in from the outside go into these outlying districts and will settle upon the land. The mere fact that a few hundred people—because there will not be more than that—may take advantage of this provision will not make the condition worse than it is at present. My hon. friend says he has mentioned this to me before, and it is a matter to which I have given a great deal of consideration. Twenty years ago, before my hon. friend came to Alberta, you could not stop the expansion of settlement; if you did not survey the land the people would go in and squat on it. An instance of that is seen at Fort Vermilion, 300 miles away. The mere fact that you put a boundary on settlement will not stop the expansion of settlement if there is good land to be found in the territory and people are willing to go into those outside districts. I am speaking in the light of actual experience in this matter, but the mere fact that we are giving this privilege to a few hundred of our own people will not make that condition any more serious than it is at present.

Mr. CAHILL: I agree with the hon. member who, as I came in, was pointing out that the homesteading area should be restricted. That should have been done twenty-five years ago. The matter of which my hon. friend spoke is only a trifling one. If you do not allow people to take up homesteads in certain districts, if you give them to understand that they cannot get a patent in those districts, then you will not aggravate the conditions that we have had in the west for many years, whereby settlers have taken up homesteads many miles from railway facilities and later come to parliament asking for railway construction. The policy of the various governments for the last twenty-five years has been wrong in that regard. In the first place they encourage settlers to come to Canada and no regard is paid to them after they land in this country. If the settler is a Canadian, no regard is paid as to where he should settle. I know from my experience in the west that many people who came to Saskatchewan never got beyond the city of Saskatoon. They spent all their money in endeavouring to find a homestead in western Canada and they had to fish for themselves in Saskatoon, Regina, Moose Jaw, Calgary, or some other city in the west.

I am not so much opposed to the present measure, but it is time that the government had some policy with regard to land settlement in Canada. Land settlement should be restricted to areas where they have already a railroad or where they will have one in the near future. We have advocates appearing all the time before the railway committee asking for railway construction in different parts of the country. This is a very expensive proposition; we are wasting not only the money of the people but the time of the settlers who are placed thirty, forty, fifty, sixty and in some cases a hundred miles from a railway. The land settlement question in Canada is one which should have the careful consideration of the department, the government and the house, because we have not now any blocks of land to offer to settlers where they can have any assurance of railway facilities within the near future, unless some section of land is blocked out and offered to the public either free or at a price with the understanding that railway facilities will be provided.

As you go through western Canada you find that railways have been built without any regard whatever to a fixed policy. Homesteaders have taken up land in one place and other people have bought land in others. Lands purchased in districts adjacent to railways are in many cases being held out of use. I have heard many plans suggested for bringing under cultivation all that land, but I have not yet heard any that I think is feasible. We should not allow future settlement at great distances from railways without first having it understood that the people who go into such districts will be given railway facilities or they will not receive a patent for their lands. The government should take this matter into consideration when they are suggesting a change in the homesteading legislation, because many homesteaders in western Canada have suffered great hardships from the lack of railway and other facilities. We have throughout Canada ample land for every person in this country and for many millions of people who may come here, if a sane policy be adopted with regard to the settlement of that land. Land north of the present settled district, of the present railway facilities, is regarded by the people of Canada as of doubtful value, but the same thing applies to all land that is not settled anywhere. There is good land throughout Canada for many millions of people. In Ontario and Quebec there is ample land to offer as an inducement to incoming settlers and to our own people who are now leaving the country, if you have a proper progressive policy to take care of the prospective settler. We have the land to offer to the incoming settler, but we should offer it to him on the understanding that he will have the facilities when he gets the land, and we should not allow people to go out over the country promiscuously and settle. We should adopt a policy whereby certain sections should be thrown open for homesteading and certain sections sold in order to facilitate the development of the country. The policy of allowing people to settle wherever they like has been a bad policy in the past, and it is a bad policy to-day, and one that should not be encouraged, to assist people in taking up land where there is no assurance that they will have railway facilities in the near future.

Mr. McLEAN (Melfort): There is a good deal in what the hon. member has said; but if the people had waited for the government to lay out a policy whereby they would be segregated in certain areas, this country would not be producing now six hundred per cent more wheat than it did twenty years ago. That is a record that has not been equalled anywhere else in the world. Men are not all built alike. You cannot make human nature conform to certain modes and regulations that governments may enforce. When the Minister of Agriculture came west from Ontario and found that he had to go forty miles away from a railroad and across a difficult terrain—

Mr. MOTHERWELL: Four hundred miles.

Mr. McLEAN (Melfort): Well, forty miles later on, and across country that is difficult for transportation purposes—if he had not been willing to go out that distance from a railroad he would not have secured what he wanted, he would not have been satisfied, and the chances are that he would have left the country and gone somewhere else. The minister is well known throughout Canada as a pioneer of worth. I should not like to make invidious comparisons, but he is only a sample of many members who come into the House of Commons to-day. Many people have come from the older parts of Canada, from Great Britain, from Europe; they have not been satisfied to go one or ten or twenty miles from a town or a railroad; they have wanted to get away out. The hon. member for Acadia (Mr. Gardiner) must be familiar with the story of the ranchman who, when he could see the smoke of a neighbour, decided to move away because the country was getting too crowded. So long as human nature is what it is, you cannot corral it in any segregated area. If you do not allow people to go out and settle where they like, they will move away. It will be a bad day for Canada if that instinct ever dies out.

If clause 8 of this bill is carried, the change will in my opinion help to remedy some of the weaknesses of previous legislation. The leader of the opposition and the hon. member for Acadia both spoke of lands in the south that should not have been entered as homesteads but that were entered with the result that the people had to move away. The discussion was illuminating to me because, coming from the north, I, along with many more, think the best lands in the western provinces are in the north.

Mr. BENNETT: The hon. member for Medicine Hat, in whose constituency those lands were, gave better evidence on the subject.

Mr. McLEAN (Melfort): I did not hear him so well as I did the other members. I appreciate the discussion because it throws a new light on the matter from my point of view. Some of us in the north have been accustomed to thinking that the good vacant lands are in the north, because we did not know of many good lands elsewhere. There is a weakness that will be remedied by the passing of this legislation. Many settlers in those districts that perhaps should not have been opened, many people who went in there with considerable wealth, as the leader of the opposition has said, find themselves compelled to move elsewhere. The young people are able to move up into the north country and take up new homesteads, but the father or the guardian or the older brother is not able to move with them. I know of actual cases of men who homesteaded forty odd years ago and who just missed coming within the second homestead law by a matter of a few months. Their boys have grown up and they have gone into the north. They are looking around for homesteads to take, but the father, at a time when he might well homestead, finds himself compelled to live on his son's farm or with one of his sons because he cannot go out now and buy land.

Among other things, this will enable the family to be kept together. I have not asked for this, and I am not particularly enthusiastic over it, because I believe—I may be wrong—there is not so much good vacant land in the province of Sasckatchewan as many people think. But I do think that our own people, whether in eastern or western Canada, who now find themselves compelled to seek a second homestead should be treated at least as generously as the immigrant. I say this in all kindness, because I was of that class myself, coming in here as an immigrant. Many of our people in western Canada, due to climatic or soil conditions or to lack of ability and experience, have fallen down and to-day they are anxious to make a new start. Just before I left home a returned soldier from southern Saskatchewan asked me if I would see the Soldier Settlement Board and get permission for him to enter again for a homestead in northern Saskatchewan. He had already had one homestead or had secured a farm from the Soldier Settlement Board and had fallen down in making his payments—probably through no fault of his own, because he was a good worker, but he was in an unfortunate district, and he is now anxious to make an entry in the north country. I am satisfied that this house and the people of Canada would be just as anxious to give that returned soldier a chance to enter on another quarter-section of land free, except for the payment of ten dollars, as they would be to give a quarter-section of land to a man who comes in here from abroad and who can immediately go to the land office and get a quarter-section on payment of ten dollars. Many good settlers in western Canada even to-day are a considerable distance away from the railroad. Until four years ago one of the best districts I know of was forty miles away from the railroad, yet the farmers there were carrying on and doing pretty well, and the railroad which has since gone into that dis-

trict is doing all right. I said that these lands were free except for the payment of ten dollars, but of course it is the old story; the government bets a quarter-section of land against ten dollars that the settler cannot stay on it for six months in each of three years and carry out his duties. Many of these lands are hard to bring under cultivation, but men who have to make a new start should be given a chance and I hope that the committee will pass this measure.

Mr. CAHILL: I do not want to be understood as objecting to the measure passing or being opposed to a man having a right to a second homestead. I do not know that any hardship would be caused if every farmer in the west who had settled upon a farm and sold it had the right to a second homestead, or even a third or a fourth or a fifth, so long as he performed his duties on each one according to the act. I do not know that any harm would be done to the country if he was allowed to take as many homesteads as he could prove up. But some policy should be formulated by the government for the intelligent direction of settlement, so that settlement may take place in districts where there will be facilities in the future. The example of the Minister of Agriculture does not mean anything to-day. He may have located several hundred miles away from a railway, and was able to do it and succeed, but he is one man in a thousand, perhaps in a million. It is not necessary for people to undergo these hardships to-day, if there is intelligent direction of settlement by the department in charge. That is my only objection to the present system. I say that there should be some policy whereby the lands will be laid out for settlement where the settlers can expect facilities, instead of allowing the land to be taken up promiscuously all over the country, and then later on having the settlers coming to Ottawa and asking for railway facilities. But I have no objection whatever to a man taking the second homestead.

Mr. BENNETT: I was about to rise to express the views that were so admirably stated by the hon. member for Acadia. The hon. member for Pontiac has dealt with the matter as one viewing it from the outside, but he stated his opinion, and in my judgment, it is a sound opinion, as to the principles that should govern in considering matters of this kind. We all know what the situation is in the Peace river country. We all know that if there had not been unrestricted homesteading that situation would not have arisen. The hon. member for Acadia has pointed out that in some instances the settlers are four hundred miles from railway facilities. I had a letter the other day from a returned soldier who had been fortunate enough to get a homestead entry within forty miles of an existing railway, which would be much closer when projected railways were constructed. This is the sequence of events: First, a long tedious journey, the staking of a homestead, the paying of the ten dollars, the getting of the certificate, the building of a sod shack, sometimes a wooden shack, depending upon the distance and the facilities and the money the homesteader has; then a crop from a few acres, then more settlers, and then a demand for (a) transportation by roads, highways; (b) railway transportation. and (c) schools. The schools are a charge upon themselves, and the hon. member for Medicine Hat would have been able to tell this house that there are school districts now abandoned in drought areas in which there is not a single ratepayer left, although debentures were sold to eastern investors and others, and efforts are now being made to repay them. That condition actually prevailed in the territory to which the hon. gentleman referred, and in which he spoke of abandoned towns. In these new territories where homesteads are being staked, the settlers get further and further away, and then demands are made in just the order I have indicated. There was a statement made in this house by the Minister of the Interior that the day of free homesteads had long since passed, and that that policy should be abandoned, but that was not done.

I think it is very unfair for this parliament to be dealing with the matter in this way. We are only trustees for these western provinces, and we are now saying that these lands shall be made available for second homesteads when, on every equitable basis, the provincial authorities should really be dealing with them. We are coming very nearly to relinquishment of our trusteeship in passing this legislation. I think the point which the hon. member for Acadia made is most worthy of consideration. Apart from the fact that we should not grant the second homesteads in the way in which they are to be granted, I have lived long enough in western Canada and I have had enough to do as a member of parliament and as a defeated candidate to know just what is meant when you talk of the minister having power to dispose of second homesteads. Human nature is not any different under a Liberal coat or

under a Conservative coat; I am not now speaking with respect to the virtues of one party or the other, but the truth is that no minister of the interior, and no department like the Department of the Interior as now organized and administered should have it in its hands to say who shall and who shall not have a second homestead. It is unsound. Is it fair, is it just, is it proper, that it should be so? I leave it to this committee to say.

Mr. STEWART (Edmonton): This was put in by the officers of the department to take the place of the certificate of the provincial authorities. I am quite willing to wipe it out. I am also willing to make the date twenty-five instead of twenty-eight to meet the objection of my hon. friend. But what I want to know is this: Does the committee object to the principle of giving a second homestead to people who are already in the country, while continuing the policy of giving homesteads indiscriminately to newcomers to Canada? If it is the attitude of the committee that we should treat our own people in Canada differently from newcomers, and not give them the right to a second homestead, I can withdraw the whole bill and leave the matter as it is now. If the desire of the committee is to deprive the settler who has gone through the hardships of homesteading once—and I am one of them, I know all about the sod shack and the other makeshifts—if it is the desire, I say, to deny that individual who has boys growing up around him the opportunity of selling out his little holding and homesteading in a new district, while we give to newcomers the privilege of securing free land, then I will withdraw the whole thing. On the other hand, if it is desired to give him a second chance, I am willing to wipe out supervision by the minister and make the period 1925 instead of 1928.

Mr. BENNETT: The hon. minister has with great fairness expressed his willingness to amend the legislation. I do not think he himself drafted the section, but nothing could more clearly indicate the attitude of the department of the Interior towards western Canada than that very section.

Mr. STEWART (Edmonton): That is not quite fair. Let me point out that under the provision for second homesteads to those going north from the dried out area, since 1923 we have had to require the certificate of the provincial government. This amendment is intended simply to provide for the necessary inquiry, not with any intention to be autocratic.

[Mr. Bennett.]

Mr. BENNETT: I am sorry that I cannot agree with my hon. friend; for I have had experience, and so have the people of western Canada. In no department of the public service has there grown up the same sense of autocracy as in the Department of the Interior. Now the minister says he is perfectly willing that the certificate of the provincial authorities should be required. That is quite fair and proper.

Mr. STEWART (Edmonton): No, I say I am willing to wipe out the whole thing.

Mr. BENNETT: I will come to that presently. In that section he will substitute for his discretion the certificate of the provincial authorities?

Mr. STEWART (Edmonton): My hon. friend does not quite understand me. The individuals who had the right to a second homestead had to come from area "A" south of 31. Now we are removing that restriction and they may come from all over the province; that is, there is no debarred area.

Mr. BENNETT: I know that.

Mr. STEWART (Edmonton): When the people came from the restricted area we asked the provincial authorities to give us certificates that they were entitled to second homesteads. The name of the Minister of the Interior has been substituted. I am willing to wipe that out.

Mr. BENNETT: I congratulate the minister upon his spirit of fairness; and what is more, I accept very gladly his observation that he is not responsible for the amendment. No one who has spoken so far has denied that there should be second homesteads. But there are two sides to the question. If a settler comes into Alberta from Saskatchewan or Manitoba, having once had a homestead or a pre-emption there, and says, "I want another homestead in this province", he is not the least bit different from the immigrant.

An hon. MEMBER: Why not?

Mr. BENNETT: For the simple and obvious reason that there is placed on the province the burden and expense of schools, transportation and roads. In the one instance we have added to the population of Canada, in the other we have not. I cannot think that the provincial authorities in their anxiety for population are trying to get it from one another.

Mr. McINTOSH: There is a certain amount of overflow that you cannot prevent.

Mr. BENNETT: There are a certain number of pioneers and the other kind mentioned by the minister, speculators, that are never static.

Mr. STEWART (Edmonton): The member for Acadia (Mr. Gardiner) said so. I absolutely deny that there is any speculation in proving up a homestead.

Mr. BENNETT: The hon. member speaks very feelingly in respect to it; but that is not the form of speculation meant. Unlike the minister I never homesteaded, but I have been a fair observer of the settlement of one section of western Canada, and nothing has amazed me more than the number of farms that are not now occupied by the men who homesteaded them.

Mr. STEWART (Edmonton): Very few.

Mr. BENNETT: They stayed long enough to get their preemptions and then moved on. I think it is a very grave question whether the right to a second homestead should be left open in the terms now proposed.

Mr. STEWART (Edmonton): The preemptor is provided against.

Mr. BENNETT: Yes. The committee is aware of the fact that a man is allowed to homestead and then preempt, giving him a total of 420 acres. This amendment prevents the man who has a homestead and a preemption from getting another 160 acres. But while listening to-night my thought has been this: Is it desirable to leave it open in the terms of this bill so that lands may be available to any person for a second homestead; or shall we endeavour to meet the very situation that I think should be fairly considered, namely, that of the man who has been driven out of his existing holding and who is desirous of remaining in this country with his family? He gets a second homestead, his boy of 18 gets another, and his boy of 20 gets a third, and he has a very substantial holding around him. That is what the minister desires to do. But is it not advisable to protect that by some form of legislation, rather than leave it open to chance, knowing as we do that in many instances the result will be that those who come from Manitoba or Saskatchewan will at once push into that country for a second homestead?

Mr. STEWART (Edmonton): Moving from one province to another?

Mr. BENNETT: Yes; and the minister knows that that is not an imaginary situation.

Mr. BEAUBIEN: Would not that be a good thing for Alberta?

Mr. BENNETT: Yes; but think of the loss to Manitoba.

Mr. McLEAN (Melfort): The movement is the other way now.

Mr. STEWART (Edmonton): They are going into northern Manitoba.

Mr. BEAUBIEN: Suppose a man in Manitoba sold his homestead and decided to take another in Alberta, would you deny him the right to go there?

Progress reported.

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

Monday, April 16, 1928

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AUTOMOBILES CARRIED ON P.E.I. CAR FERRY

Mr. BEAUBIEN:

1. How many automobiles, operating under their own power, were carried on the car ferry Prince Edward Island during the calendar year 1927?
2. How many automobile passengers were carried during the calendar years 1917 to 1927, inclusive?
3. What were the rates for automobiles during the years 1917 to 1927, inclusive?
4. What is the estimated cost of loading and carrying an automobile?

Mr. DUNNING:

1. 5,701.
2. No record.
3. Between October 15, 1917, and March 14, 1918, inclusive, 24 cents per 100 pounds, with a minimum of 5,000 pounds. March 15, 1918, to April 11, 1918, inclusive, 27½ cents per 100 pounds, with a minimum of 5,000 pounds. August 12, 1918, to August 16, 1918, inclusive, 34½ cents per 100 pounds, with a minimum of 5,000 pounds. August 17, 1918, to September 12, 1920, inclusive, $6 per car each way. September 13, 1920, to September 30, 1920, inclusive, $8.50 per car each way. October 1, 1920, to September 15, 1923, inclusive, $6 per car each way. June 16, 1923, to date passenger automobiles $4 each way. Trucks and sight-seeing automoblies $6 each way.
4. Not ascertainable, as it would depend on the number of automobiles to each flat car, a varying factor, and the number of flat cars handled on individual trips.

PICTOU WHARFAGE FEES

Mr. BEAUBIEN:

1. What are the amounts of side and top wharfage fees paid by vessels using the freight shed wharf at Pictou during the calendar years 1923 to 1927, inclusive?
2. What are the names of the vessels which paid such fees and the amounts paid by each vessel?

Mr. DUNNING:

1. $4,392.62.
2.

Kinburn	$ 119 71
D. D. McKenzie	12 00
R. W. Hendry	286 10
Magdalen	96 82
Stanley	2 00
Merker	2 20
Harland	9 00
Chiquimula	143 50
Aranmore	15 70
Seafoam	4 00
Spark Plug	1 20
Jessie May	2 00
Lovat	1,040 27
Hochelaga	2,057 27
Papyrus	14 00
Dom. Coaster	50
Chicago Tribune	582 35
Cochalot	4 00
	$ 4,392 62

CANADIAN NATIONAL RAILWAYS EARNINGS

Mr. BRADY:

1. What were the gross and net earnings over the Canadian National Railways from Jasper to Prince Rupert and from Jasper to Vancouver during each of the following years, 1925, 1926 and 1927?
2. What was the amount of money spent by the Canadian National Railways in the maintenance of each of these roads during the year 1927?

Mr. DUNNING:

1. Railway accounting methods do not permit of this information being obtained.
2. See answer to question No. 1.

OTTAWA GOVERNMENT BUILDINGS—LIGHT AND POWER

Mr. HEAPS:

How much does the government pay for electric light and power per annum to: (a) Ottawa Electric Company; and (b) Ottawa Hydro-Electric Commission?

Mr. ELLIOTT:

Total amount paid in 1927-28: (a) $86,524.31; (b) $38,964.86.

[Mr. Dunning.]

FOREIGN LOANS

Mr. WOODSWORTH:

1. What sums were loaned by Canada to foreign countries?
2. What interest has been paid on such loans?
3. Has any part of the principal been repaid?
4. What security does Canada now hold for these loans?
5. What means are proposed to be taken to collect?

Mr. ROBB:

1.

Italy	$ 6,003,301 20
Belgium	6,291,125 64
France	5,730,000 00
Greece	7,520,473 17
Roumania	20,449,083 94
	$45,993,983 95

2.

Italy	$ 832,132 74
Belgium	2,553,520 19
France	1,607,123 57
Greece	2,549,771 01
Roumania	5,273,290 00
	$12,815,837 51

3.

Italy	$ 6,003,301 20
Belgium	6,291,125 64
France	5,730,000 00
Greece	720,000 00
	$18,744,426 84

4. Bonds of the debtor countries, secured by specific charges on certain revenues of these countries.

5. As payments of interest and principal are being made as they fall due, this question does not arise.

UNOPPOSED MOTIONS FOR PAPERS

EUROPEAN IMMIGRATION AGREEMENTS

Mr. ADSHEAD:

For a copy of the agreements entered into by the government with the Canadian Pacific Railway and the Canadian National Railways for the bringing in of immigrants from the British Isles or from southeastern Europe.

POSTMASTER AT WABAMUN

Mr. LUCAS (for Mr. Kennedy):

For a copy of all correspondence, telegrams or other documents between the Post Office

department or the Postmaster General, and the Civil Service Commission, or between these or other parties relating to the position of postmaster in the village of Wabamun during the years 1927 and 1928.

ALIEN LABOUR ACT

Mr. GARLAND (Carleton, for Mr. Church):

For a copy of all letters, telegrams, orders in council, and other correspondence relating to the enforcement of the Alien Labour Act as set out in the Revised Statutes of Canada; and

Also for a copy of all correspondence and other documents protesting against the non-enforcement of the said Act.

ORIENTAL GRAIN COMPANY

Mr. GARLAND (Bow River, for Mr. Kennedy):

For a copy of all letters, telegrams, correspondence, reports and other documents passing between the Department of Marine and Fisheries and any other department of the government, or any other person or persons, or the Vancouver harbour commission, with reference to the claim of the Oriental Grain Company against the Vancouver harbour commission, and between the Vancouver harbour commission and the Oriental Grain Company and any other person or persons.

RADIO—CANCELLATION OF LICENSES

Mr. WOODSWORTH (for Mr. Heaps):

For a copy of all letters, telegrams, and correspondence, pertaining to the cancellation of the radio licenses held by the International Bible Students Association.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to this particular motion, I might say the government have no objection to bringing down the correspondence if the hon. member still feels it desirable that this should be done. However, there is a large amount of correspondence on this subject, a great deal of which is the outcome of a suggestion which appeared in the press that as many individuals as possible should write to the government protesting against the cancellation of the licenses. A good many of the letters obviously have been solicited. I would suggest that the government lay these communications on the table of the house, and then if the hon. member or any other hon. member thinks he would like them copied, well and good. The expense of copying these papers is very considerable, and has to be borne by the department. I simply make this suggestion in order to save unnecessary expenditure.

Mr. WOODSWORTH: I do not think it was the intention of my colleague to put the government to any unwarranted expense or trouble, but the Minister of Marine and Fisheries stated that because of certain protests made by outsiders these licenses had been cancelled. I believe my hon. friend simply wishes those letters which led to the cancellation of the licenses.

Mr. MACKENZIE KING: There can be no exception taken to the order passing in that form, namely to cover only such letters as were the occasion for the cancellation of the licenses.

Mr. SPEAKER: Carried on that understanding.

Motion agreed to.

RADIO—STATION CKCX

Mr. GARLAND (Carleton, for Mr. Church):

For a copy of all correspondence, letters, telegrams, and all other documents for and against a license to CKCX radio station at Toronto.

Mr. SPEAKER: I suppose the same understanding will prevail in this instance?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not so sure that that understanding would cover what the hon. member (Mr. Church) has in mind. I would suggest that this motion stand until he is present.

Mr. SPEAKER: Stands.

PURCHASE OF ALBERTA RAILWAYS

Mr. GARLAND (Bow River, for Mr. Kennedy):

For a copy of all letters, telegrams, correspondence, reports and other documents passing between the Department of Railways and Canals and the Alberta Government, and the Canadian National Railways and the Canadian Pacific Railway, with reference to the purchase of the railways of Alberta, by the Canadian National Railways, or by the Canadian Pacific Railway, or by the Canadian National and the Canadian Pacific Railways jointly.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I notice that the mover of this resolution is not in the house and I would ask that it stand. I do not want to set it over to the debatable motions, but it appears to duplicate an order which has already been made.

Mr. SPEAKER: Stands.

UNITED STATES COAL IN WINNIPEG

Mr. GARLAND (Bow River, for Mr. Kennedy):

For a copy of the report made by the investigators to the Minister of Customs, with regard to the alleged dumping of American coal into the Winnipeg market.

Hon. W. D. EULER (Minister of National Revenue): In the absence of the member who is making the motion, I would ask that the motion be allowed to stand.

INTERNATIONAL PEACE

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Press reports state that Great Britain, Germany and Japan have been invited to join with the United States and France in a world wide treaty aimed at the prevention of war. I ask the Prime Minister if Canada has received such an invitation, and if so, what policy the government intends to pursue in connection therewith?

Right Hon. W. L. MACKENZIE KING: I should like to make further inquiries before answering my hon. friend's question. My present impression is that no special communication has been received by the government on this subject.

Mr. STEVENS: Refer it to the Department of Peace.

DUMPING DUTY ON IMPORTED EGGS

On the orders of the day:

Mr. HARRY J. BARBER (Fraser Valley): In view of the number of inquiries that I have received I should like to direct a question to the hon. Minister of National Revenue. The question is: Has the dumping duty as applied to imported eggs since February, 1927 been cancelled by order in council? If so, why has this action been taken?

Hon. W. D. EULER (Minister of National Revenue): I replied to a similar question on Friday. All orders permitting the minister to fix valuation have been cancelled.

CANADA'S WAR MEMORIALS

On the orders of the day:

Hon. Sir GEORGE PERLEY (Argenteuil): I wish to to ask the government a question regarding a matter which I consider important. Canada has a wonderful collection of war memorials. These memorials consist of photographs, etchings, drawings, war relics, and paintings by many prominent artists. These were gathered together by a branch of the Canadian overseas organization which I think was called the Canadian war records. The officer in charge of this branch was Sir Max Aitken, now Lord Beaverbrook, who although living in London is a good Canadian and is interested in everything that concerns his native country. May I say that in doing this work Lord Beaverbrook displayed his usual, well known energy and initiative with the result, and I believe I am well within the mark in saying this, that no country possesses a greater or more important collection of war memorials than does Canada. This work was all done without much cost to Canada but I believe at some expense to Lord Beaverbrook personally. I am told that nearly all these war memorials are kept in the basement of one of our public buildings in Ottawa, and if they are allowed to remain there I feel sure they will eventually deteriorate. Now, Mr. Speaker, this collection is a very important one. It belongs to the people of Canada and in my opinion should be properly housed and cared for by the government. I would therefore ask the Prime Minister if he will not see that proper steps are taken to bring this about.

Mr. MACKENZIE KING: The house is indebted to my hon. friend for bringing to its attention the importance of the collection of war memorials to which he has just referred. At the time the collection was made there were so many matters receiving attention that I doubt if the citizens of Canada generally, or even the members of this house, have any appreciation of the extent of the collection that was made by the war memorials committee, which as I understand, was a branch of the war records office. The personnel of the committee included Lord Beaverbrook, as my hon. friend has just said, Lord Rothermere, the late Sir Edmund Walker, the late Sir Bertram Lima and Lady Perley. The committee succeeded in collecting or obtaining a great many extremely valuable works of art descriptive of all phases of the war—paintings of actual battle scenes, portraits of generals and those who had won the Victoria cross. The collection includes also important pieces of sculpture, and as my hon. friend has said many valuable etchings and lithographs. Some works of the old masters likewise form part of the collection, notably paintings by Romney, Lawrence and Reynolds. Among these paintings is one of the death of Wolfe by Benjamin West which was presented, I believe, by His Grace the Duke of Westminster. As my hon. friend has said, the collection has been gathered together practically without any cost to the people of Canada, and was very largely in the nature of a labour of love on the part of Lord Beaverbrook. I should say, having regard to the distinguished reputation of many of the artists who were retained for the purpose of painting

the various pictures and portraits, that the collection might be valued at anything over $1,000,000. The total number of artists engaged for the purpose—several of whom were British and several Canadian—was over 100. As my hon. friend has said, the collection, after it was turned over to the Canadian government, was temporarily housed in one of the public buildings of this city. It is now for the most part in the national museum, more, however, for storage purposes, than for the purpose of exhibition. Some of the paintings in the collection are on the walls of the senate, a few of them are at the Dominion archives, one or two of them are in the departmental buildings, but the greater part of the collection is in storage at the national museum. I can assure my hon. friend that great care has been taken of the collection at the museum but unfortunately it is not as yet available to the general public. The government has had under consideration the possibility of finding some means of making the collection available to the public, but each consideration of the matter brings us back to the point of seeking to discover means whereby a suitable building can be obtained for the purpose. Undoubtedly, if the collection is to be properly exhibited, it should be a part of a national art gallery, and as matters now stand it would appear to mean asking parliament to make an appropriation for an art gallery. Up to the present time we have felt that there were other demands more imperative than the demand for a building for the purpose of housing these particular works of art. I think, however, we must not lose sight of the fact that the collection is a national possession, a very valuable possession, and one which as speedily as possible should be properly housed. I may say to my hon. friend that in some countries public-spirited citizens have supplemented the donations of others by presenting buildings to the nation. If anyone in Canada or elsewhere should think of presenting the Dominion with a national art gallery, the government would cordially co-operate in providing a site and in facilitating its erection, but at the present time we do not feel that we are in a position to ask parliament to vote the necessary appropriation for that purpose. The government has in mind a suitable site for such a building, and in connection with any public buildings that may be erected, or other public improvements care will be taken that what may eventually prove to be the most suitable location for a national art gallery is not lost sight of. Perhaps I should say to my hon. friend, as I happen to know the fact, that, in connection with this art collection, there were sent not only the paintings and other works of art but also plans of a building specially designed by Mr. E. A. Rickards, the architect of the Central Hall, Westminster. The plans were transmitted with a view or providing the appropriate kind of accommodation for the collection in the event of the country finding it possible to undertake this work.

I would just wish to add this further word to what I have said. I feel that parliament has perhaps been remiss in not having expressed long before this the appreciation that should have been expressed of the work that was done by Lord Beaverbrook in assembling this great collection and virtually presenting it to the Dominion. Perhaps the words of my hon. friend and the response that I have endeavoured to make may serve as some expression of appreciation from this parliament.

HOME BANK

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Has the Minister of Finance yet received a report from the exchequer court in regard to the Home Bank, and can the depositors expect any relief?

Hon. J. A. ROBB (Minister of Finance): I have not yet received the report.

FEDERAL DISTRICT COMMISSION

EXPROPRIATION OF RUSSELL HOUSE BLOCK

On the orders of the day:

Mr. G. T. MacNUTT (Colchester): In view of the reported sale of the Russell House block to the government, has a transfer yet been made, and if so have the insurance policies covering this block been also transferred to the government?

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is evidently a departmental matter and some inquiry will have to be made before a reply can be given to my hon. friend.

CUSTOMS ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the third reading of Bill No. 198, to amend the Customs Act.

Motion agreed to and bill read the third time and passed.

SEEDS ACT AMENDMENT

The house resumed from April 12 consideration in committee of Bill No. 11, to amend the Seeds Act—Mr. Motherwell—Mr. Johnston in the chair.

The CHAIRMAN: When this bill was last before the committee all clauses had been adopted with the exception of clause 10.

On section 10—False advertising.

Mr. MOTHERWELL: I move to amend clause 10 by the insertion of the words "at a stated price" immediately following the word "sale" in the twenty-eighth line.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

EXCISE ACT AMENDMENT

The house resumed from April 12 consideration in committee of Bill No. 54, to amend the Excise Act.—Mr. Euler—Mr. Johnston.

Mr. EULER: When the bill was in committee last week we had passed all the clauses. The bill was left in committee on the suggestion of the leader of the opposition.

Bill reported, read the third time and passed.

TREATY WITH SPAIN

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 201, respecting a certain treaty of commerce and navigation between the United Kingdom and Spain and a certain agreement between the United Kingdom and Spain regulating the treatment of companies.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Treaties sanctioned.

Sir GEORGE PERLEY: I think the minister ought to give us a full explanation regarding the purpose of this treaty, and particularly how it is that only now we are taking up a treaty that was made in October, 1922. If this is such a valuable treaty for Canada, I would like to know why something was not done about it before.

Mr. ROBB: My hon. friend is quite right as to the date. Perhaps I might give a history of the negotiations.

On the 31st of October, 1922, the British government signed a treaty of commerce and navigation with Spain, a clause of which provided that the terms could be extended to any of the British dominions at the Dominion's option. On the 27th of June, 1924, Great Britain and Spain entered into an agreement concerning the treatment of companies. On April 5, 1927, the previous agreements were revised and as the objectionable features of the old agreements have been removed Canada is now prepared to accept the treaty. On the 10th of April, 1925, Canada entered into an agreement with Spain whereby Canada granted the intermediate tariff in exchange for the second column of the Spanish tariff. A clause of this agreement reads:

> The modus vivendi will come into force on April 20, 1925, and will cease to be in effect three months after its denunciation by either of the contracting parties. In view of the provisional character of this arrangement the governments of both of the contracting parties agree to commence without undue delay the necessary negotiations for the conclusion of a more general and definite convention for the regulation of the commercial relations between Canada and Spain.

The company agreement is of value to several Canadian companies, including some of the banks. The Spanish tax on capital and reserve is now 1 per cent. Under the agreement that tax will be reduced to one-quarter of one per cent.

Mr. BENNETT: the important sections, so far as we are concerned, are the articles dealing with the application of the treaty to the Dominion. It was specially provided that the treaty should not apply to the dominions unless they gave notice. Has that notice been given?

Mr. ROBB: Yes. As I intimated a moment ago, we did reach an agreement with Spain in 1925 regarding an exchange of tariffs. Now we are coming to an agreement with them in regard to how it will affect companies. In the meantime they are treating our companies as if they were under the agreement, with the understanding that we are to bring in a bill to carry out the agreement.

Perhaps the house will be interested in knowing just what the tariff concessions are. The tariff of Spain consists of (a) First tariff; (b) Second tariff, and (c) Conventional tariff on some goods. The first tariff is usually three times as high as the second tariff, while such conventional rates as exist are the lowest in force.

Based on an exchange of notes between the United Kingdom and Spain in 1894, Canada and Spain for several years granted each other most-favoured-nation treatment in tariff matters. The relations between the two countries came up for review in consequence of a new Anglo-Spanish commercial treaty signed October 31, 1922, and which contained provisions for adherence by British dominions and colonies. This treaty, though not precisely so in form, practically gave to the United Kingdom full most-favoured-nation treatment in Spain. It contained British

guarantees of either exempting certain Spanish products from duty or, with regard to some goods, maintaining as low duties as were in force at the signing of the treaty. The same obligations will be imposed on Canada if she accepts the treaty. Although not becoming a party to the British treaty, Canada did not immediately withdraw most-favoured-nation treatment from Spain. That is the agreement that has existed since 1894.

The attitude of Spain was to grant us her second tariff, but not conventional rates in return for most-favoured-nation treatment in the British dominions. On September 14, 1923, Canada discontinued most-favoured-nation treatment of Spanish goods, the occasion being the bringing into force of the present Franco-Canadian convention of commerce. Beginning in January, 1924, the Spanish first tariff was applied to Canadian goods.

The negotiations for a trade agreement between Canada and Spain terminated in an exchange of notes on April 10, 1925, at Madrid, between the Spanish authorities and the British ambassador. A modus vivendi was thus established which went into force ten days after the date of signing, which provided for exchanging the Spanish second tariff for the Canadian intermediate tariff, the arrangement to terminate on three months' notice. The governments agreed to begin without undue delay negotiations for a more general and definite convention. The Spanish second tariff is the lowest in force on most items, but Canada is deprived of such convention rates as exist. According to an examination of treaties made recently there were Spanish conventional rates lower than the second tariff on commodities of considerable interest to Canada, including fish, lumber, wood pulp, rubber tires, electric apparatus and machinery. The treaty situation is, of course, subject to change from time to time.

A Spanish decree of July 20, 1927, provided for revising the Spanish customs tariff and supplanting the present triple tariff with two columns, general and conventional. It was expected that early in 1928 the system would be reconstructed along these lines, and no doubt with important effects on Spanish treaty arrangements.

Sir GEORGE PERLEY: I understood the minister to say that so far as duties were concerned, the arrangement was governed by a convention made between Canada and Spain in 1925.

Mr. ROBB: Yes.

Sir GEORGE PERLEY: These treaties between Great Britain and Spain which the government is now proposing that Canada shall become a party to have to do with commerce and navigation. Do these overlap at all, or does the convention made between Canada and Spain deal with entirely different matters from those that are dealt with in the treaties with Great Britain?

Mr. ROBB: We are adhering to the British trade treaty so that we get the lowest rates for our nationals doing business in Spain.

Sir GEORGE PERLEY: Quite so; but if Canada agrees to become a party to the British treaty with Spain, will that not supersede the convention made between Canada and Spain in 1925?

Mr. ROBB: In 1925 we agreed to start negotiations for a treaty; this is the consummation of that agreement.

Sir GEORGE PERLEY: But we never made a treaty?

Mr. ROBB: No.

Mr. BENNETT: I wonder, Mr Chairman, if the attention of the Prime Minister has been directed to this bill. The other day I had occasion to draw attention to the fact that some of these conventions which were submitted for our approval had the effect of placing obligations upon the provinces, and that under our constitution exclusive power to deal with certain matters was vested in the legislatures of the provinces and not in the federal parliament. My right hon. friend the Prime Minister referred me to the section of the British North America Act dealing with this matter. I was perfectly aware of the section, but I do not apprehend that it could ever be taken as enabling us to amend our constitution by the aid of a convention made between Great Britain and a foreign state and approved by us. I do not think that even the credulity of the Prime Minister could be imposed upon to that extent, although the other day he said that he did not happen to be a lawyer.

This bill contains three sections: the first is merely the title; the second sanctions three treaties, one a treaty of commerce and navigation, the other an agreement between the United Kingdom and Spain, and the third a convention between the same powers; the third section provides that the act shall come into force on proclamation. There is, of course, a distinction in international law between a treaty, an agreement and a convention. The first schedule sets out the treaty of commerce and navigation between the

United Kingdom and Spain exchanged at Madrid on April 23, 1924. May I direct attention to article 3?

The subjects of each of the contracting parties in the territories of the other shall be at full liberty to acquire and possess every description of property, movable and immovable, which the laws of the other contracting party permit or shall permit, the subjects or citizens of any other foreign country to acquire and possess. They may dispose of the same by sale, exchange, gift, marriage, testament, or in any other manner, or acquire the same by inheritance under the same conditions which are or shall be established with regard to subjects of the other contracting party. They shall not be subjected in any of the cases mentioned to any taxes, imposts or charges of whatever denomination other or higher than those which are or shall be applicable to subjects of the other contracting party.

It happens that succession duties are wholly within the purview of the provincial legislatures, and that they have enacted laws dealing with such duties. The method devised for the purpose of collecting taxation in that form differs in the several provinces, and in some instances differs with respect to the residence of the persons affected. This article purports to put the residents of Spain in the same position and upon the same basis as the residents of any other foreign state, and I think it might be important to consider whether we are not taking an obligation with regard to the provinces that was never contemplated in connection with a treaty, because not only does that article deal with this matter, but there are other articles that deal with military obligations, which clearly are within the power of this parliament. At the top of page four the continuation of article 4 provides that:

They—

The subjects of each of the contracting parties within the territories of the other.

—shall similarly be exempted from all judicial, administrative and municipal functions whatever, other than those imposed by laws relating to juries, as well as from all contributions, whether pecuniary or in kind, imposed as an equivalent for personal service, and finally from any military exaction or requisition.

Between the United Kingdom and Spain there would be no difficulty, but when you come to deal with a country such as Canada that is a federal union, you cannot cover "judicial, administrative and municipal functions;" these are solely within the jurisdiction of the provinces. It shows the difficulties that arise in connection with the mere sanctioning by this parliament of a treaty made between the United Kingdom and Spain, and thus imposing upon us all the obligations, duties and responsibilities under the treaty so negotiated. Section 92 of the British North America Act distinctly says that the provincial legislatures shall have exclusive jurisdiction in respect to judicial, administrative and municipal matters. Section 132, dealing with treaties being binding alike upon the Dominion and the provinces did not and could not contemplate the possibility of a treaty negotiated between Great Britain and Spain, and sanctioned by this parliament, imposing upon the provinces a restriction of their legislative powers as defined by the British North America Act. I think the Prime Minister will agree with me that this must be so, otherwise we should be placed in a most difficult position. If the articles that I have read impose those restrictions upon the provincial legislatures, the truth is that the British North America Act has, pro tanto, been amended; and it cannot possibly be contended that that was in the mind of the parliament at Westminster when it gave us our constitution.

Now I come to the agreement which is printed at page 12 of the bill, regulating:

the treatment to be accorded in the territories of each of the high contracting parties to the companies registered in the territories of the other, have for this purpose named as their plenipotentiaries.

With respect to federal companies, the right hon. Prime Minister will at once agree with me that our sanctioning of this agreement would carry with it all the power that might be necessary. But to say that companies having provincial objects, and wholly within the powers of the provincial legislatures, should be affected by legislation of this kind, would seem to me to be something that was not intended by the British North America Act, and it might get us into this difficulty: some of the provinces might accord more favourable terms to, say, a United States company than to a Spanish company, and the Dominion would be confronted with the complaint that we had not performed our obligations under the treaty; but there is no power in this Dominion to enforce any such view on the provinces with respect to an agreement of this nature. It will be observed that some of these sections touch upon the very difficult and dangerous subject of provincial taxation, over which clearly this parliament has no jurisdiction, when you come to deal with the right of the province to impose taxation on any company that may be registered within its boundaries for the purpose of transacting business. The convention was not signed until April 5, 1927, and accompanying it is a letter from the British ambassador as well as one from the Spanish ambassador.

I do not desire to do more than merely point out the difficulties as I see them, be-

cause I do not think that they are limited to this particular case. I had occasion the other afternoon, when we were discussing the sanitary conventions—they were not treaties—which were negotiated through the League of Nations, to look into the question generally, and I must say I do not think it was ever intended, or that it will be held by the courts, to be within the power of a treaty, a convention or an agreement—and there is a clear distinction in law between the three things—negotiated between Spain and Great Britain, and given sanction by a legislative act on our part, to affect the constitutional jurisdiction of the provinces as defined by section 92 of the British North America Act. And yet that is inevitable in this instance if we declare this to be a part of the law of Canada, and do not provide any limitations, or, as the Americans say, reservations, with respect to not affecting companies or businesses or the legislative power and jurisdiction of the several legislatures. I certainly have some difficulty in my own mind regarding it, and I direct the attention of the Prime Minister (Mr. Mackenzie King) to the matter, for I think it is worthy of more than passing notice, having regard to what would be the effect upon some of the businesses that are directly mentioned in (a) the treaty, (b) the convention, and (c) the agreement itself.

Mr. MACKENZIE KING: The section of the British North America Act, to which my hon. friend made special reference, is 132:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries, arising under treaties between the empire and such foreign countries.

As I suggested the other day, there may be room for debate on the significance of the word "empire" as respects its application to any one part of the empire, but I should be inclined to think, looking at the clause as it reads, that it was clearly intended to give the federal government full power and authority to make any treaty coming within the scope of its jurisdiction which it might wish to enter into with another country—a power sufficiently comprehensive to cover just such a situation as my hon. friend has in mind where there might be a possibility of conflict with the provinces. However, that is a matter of interpretation which, as the hon. member has said, it would be well to have carefully considered, and I shall bring it to the attention of the Minister of Justice (Mr. Lapointe) with a view to ascertaining whether in his opinion it has any special bearing upon this particular case.

Mr. CHAPLIN: I wish to call the attention of the Prime Minister to article 10, in which we in this parliament propose to protect the Spanish wine dealer as against anything that the provincial legislature may do, while we are not attempting to protect the Canadian wine dealer from what the same legislature may do in this regard.

Mr. ROBB: I do not know that my hon. friend has made himself quite clear; I am not sure that I understand just what objection he is taking to article 10.

Mr. CHAPLIN: My understanding of the matter is this: If the provincial authorities in this country were to put a local tax on Spanish wines or French wines, then we undertake to see that these wines shall be placed in no worse position than our own wines. I want to point out that the local authorities now tax Canadian wines. You propose to see that they shall not tax foreign wines, but you are not taking any notice of the fact that they are taxing the Canadian product.

Mr. ROBB: My hon. friend has a wrong interpretation of the matter. The imported product will pay the same tax as the native.

Mr. CHAPLIN: Not at all; I am quite sure of that.

Mr. BENNETT: The point made by my hon. friend from Lincoln has not, I think, been apprehended by the minister. Article 10 in the second paragraph reads:

> The produce or manufacture of either of the contracting parties imported into the territories of the other, and intended for warehousing or transit, shall not be subject to any internal tax.

There is already an internal tax in Ontario on its own wine, and my hon. friend is pointing out that Spanish wine paying the customs and excise duties will be free from any internal tax in that province. I wish to draw the attention of the Prime Minister to this fact: Section 132 of the British North America Act must be read with sections 91 and 92, and the effect of the proper interpretation of the three sections is this, that any treaty negotiated by the Dominion shall have force and effect upon Canada only within the ambit of the powers conferred upon this parliament by section 91; and to the extent that we have powers, under the constitution, affecting the provinces, the provinces are thereby bound. There are cases without number which I might mention. But surely it never could be contended that a treaty —I will not discuss either agreements or conventions inasmuch as "treaty" is used in section 132 of the British North America Act

—negotiated between a foreign state and Great Britain, to which we give our approval, could deprive the legislature of any province of its plenary powers. Such a contention is certainly at variance with the statement of the law made by Lord Loreburn in the Privy Council. It would simply imply that the plenipotentiaries of Canada and of some other country might sign a treaty which, without reference to a province, could deprive that province of its legislative power with respect to every subject matter that might be dealt with in that treaty. It is perfectly clear that this is not the law; it is not at any rate the law heretofore understood by jurists of repute. No jurist of repute has ever suggested for a moment that a treaty could encroach upon that ground. The provinces could be affected only in so far as this parliament might act within the limit of its powers over the provinces, but not within the constitutional jurisdiction and plenary powers of the provinces. Surely no treaty can take away from any provincial body its legislative power; it can affect only those powers which the Dominion may exercise in the province. That is to say, this parliament might denude itself of every power which it has a right to exercise in every one of the nine provinces, and the provinces would thereby be bound. But the legislative jurisdiction of the legislatures, conferred on them by the British North America Act, cannot be limited, restrained, restricted or destroyed by any treaty made at Madrid to which we give sanction. Surely it is unnecessary to point that out. Under the rules of interpretation the sections of the British North America Act must be read together, and the sections conferring exclusive powers upon the Dominion and the provinces respectively must be read with section 132. Any treaty that may be negotiated between Great Britain and any foreign state, and to which we may become a party, will bind the provinces to the extent to which the parliament of Canada may have jurisdiction over those provinces. This parliament has wide jurisdiction over the provinces, but within the purview of the powers conferred by the constitution upon provincial legislatures, nothing short of the legislative power of the Imperial parliament can deprive the legislature of its constitution. The effect is that the constitution of the province might be wiped out; one must always carry these matters to a logical conclusion, and that is what this means. It had not occurred to me the other day until it was read, but I remember very well my early teachings in connection with matters of this kind, and they are very simple. This parliament is the entity which speaks for Canada; under the federal system and under the powers conferred upon parliament by section 132, this is the national entity. In that case it was not contemplated that our parliament should negotiate a treaty; it was intended only to deal with a treaty negotiated with respect to the British Empire of which we are a part, and that treaty has power, force and application binding the provinces to the extent to which the parliament of Canada can exercise power over them. It cannot be suggested, however, that you can take away the legislative power of the free legislatures of the nine provinces by a treaty negotiated in Madrid, to which we give our approval.

Mr. MACKENZIE KING: My hon. friend has raised a very large question, and I hesitate even to attempt to make a contribution to it by way of debate. It does seem to me, however, that some power in the state must have the authority to make treaties, and that authority to whoever it belongs must be plenary. Situations may arise where it would be quite impossible for the federal government to negotiate a treaty with another nation, which it was in the interests of the Dominion to conclude, without to some extent overriding some of the alleged exclusive powers of the provinces. In such a case it could hardly be assumed that, if it were in the national interest to have such a treaty made, this could not be done because some provision therein appeared to override some particular jurisdiction of a province. I just raise that point as the other side of the question, and I think my hon. friend will see clearly that in giving to the parliament of this country the power to make treaties under the British North America Act, in the terms of the section which I have read, it must have been intended that all the powers which were needed for that purpose were being given, even though they did appear in some particulars to come into conflict with certain rights reserved to the provinces. In other words in treaty-making the national interest must be paramount when brought into apparent conflict with the interest of any province.

With respect to this particular treaty, a clause is contained therein which provides for its termination by either party upon the giving of three months' notice, and perhaps I could put at rest any concern which my hon. friend may have as to our intentions by saying that if it did appear that a serious conflict was about to arise between the provinces and the Dominion with regard to any of the

sections to which we are now referring, rather than have such a conflict, the treaty itself could be abrogated as far as we are concerned.

Mr. ROBB: Perhaps the hon. member for Lincoln has misunderstood article 10 by reading only that part of it which appears on page 6. If he follows that article on page 7 he will find the following words:

> The produce or manufacture of either of the contracting parties imported into the territories of the other, and intended for warehousing or transit, shall not be subjected to any internal duty.

Mr. BENNETT: I do not desire to argue this question before the committee, but I wish to direct the attention of the Prime Minister to section 132 of the British North America Act, which is as follows:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries, arising under treaties between the empire and such foreign countries.

That is, they shall have all powers necessary or proper to perform the obligations of Canada or of any province thereof. Certainly these obligations must be read subject to the constitutional grant of powers by the British North America Act to the several provinces. This question really raises the whole issue of sovereign power, and the right of this Dominion to negotiate any treaty. There is no grant of power by section 132 to negotiate a treaty; far from it. That section contemplates that the treaty shall be negotiated by someone else; it says, "between the empire." In this particular treaty there is a reservation providing that the treaty shall not apply to the Dominion, to India or to Australia unless their parliaments, in terms, accept, adopt or sanction the treaty. We sanction the treaty; by so doing we make ourselves a party to every term of it, and my point is that the language is not apt to make such a treaty binding upon the various component parts of this confederation which have their grant of plenary powers from the parliament at Westminster. Section 92 of the British North America Act says ". . . .may exclusively make laws. . . .", but section 91 grants to this parliament the right to make laws for the peace, order and good government of Canada as a whole. It is further provided that where there is no exclusive grant of powers, if there is any conflict between the federal and provincial power the federal power shall prevail. As the Privy Council has so often said, however, this is not so as against the enumerated classes of subjects in section 92, over which the legislatures have exclusive jurisdiction.

Possibly this is a difficult matter to argue in committee, and I merely direct attention to it because it does occur to me that as the matter stands it is of far-reaching consequence and it was never intended that the mere approval or sanction by Canada of a treaty negotiated between two outstanding portions of the empire or between two foreign nations to which the empire was a party should have the effect of repealing, pro tanto, the power of the legislatures of the provinces which is said to be exclusive. I quite agree with the Prime Minister that there must be a national entity, and that national entity is Canada. Canada is composed of several provinces; but the national entity has power to make laws for the national well being. These laws thus made for the national well being, however, must not conflict with the exclusive jurisdiction conferred upon the provinces by the constitution with respect to those numerated classes of subjects in section 92 of the act, and some of the articles of the treaty deal in terms with matters solely within the exclusive jurisdiction of provincial legislatures, being designated and named classes of subjects over which the legislature alone has jurisdiction—not jurisdiction concurrently with this parliament but exclusive jurisdiction in the terms of the constitution itself. I merely submit the matter to the committee because it was new to me when I first read this treaty, and I felt that it was of considerable importance and at least worthy of the attention of the committee and possibly of the law officers of the crown, as well as the attention of those responsible for our commitments with respect to foreign treaties.

Mr. MACKENZIE KING: There is just one point with regard to what my hon. friend has said. I agree with him that in negotiating any treaty the federal government should have the utmost regard for all matters reserved to the exclusive jurisdiction of the provinces, but I think my hon. friend will agree that as to the Dominion and the empire as a whole, at the time the British North America Act was drafted the position with respect to treaty-making powers was not as clear at it is to-day. It is now conceded with respect to matters of primary or exclusive concern to the Dominion that we have the full right to negotiate, sign and ratify a treaty which formerly might have been held to belong to the British Empire as a whole. The powers of this parliament with regard to a treaty such as we are now discussing are complete in all particulars, and are not affected by the wording of the section as it appears.

Mr. CANNON: I have listened very attentively to the argument put forward by the leader of the opposition. The hon. gentleman has stressed one point—that it would seem a rather extraordinary thing that the federal government would be able to impose obligations on the provinces in connection with matters and subjects which are enumerated in the British North America Act as being within the exclusive jurisdiction of those provinces. That is the argument which my hon. friend put before the committee. But when we come to examine the relative authority of both the federal parliament and the provincial legislatures throughout the Dominion we have to make a distinction between the authority of the Dominion government acting in internal matters, and the authority of that government in matters which are outside of Canada and are international in character. It is no new principle to-day to say that one authority could impose obligations on a provincial or secondary power. For instance, up to recent years the Imperial government could impose obligations in international matters on the Dominion by legislation passed in the Imperial house in relation to questions which were enumerated as being within the exclusive jurisdiction of the Dominion parliament. Why could it be so? It could be so because the British government at that time was the authority which could deal in these matters with foreign powers. Now Canada has altered her position. To-day if we wish to enter into agreements, or if we wish to sign any treaties with foreign countries, we have an authority in Canada that is able to do so and that authority is the federal parliament. Section 132 of the British North America Act covers this matter, but as the leader of the opposition has rightly said, when the British North America Act was enacted in 1867 the relation, as between this Dominion and the British parliament in connection with international matters was not that which exists to-day. In 1867 it was said that when the British government entered into a treaty with some country which affected Canada, the authority in Canada which would provide that the obligations under the treaty would be lived up to would be the Dominion parliament. Now the situation is somewhat changed, and no treaty is to be regarded as binding on Canada unless that treaty has been signed or ratified by this country itself. But there is no doubt in my mind that whenever, in any treaty, there is a stipulation which affects a province, that province is bound by any act of this federal parliament, otherwise it would be absolutely impracticable for Canada to deal with foreign countries.

[Mr. Mackenzie King.]

In conclusion I wish to call your attention to a similar situation which exists in the United States. The states in the American union have much greater and much wider powers than the provinces in Canada, because if in Canada the residuary power lies within federal jurisdiction, in the neighbouring union the residuary power lies within the jurisdiction of the states. To put my argument in another form: When the United States of America came into existence the different states retained their authority except and only to the limit of the authority which they conceded to the federal government. But here in Canada all authority was given to the central government except and in so far only as authority to deal with local matters was given to the provinces. So that even though the individual states of the union have a much greater authority than our individual provinces, the American government enters frequently into treaties with foreign powers. Every provision of those treaties is lived up to and the central government at Washington sees to it that treaties are properly observed. The doctrine of exclusive legislation by the provinces may apply when it is a question of internal administration in Canada, but when it comes to international matters the one central authority is empowered to deal with these matters and it can do so under the three existing provisions of the British North America Act: first, by exercising the authority which is given to us to pass any law which is necessary for the peace, order and good government of Canada; secondly, under the authority which we have by reason of our possessing the residuary powers; thirdly, from the expressed authority which is given to us by section 132 of the British North America Act.

Mr. BENNETT: I do not know that any useful purpose is served by taking up the time of the committee with respect to this matter, but when the observation was made that the provinces are a secondary power a total disregard of the jurisprudence of the Privy Council was indicated. The Privy Council has said that the legislatures of the provinces have as plenary powers within the ambit and scope of their activities as the parliament of Canada has within its jurisdiction or as the Imperial parliament in the plenitude of its powers could bestow upon them. Those are the words of the Privy Council and are quite as important as the words to which we have just listened. With respect to the residuary power being vested in the Dominion, it is quite true that the residuary power rests with the Dominion as indeed the Privy Council has said, but that

does not enable the parliament to take from the provinces the powers conferred upon the legislatures by section 92 of the British North America Act. As far as section 132 of the British North America Act is concerned it has no bearing upon the subject at all for the reason I have indicated which goes to the root of the whole question. Is Canada a sovereign state? Has Canada any treaty-making powers at all apart from those which belong to us as a part of the empire? In section 92 these words are to be found:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—

Then follow sixteen enumerated powers. Those powers are exclusive and there is no right on the part of this parliament—the courts have held all such legislation ultra vires—to interfere with these enumerated subjects. The exercise by the legislature of their exclusive powers with respect to these subjects is subject to the exercise of its ancillary power by the parliament of Canada. For instance legislating on banks and banking, we provide that warehouse receipts shall have a certain validity as against a registered chattel mortgage; and it was held by the Privy Council that that power was a power ancillary to the exercise of the exclusive power of parliament with respect to banks and banking. Therefore it must be deemed to orevrride the power of provincial legislatures with respect to property and civil rights so far as registration as a chattel mortgage is concerned, although at the last revision of the Bank Act we made certain amendments in that regard. There is no question of that sort involved in this. The sole question is whether or not a treaty negotiated between a foreign state and Great Britain and now sanctioned by this parliament can be said to carry with it by implication the power to overrule the powers of the provincial legislatures with respect to companies created within their own border, it does apply to federal companies, I agree—but with respect to internal taxation imposed by the provinces, and with respect to dealing with land registration it cannot be so. The Privy Council held that where you have a federal enterprise created by a federal authority, it must comply with the registration laws of the various provinces with respect to real estate. That was held to be part of the law of the constitution. Under those circumstances I am free to say that while I have not seen the point discussed, it is certainly quite clear to me that, if that be the law of this Dominion, then our constitution must be different from that contained in the British North America Act. Our statutory constitution is what governs not only with respect to our relations between the federal and the provincial authorities, but it is the authority that is responsible for our being an entity at all. The entity called Canada came into being by an imperial statute called the British North America Act. It did not come into being by an agreement such as they had in the United States. The British North America Act defined the terms under which this entity called Canada shall exercise its legislative powers. It does not contemplate, as I have said, our making a treaty. Section 132 has no reference to the treaty-making powers which are exercised by Canada. It says that the Canadian parliament shall have power to deal with a treaty negotiated with respect to the British Empire. This is not a treaty with respect to the British Empire. The British government has not negotiated the treaty on behalf of Canada and it has been very careful not to do so. It left Canada to say what it will do. When Canada sanctions this treaty by the action of parliament, parliament can bind the provinces only to the extent to which the Dominion can reach its arms into the provinces. It can do so with respect to many things but it cannot do so with respect to many matters that are mentioned in the treaty. If a provincial legislature, the day after to-morrow, after the treaty is ratified, sees fit to pass a statute at variance with that treaty, parliament might disallow the legislation. We have that power—and it has not been exercised for many years—but apart from that power we cannot do anything.

The application of the American constitution is covered by the provisions of the constitution itself. The senate of the United States which comprises two representatives from each state, has power to give its approval to treaties. The senate of the United States was originally composed of men elected by the state legislatures, subsequently, in most of them by the direct vote of the electors themselves. There is a section of the United States constitution dealing specifically with that situation. No one for a moment questions that the national power in the United States is the federal authority called the United States of America, but there is no section such as section 132 which we have and which, instead of advancing the position taken by the government, actually has the opposite effect because it contemplates only a treaty negotiated for the British Empire of which Canada is a part and not a separate treaty negotiated by a portion of the empire or a treaty negotiated by that portion of the

empire that does not include Canada and subsequently sanctioned by Canada. I suppose no purpose is served beyond merely stating the situation as it occurs to me and citing the decisions that have been made with respect to it. We cannot settle it here, but I think we should take cognizance of the circumstances to which I allude.

Mr. CANNON: My hon. friend has quoted the decisions of the Privy Council in support of his contention; but in order to show that the exclusive jurisdiction of provinces is not a territory so highly protected against the federal jurisdiction that we can never enter into it, I would quote to my hon. friend the very recent decision given in re the Royal Bank of Canada by the Privy Council, where the question arose whether the federal parliament had the right to put aside the laws of registration which prevailed in Quebec with respect to properties. If there is one subject matter which is deemed to be within the exclusive jurisdiction of the provinces, it is property and civil rights; but in that case the decision rendered by the Privy Council within the last few months is that when we are dealing with bankruptcy we have a perfect right to legislate and, exercising what my hon. friend has designated, and rightly so, an ancillary power, we can do away with provincial legislation even covering such matters as property and civil rights. This being the case—and this decision is very recent—if we have the right as a central and national parliament and government to deal with outside and foreign governments in international matters, we surely have the right, in order to exercise that authority, to exercise an ancillary authority in these highly important matters. Again I say I do not think it would be seriously contested that any authority other than parliament or the Dominion government has the right to deal in international matters.

Mr. BENNETT: I hesitate to trouble the committee, but in subsection 21 of section 91 it will be found that it is the exclusive power of parliament to deal with bankruptcy and insolvency. The Privy Council held, following the case of the Union bank and Tennant, which was thirty years earlier, that where parliament exercises one of its exclusive powers it has the right to exercise every power that is ancillary to giving effect to that power. That means that we could interfere with property and civil rights in the provinces with respect to the registration of chattel mortgages in the Tennant case, and the same was held with respect to bankruptcy and insolvency. But the test which the Lord Chancellor laid down in the earlier case was this: Is the legislation in its character legislation dealing with bankruptcy and insolvency or property and civil rights? It was held that it was dealing with banks and banking in one instance and with insolvency and bankruptcy in the other, and the other was only incidental to the exercise of that power.

When you begin to apply that doctrine to an international arrangement with respect to a treaty, it is unnecessary to say that it has no parallel and no analogy, for the simple reason that in the one instance you are interpreting a statute of the United Kingdom of Great Britain and Ireland and in the other you are endeavouring to apply a principle that applies only to a sovereign state. That is the whole point that is at issue in this case. No one for a moment suggests that any power other than the entity called Canada can deal with international problems. A province is not Canada. The name of the province is Ontario or Quebec or Nova Scotia or New Brunswick as the case may be; but the federal entity which comprises the territory of those provinces and which has exclusive power conferred upon it by section 91 is the Dominion of Canada, and it alone has power to deal with international problems. No one has questioned or will question that. The question is whether or not this Dominion, created by an imperial statute, has power, having regard to the exclusive jurisdiction conferred upon the provinces, to sanction a treaty made between Great Britain and a foreign state, which treaty in its terms does not apply to this country except as sanctioned by parliament, and thereby deprive the legislatures of their constitutional powers which are exclusive with respect to many matters that are mentioned in that treaty. That is the problem to which I direct attention, that and none other. I am not expressing beyond the casual arguments that occur to me any considered and careful opinion, because I have not had the time to look up the authorities, and I am speaking solely from memory with respect to them, but with respect to the last authority I have very peculiar knowledge, and if it follows the Tennant and the Union bank principle, that any community which is not a sovereign state may negotiate a treaty the effect of which is to deprive one of the component provinces which has exclusive jurisdiction to deal with the matters therein mentioned of the powers conferred upon it, that is a problem not yet settled, and I submit it to the committee for the purpose of engaging the attention of the law officers of the crown.

Section agreed to.

Section 3 agreed to.

Bill reported.

TRADE CONVENTION WITH CZECHOSLOVAKIA

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 202, respecting a certain trade convention between His Majesty and the President of the Czechoslovak republic.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. ROBB: I might explain to the committee that Czechoslovakia had in 1921 a population of 13,613,000. It is one of the most self-supporting countries of Europe, being rich in coal and other minerals, and well forested and well developed agriculturally. The republic contains over seventy-five per cent of the manufacturing industries of the former Austria-Hungary empire. The republic is an extensive importer of bread grains, edible fats, coffee, tea and other luxury foodstuffs, agricultural implements, automobiles, and tires.

In December, 1926, a temporary agreement was made between Canada and Czechoslovakia whereby, on the main items of export from Canada, most favoured nation treatment was given, we in exchange granting Czechoslovakia the benefits of the intermediate tariff. This agreement was made for a term of fifteen months with the understanding that a further discussion looking to a permanent treaty would take place in the interval. These negotiations have now been completed, and the agreement now submitted calls for the mutual exchange of most-favoured-nation treatment.

The principal imports from Czechoslovakia are—I will give round figures only:

Glass and glassware	$403,000
Tableware of china	313,000
Jewellry	121,000
Cotton manufactures	79,000
Worsted, serges, etc	74,000
Hops	63,000
Flax, hemp and jutes	52,000
Other wool, and manufactures thereof	51,000

Mr. BENNETT: What is the total?

Mr. ROBB: The total imports for 1926 amounted to $1,272,000, and for 1927 to $1,726,000.

Mr. CHAPLIN: That is for the fiscal year?

Mr. ROBB: I imagine so. The records of both countries are incomplete due to the fact that Czechoslovakia is an inland country and the larger part of her imports pass through the free port of Hamburg. For that reason the major part of our exports to that country appear in the Germany statement. Flour is our chief item of export. The Canadian trade commissioner at Hamburg, Mr. Wilgress, in a report to his department, states:

> Last year more Canadian flour was sold in Czechoslovakia that in any other country except the United Kingdom. This market is therefore of great importance to the Canadian flour-milling industry.

A few weeks after the signing of the present convention, a representative of the republic in Montreal, Mr. Kveton, in an interview stated:

> From the total imports of 2,531,287 barrels of wheat flour in the calendar year 1926, according to the Czechoslovakia statistical returns, 1,021,248 barrels, valued at 8,699,340, originated in North America. The Canadian ratio, 70 per cent, would be 714,873 barrels, worth $6,089,538, at the Czechoslovakia frontier. These figures include only imports designated in the returns as coming from Canada, Hamburg and the United States, without even taking into consideration that probably a part of the imports credited to Germany and to the port of Trieste, 15,757 barrels is of North American origin.

Mr. ADSHEAD: What was the price of this flour per barrel of 196 pounds?

Mr. ROBB: I gave the customs export price; that would be the f.o.b. price, probably.

Mr. ADSHEAD: Per barrel?

Mr. ROBB: I think so.

Mr. ADSHEAD: Per barrel?

Mr. BENNETT: It was in bags, was it not?

Mr. ROBB: I do not know whether it was in bags or wood. The estimated figure at the Canadian port is $6.50 per barrel.

Mr. STEVENS: Does the minister intend to go through this treaty clause by clause?

Mr. ROBB: Whatever the house desires.

Mr. STEVENS: Otherwise I should like to ask one or two questions.

Mr. CHAPLIN: Before the minister leaves the subject that we have been considering, will he tell us what are the other exports?

Mr. ROBB: The memorandum which I have applied to exports direct from our own ports:

> Rubber tires, $122,428.
> Canned lobster, $10,825.
> Rags, $22,688.
> Wood, unmanufactured, $2,351.

I cannot think what that is.

> Farm implements and machinery, $2,892.
> Adding and calculating machines, $21,763.
> Automobiles and parts, $337.

There must be an error there.

Settlers' effects, $300.
All other articles, $3,993.

As I have pointed out before, these figures cannot be correct, because much of this trade has been distributed through the free port of Hamburg. The conditions of the treaty are that the trade shall go through that port.

Mr. CHAPLIN: At the end of the year will the minister be able to determine what business we are doing with Czechoslovakia?

Mr. ROBB: Yes. Under the new statistical arrangement we hope to be able to determine what trade is going through there.

Mr. CLARK: Is it not a fact that last year there was almost a complete failure of wheat shipments from Odessa to Czechoslovakia and these other countries?

Mr. ROBB: I cannot answer my hon. friend. I know that our Canadian millers who have representatives over there have urged the government very strongly to negotiate this treaty, and have found fault with us because we were making haste rather slowly.

Mr. CLARK: I understand that. But can the minister give us the comparative shipments of wheat and flour to Czechoslovakia covering a period of two or three years?

Mr. ROBB: I cannot give such figures.

Mr. CLARK: I think it is really worth looking into. My understanding is that last year there was an almost complete failure of shipments from Odessa, and that Canada consequently sent a much greater quantity of wheat and flour to these countries.

Mr. ROBB: Of course, that applies to our trade with all the world. Everyone knows that the wheat coming out of Russia has been comparatively limited within recent years. No one can tell when Russia will again be a factor in the export market.

Mr. CLARK: I am trying to get at the reason for the treaty that relates chiefly to wheat and wheat products. Because of that very fact Russia will be in a position to compete with Canada in that particular market on a much more favourable basis.

Mr. KELLNER: What are the duties Czechoslavokia is now charging on Canadian wheat, and what will be the duties if this agreement is made effective?

Mr. ROBB: The duties under the general tariff are based on the kronen, which equals 2.96 cents—not quite three cents. These are the figures:

[Mr. Robb.]

Commodity—General tariff—Treaty rate—
Wheat; 60 kronen; 30 kronen.
Wheat flour; 120 kronen; 70 kronen.
Apples; 200 kronen; 80 kronen.
Grass seeds; 300 kronen; 180 kronen.
Fish and seal blubber; 15-144; free.
Vegetable tallow; 15 kronen; free.
Fish, other than herrings, 270 kronen; free; Fish, other than herrings, smoked, 270 kronen; 180 kronen.
Canned fish; 1,200 kronen; 360-600 kronen.

Mr. CHAPLIN: Is the Czechoslovakian a fixed tariff, or is it on a minimum scale and subject to change like the French tariff?

Mr. ROBB: We get their minimum and we give them ours.

Mr. CHAPLIN: But we do not change our tariff. If their tariff is similar to the French tariff they will have a big advantage over us.

Mr. ROBB: My protectionist friends will be glad to have the admission that ours is a stationary tariff. I recollect that not long ago my hon. friend argued that we had reduced our tariff.

Mr. CHAPLIN: The minister cannot get away with that. He knows that on a large line of commodities under the French treaty our rates are fixed and must continue so as long as the French treaty remains on our statute books. This is a repetition of the French treaty as far as goods from Czechoslovakia to this country are concerned.

Mr. ROBB: I am sure my hon. friends opposite will be glad to have this from a report dated April 16, 1928, issued by the Department of Commerce at Washington:

Czechoslovakia market for American flour declines.

A leading importer of grain and flour in Czechoslovakia reports that Canadian flour has steadily been displacing American flour in that market since 1922, according to information received from Commercial Attache Elbert Baldwin. Due to the frequency of indirect shipments via Hamburg, Antwerp and Amsterdam, trade figures fail to trace this movement. In the case of the importer quoted, however, Canadian flour represents 95 per cent and American flour only 5 per cent out of 30,000 tons (338,000 barrels) imported during the period June-January, 1927. This is a reversal of the situation which prevailed in 1920 when the United States dominated this market and Canadian flour was practically unknown. It is said that the advantage gained by the Canadian mills has been accomplished largely by the better export technique recently developed by them. Recently Canadian exporters have been maintaining spot stocks not only at centres of distribution such as Hamburg, but also, if in smaller volume, at interior points. The domestic importer is consequently less exposed when purchasing Canadian flour to the danger of market fluctuation incurred when purchasing American flour, while the Canadian exporter, dealing in larger volume and close to a source market is able to hedge his own risk while protecting his customer. It is the opinion of

the importer quoted that the American flour could regain a large part of the lost market if equal facilities with Canadian competitors were accorded the importer.

We have this statement from the representative of another country that Canada has been capturing the market.

Mr. CHAPLIN: We like to hear that, and it is evidently due to the quality of the goods they are getting and has nothing to do with what the government has done.

Mr. ROBB: I am willing to give credit to the quality of the goods.

Mr. CHAPLIN: That is only a little red herring drawn across the trail so far as the question I asked is concerned.

Mr. STEVENS: The question asked by my hon. friend (Mr. Chaplin) is a pertinent one which should receive some consideration. This country entered into a trade agreement with France, giving France a fixed tariff. The items were enumerated and the duties fixed, and in return France gave us a sort of omnibus right to certain rates of duty which may be, and which in fact have been, changed very frequently. Now this treaty with Czechoslovakia by its general terms gives to that country the same specific duties that France gets on these articles enumerated in the French treaty; and after all, the articles of export from France are very similar in type to articles which we may expect to import from Czechoslovakia. In return we simply get the general clause extending what is known as most favoured nation treatment. It is the usual clause. That is the point raised by my hon. friend from Lincoln. The minister very adroitly quotes an expression of opinion regarding the importation of flour—an opinion from the American Department of Trade and Commerce. Well, I think it is a very fitting occasion upon which to compliment the Canadian millers upon their enterprise and their trade ability. But that is no answer to the point raised. It seems to me an opportune moment for the committee to consider whether or not the terms of the French treaty have been to the advantage of Canada and whether the extension of those terms is entirely in Canada's interest, or at any rate in the interest of this country to the same degree as it is advantageous to those with whom we are trading. I submit we ought to have an expression from the minister, a justification, if I may say so, of the French treaty which is now applicable to this treaty.

Mr. ROBB: I have no great quarrel with my hon. friend's statement regarding parts of the French treaty, but I am not now discussing the French treaty. We are discussing this treaty which has been made with Czechoslovakia under which Canada gives to that country her most-favoured nation clause, receiving the same in return.

Mr. STEVENS: Including the French treaty—that is the point.

Mr. ROBB: There is nothing to prevent this parliament from increasing the rates against France, with the exception of a very few items.

Mr. STEVENS: Surely!

Mr. ROBB: If the people of Canada determine upon such a policy.

Mr. BENNETT: Then you would have to abrogate the treaty.

Mr. STEVENS: The minister is not correct; you cannot change the items without abrogating the treaty, giving notice to that effect. I would point out that the minister has imported the French treaty into this one. That is the point. The minister says he does not want to discuss the French treaty, but he must do so if he is to give a fair indication of the application of this treaty. That is what we complain of. Our hands are tied; we are bound to certain terms with Czechoslovakia until we denounce the French treaty. I say, we find ourselves in a humiliating position as a result of the French treaty, which was one of the minister's pet babies.

Mr. ROBB: Oh, no.

Mr. STEVENS: Oh, yes.

Mr. ROBB: I will not take any credit for the French treaty.

Mr. STEVENS: Well, the minister adopted the baby with a good deal of pride.

Mr. ROBB: I will admit adoption.

Mr. STEVENS: The minister thought at first it would be a lusty child and would reflect credit upon him, but in recent years he has been inclined to repudiate it.

Mr. BENNETT: It is somewhat anaemic.

Mr. STEVENS: Yes, it has become a little anaemic. The point is that the French treaty has been imported into this one; it is embodied in this treaty. Someone asks me to read the section involved. It is article 4:

> It is understood that in all matters governing the import, export and transit of merchandise Czechoslovakia grants to Canada and Canada grants to Czechoslovakia the treatment of the most favoured nation.

That clause, the minister says, includes a few articles; as a matter of fact it is a very

long and important list of articles incorporated in the French treaty. Perhaps the minister will tell me whether it includes the West India agreement?

Mr. ROBB: That is British.

Mr. STEVENS: That is not included?

Mr. ROBB: No.

Mr. BENNETT: Why?

Mr. STEVENS: The question is asked—why?

Mr. ROBB: It is a British country; you will notice the words "any foreign country".

Mr. STEVENS: Not in this particular article. There is another article referring to foreign countries, but the article I have just read is clear: we simply grant the most-favoured-nation treatment. Does that include the West Indies?

Mr. ROBB: See article one of the schedule.

Mr. STEVENS: True, article one provides that "articles the produce or manufacture of Canada imported into Czechoslovakia" and vice versa shall not be subjected to other or higher duties or charges than those paid on like articles the produce or manufacture of any other foreign country. That is clear. But I have called the attention of the minister to article 4, which I have fully quoted, and I want to know whether the treatment we accord to the West Indies applies in this case.

Mr. ROBB: That is the language in all treaties. It might have been made clearer had it specifically mentioned foreign countries, but the intention is fully understood. They quite understand it.

Mr. STEVENS: But in the practical application of it, according to my understanding of the matter, Czechoslovakia will claim to come under the treatment extended to the West Indies, say, or to Australia or to South Africa.

Mr. ROBB: No; it is exactly the same as in the agreements with Italy and Belgium. They have never made such a claim and we would not admit it. They quite understand it. They understand it in all these negotiations.

Mr. STEVENS: So long as we understand it clearly—

Mr. ROBB: It is clearly understood.

Mr. STEVENS: Then I come back to this question: The French treaty will be applicable to this treaty with Czechoslovakia?

[Mr. Stevens.]

Mr. ROBB: It will, in respect of a limited number of articles. Perhaps I might just as well put those articles on record now:

Canned meats, canned poultry and game; extracts of meats and fluid beef, not medicated, and soups of all kinds: 20 per cent.

Trees: apple, cherry, peach, pear, plum, and quince of all kinds and small peach trees known as June buds: each, 2 cents. Grape vines, gooseberry, raspberry, currant and rose bushes, fruit plants, n.o.p.; trees, plants and shrubs commonly known as nursery stock, n.o.p.: 15 per cent.

Vegetables, tomatoes excepted, including baked beans, in cans, or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty; per pound, 1 cent.

Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty; per pound, 2 cents.

Anchovies, sardines, sprats and other fish, packed in oil or otherwise, in tin boxes, the weight of the tin box to be included in the weight for duty:

(a) When weighing over 20 ounces and not over 36 ounces each, per box, 4 cents.

(b) When weighing over 12 ounces and not over 20 ounces each, per box, 3 cents.

(c) When weighing over 8 ounces and not over 12 ounces each, per box, 2½ cents.

(d) When weighing 8 ounces each or less, per box, 2 cents.

Alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:

(a) When in bottles or flasks containing not more than 4 ounces each; 75 per cent.

Medicinal or medicated wines, including vermouth and ginger wine, containing not more than 40 per cent of proof spirit; 70 per cent.

Wines of the fresh grape of all kinds, not sparkling, imported in barrels or in bottles:

(a) Containing 20 per cent or less proof spirit; per gallon, 15 cents.

(b) Containing more than 20 per cent and not more than 23 per cent proof spirit; per gallon, 20 cents.

(c) Containing more than 20 per cent and not more than 26 per cent of proof spirit; per gallon, 25 per cent.

(d) Containing more than 26 per cent proof spirit until strength reaches 40 per cent of proof spirit; per gallon, 55 cents.

And in addition thereto for each degree of strength in excess of 26 per cent of proof spirit until the strength reaches 40 per cent of proof spirit; 3 cents.

Provided that 6 quart bottles, or 12 pint bottles, shall be held to contain a gallon for duty purposes under this item.

Books: Novels or works of fiction, or literature of a similar character, unbound or paper bound or in sheets, but not to include Christmas annuals, or publications, commonly known as juvenile and toy books; 15 per cent.

Advertising and printed matter: Advertising pamphlets, advertising show cards, illustrated advertising periodicals, price books, catalogues and price lists; advertising almanacs and calendars, patent medicine or other advertising circulars, fly sheets, or pamphlets; advertising chromos, chromotypes, oleographs, or like work produced by any process other than handpainting or drawing, and having any advertisement

or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p.; per pound, 12½ cents.

Printed music, bound or in sheets, and music for mechanical piano players; 5 per cent.

All medicinal, chemical and pharmaceutical preparations, compounded of more than one substance, including patent and proprietary preparations, tinctures, pills, powders, troches, lozenges, syrups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences and oils, n.o.p.:

(a) When dry, 22½ per cent.

(b) Liquid, when containing not more than 2½ per cent of proof spirit, 30 per cent.

Provided that drugs, pill-mass and preparations, not including pills or medicinal plasters, recognized by the British or the United States pharmacopoeia, or the French Codex as officinal, shall not be held to be covered by this item.

Perfumery, including toilet preparations, non-alcoholic, namely:—hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin; 25 per cent.

Olive oil, n.o.p.; 15 per cent.

Essential oils, n.o.p.:; including bay oil, otto of limes and peppermint oil; 5 per cent.

Tableware of china, porcelain, white granite or ironstone; 20 per cent.

Locomotives and motor cars, for railways and tramways and automobiles and motor vehicles of all kinds: 25 per cent.

White and cream coloured lace and embroideries, of cotton or linen; 15 per cent.

Knitted undershirts, knitted drawers and knitted goods, n.o.p.; 25 per cent.

Church vestments of any material; 15 per cent.

Embroideries, n.o.p.; lace, n.o.p.; braids, n.o.p.; tapes of cotton or linen not over one and one-quarter inches in width, not including measuring tape lines; fringes, n.o.p.; cords; elastic, round or flat; garter elastic; tassels; handkerchiefs of all kinds; lace collars and all manufactures of lace; nets and nettings of cotton, linen, silk and other material, n.o.p.; shams and curtains, when made up, trimmed or untrimmed; 27½ per cent.

Velvets, velveteens, silk velvets and plush not over twenty four inches in width; 20 per cent.

Silk fabrics not over twenty-six inches in width; 20 per cent.

Ribbons of all kinds and materials; 25 per cent.

Manufactures of silk or of which silk is the component part of chief value, n.o.p.; 30 per cent.

Fur skins, wholly or partially dressed, n.o.p.; 12½ per cent.

Rubber cement and all manufactures of india-rubber and gutta percha, n.o.p.; 20 per cent.

Gloves and mitts, of all kinds; 25 per cent.

Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits; grains, leaves and flowers suitable for ornamenting hats; 22½ per cent.

Cinematograph or moving picture films, positives, one and one-eighth of an inch in width and over, per linear foot; 1½ cent.

That covers the list of fixed items.

Mr. CHAPLIN: I think there are two more lists which I would like read.

Mr. ROBB: Those are not fixed; we can change them at any time.

Mr. CHAPLIN: Under those other lists France is receiving a further discount over and above the special rate. They receive that discount on canned goods, and those lists have not been read.

Mr. ROBB: I quoted those.

Mr. CHAPLIN: I did not hear anything about canned tomatoes.

Mr. ROBB: Tomatoes are excepted. I read the item, and I recall that tomatoes are excepted.

Mr. CHAPLIN: There is a line of goods on which France gets a special discount of 10 per cent or 15 per cent below the regular duty.

Mr. ROBB: That may be, but there is nothing to prevent parliament from changing those rates if the people of Canada determine that they wish to do so.

Mr. CHAPLIN: And on the other hand there is nothing to prevent this parliament from wiping out the whole French treaty. I assume that Czechoslovakia will receive the same advantages on these special lines of goods as France receives, and those goods should be enumerated now.

Mr. ROBB: Not necessarily.

Mr. STEVENS: I am afraid the minister does not get our point.

Mr. ROBB: So long as we admit that we give Czechoslovakia whatever we give France, why encumber the act with a list of these items?

Mr. CHAPLIN: On that basis the minister need not have read this list at all.

Mr. ROBB: I read those items particularly to show the duty. There are people throughout this country who will argue that that is not a low rate of duty.

Mr. CHAPLIN: It is not a low rate of duty on liquor; quite the opposite. On the other hand, however, the rate of duty on goods coming to this country from France is lower in some instances than the duty on the same goods entering France, in some cases to the extent of 10 per cent. Take automobiles, for example; when that treaty was made our duty on automobiles was 35 per cent, but this treaty only calls for a duty of 25 per cent on automobiles coming from France. That is an illustration, and the same thing applies to canned vegetables.

Mr. ROBB: Last summer I discussed with the Minister of Trade for France the desire of Canada to revise the French treaty.

Mr. CHAPLIN: I am glad of that.

Mr. ROBB: I pointed out to him as emphatically as I could that on three different occasions since this treaty was made France has increased her tariffs against our products.

Mr. BENNETT: She has done so on one further occasion since this house met.

Mr. ROBB: At that time they were negotiating an agreement with Germany and the French minister said they did not care to enter into a discussion with Canada until the negotiations were completed. The agreement with Germany was completed and my hon. friends will recall the United States raised some objection to it.

Mr. BENNETT: Hear, hear.

Mr. ROBB: Our representative in Paris, Mr. Roy, reached an understanding with France that whatever concessions France gave to the United States, in order to meet the objections of the latter country to the treaty with Germany, would be accorded also to Canada, and they made some reductions at that time. Now Mr. Roy is awaiting a favourable opportunity to take the matter up with France. That opportunity does not exist at the present time because for the last few months France has been busy getting ready for a general election, but we propose to take up with the French government during this summer the question of the revision of the treaty.

Mr. CHAPLIN: In our agreement with France there is a clause to the effect that any concession granted to the United States shall be applicable to Canada.

Mr. BENNETT: I think the minister has misapprehended part of the criticism. The point is this: We negotiated a treaty with Australia. We have no treaty with New Zealand but by virtue of the terms of the treaty between Australia and Canada, New Zealand was able to take advantage of its provisions through an order in council. In the case of the French treaty we have the same situation. In that treaty there are some items which are covered by specific duties and we may not increase those duties without abrogating the treaty, whereas France has three times increased her duties, and once since this house met an increase of duties became applicable against Canada. On the other hand we are unable to increase any of our duties without abrogating the treaty. The same sort of thing has happened in the case of Australia. Australia has changed her duties since we negotiated a treaty with her, but we are unable to change our duties without abrogating the treaty.

Mr. ROBB: We could change ours.

Mr. BENNETT: Only by abrogating the treaty.

Mr. ROBB: Not necessarily.

Mr. BENNETT: That would be the effect of it.

Mr. CHAPLIN: You could not take the duty off raisins.

Mr. BENNETT: Not without abrogating the treaty; I think the minister will remember that not long since we brought to his attention the fact that if, for instance, this parliament sought to change the duty on raisins—

Mr. CHAPLIN: Or the duty on butter.

Mr. BENNETT: —or the duty on butter or eggs, it could only be done by abrogating the treaty; whereas for some strange reason Australia has constantly been dealing with its treaty without regard to us or the effects upon our trade relations. The favoured nation clause has sometimes had very far reaching consequences, and the effect is to make the question of the negotiations of new treaties very difficult. You give certain nations most-favoured-nation treatment and under a treaty such as this Great Britain is treated as a foreign country. I ask the minister if Great Britain is not treated as a foreign country.

Mr. ROBB: British.

Mr. BENNETT: The minister says "British," but there is nothing in the treaty which so indicates. One of the difficulties I had was in relation to the first paragraph, which refers to foreign countries. Then in the fourth paragraph you say that Czechoslovakia shall enjoy most-favoured-nation treatment. That is a short way of putting it. With respect to this treaty as far as Czechoslovakia is concerned is not Australia to be a foreign country?

Mr. ROBB: No.

Mr. BENNETT: Why?

Mr. ROBB: Because Australia is a British country and is recognized as such.

Mr. BENNETT: But there is nothing in the terms of the treaty that defines it as such. My hon. friend beside me (Mr. Stevens) makes it perfectly clear that there are two parties to this contract—Czechoslovakia and Canada. So far as Canada is concerned it is

a foreign country to Czechoslovakia and Czechoslovakia is a foreign country to us. Australia is a foreign country to Czechoslovakia and we have said that we will give the most-favoured-nation treatment to Czechoslovakia that we give to any other country. Therefore if we give to Australia, or even to Great Britain, a preference over other communities, Czechoslovakia has a right to ask for it. There does not seem to be any answer to that. They are both regarded as foreign countries, and there is nothing in the treaty which makes it clear it shall bind only those countries that are not portions of the British Empire. There is no good arguing that the question of foreign countries has nothing to do with it at all. Having covenanted under an agreement or treaty to give most-favoured treatment to Czechoslovakia, have we not thereby bound ourselves to give to that country the same treatment that we give to any other country, that country being, so far as Czechoslovakia is concerned, a foreign country. Is not that the difficulty?

Mr. ROBB: My hon. friend is a good lawyer and I am not going to be drawn into a discussion of legal technicalties. But if my hon. friend is right, every country with which we have entered into treaties since the British preference was granted in 1897 could have claimed the benefit of that preference.

Mr. BENNETT: No.

Mr. ROBB: Yes. If my hon. friend's argument is right, Great Britain is a foreign country just as much as Australia and those other countries could have come in and claimed the benefits of the preference. But no country has ever sought to set up such a claim. The same language which appears in this case with respect to most favoured nation treatment appears also in our agreement with Italy, with Belguim and with the Netherlands. These countries quite understand the situation. I think I have made myself clear on that point. Now as to the agreement with Australia and New Zealand the facts are these, and my hon. friend will admit that it takes two to make a bargain.

Mr. BENNETT: Sometime three.

Mr. ROBB: We urged certain points very strongly upon Australia. That was done not only by the government that made the treaty in 1922 but by mostly every other government which has held office ever since the time of Sir John A. Macdonald. It was urged by Sir Mackenzie Bowell, who made a special trip down there, and it was urged by Sir George Foster and others in an attempt to negotiate an agreement with Australia. We always put up to Australia the broad principle of preference for preference. We would give her our full British preference, if she would give it to us, but Australia was not willing to make that sort of arrangement. We gave them the concession that now exists on dairy products. That is what my hon. friend is particularly referring to.

Mr. BENNETT: I mentioned raisins.

Mr. ROBB: Of course the raisins do not come in. Just about that time the people of New Zealand were complaining bitterly that they would have to cancel their trade agreement with Canada because we had the big end of the bargain. They said: We are buying everything from you and selling you nothing. We thought it only fair that the sister dominion of New Zealand should have the same advantage as Australia, and we gave that voluntarily by order in council.

Mr. BENNETT: Can it be abrogated by order in council?

Mr. ROBB: Yes.

Mr. BENNETT: With respect to New Zealand only?

Mr. ROBB: We can cancel the agreement with Australia if we so desire, but I submit this to my hon. friend, and I should like to have their judgment on it—whether they think it is wise to cancel the agreement.

Mr. BENNETT: One is an order in council.

Mr. ROBB: Our imports and exports in regard to New Zealand are as follows:

Year	Imports	Exports
1922	$1,783,500	$ 4,131,131
1927	4,576,842	13,538,513

Mr. BENNETT: About the same ratio in the two years.

Mr. ROBB: In regard to Australia the figures are as follows:

Year	Imports	Exports
1922	$1,079,324	$10,687,484
1927	6,296,197	18,965,881

I should like to be advised by my hon. friends if they think it is a good idea to cancel a bargain of that kind.

Mr. STEVENS: My hon. friend is one of the cleverest persons in this house in dodging away from a point at issue. We are not discussing whether the Australian treaty is good or bad.

Mr. ROBB: I did not raise the question of the Australian treaty.

Mr. STEVENS: I know, but we are asking simply this: Does Czechoslovakia, under this treaty now before the committee, secure the privileges that Australia enjoys under her agreement with us?

Mr. ROBB: Absolutely no.

Mr. STEVENS: Very good. I will leave the Australian treaty alone, but the minister will admit that Czechoslovakia will enjoy the full privileges that France enjoys under her treaty with Canada.

Mr. ROBB: Yes, while it is in force.

Mr. STEVENS: Furthermore, we cannot change the French treaty except by agreement with them or by abrogating the treaty; the rates are fixed definitely.

Mr. ROBB: On certain limited articles.

Mr. STEVENS: On a list of articles part of which was read.

Mr. ROBB: All of which was read.

Mr. STEVENS: No. The minister will pardon me. He read a list, but there are two other schedules providing for certain discounts, the details of which I certainly cannot carry in mind, and which provide for very favoured treatment with France.

Mr. ROBB: Yes, but we can change them.

Mr. STEVENS: Yes, but the point I am making is that that applies to Czechoslovakia. Am I right in that?

Mr. ROBB: Yes.

Mr. STEVENS: Again I come to the argument that in this treaty with Czechoslovakia we are giving a great deal more than on the surface we appear to be giving, and I state to the minister—and I think I carry with me the judgment of a good many members of the house—that the treaty with France in the form in which we entered into it was an improvident treaty so far as Canada was concerned: that the benefits from it have not accrued to Canada in the same degree as they have to France. Therefore I argue that this treaty with Czechoslovakia is not a wise one because it carries into effect the same objectionable features that apply to the French treaty. By the way the minister bitterly criticised us, and especially the hon. member for Lincoln (Mr. Chaplin), who analysed the French treaty very effectively, when we drew his attention at the time of the ratification of that treaty in this house to the possible or likely effect. Now we have an admission from the minister that he has asked the French government to agree to a modification of that treaty. That is obviously an admission that the hon. member for Lincoln and others of us who took the same view were correct in 1922 when we criticized and warned the minister and the government against entering into the treaty in its then form. So we say to him now that it would have been better to make some reservation in this treaty as regards that list in the French treaty until we had cleaned the situation up. If we do not, while I am not in a position to go into technicalities, I call his attention to the fact that in the French treaty we admit silks under a very wide, sweeping clause, at a low rate of duty. We have recently spent a great deal of time reforming or remodelling our silk schedule in the Canadian tariff, but the silk schedule of the Canadian tariff will not apply to Czechoslovakia. Czechoslovakia will come under the French treaty special silk description, just read by the minister, in terms something like this: silk, not wider than twenty-six inches, fabrics of all kinds, so much. That is a sweeping, general description that will take in almost any class of silk. Canada with its young industry of artificial silk, for instance, which is competing with genuine silk fabrics, will find that such imports will seriously affect Canadian manufacturers, and it is not fair to this young and growing industry that it should be subjected to still further competition of this kind. If the treaty was made specific in its terms so that the people of Canada would know what was being done, the thing would not be so bad, but there is nothing specified except these omnibus clauses. That is why we have some apprehension as to the likely effect of this treaty, just as we had in 1922 when we warned the minister in regard to the French treaty, which he now admits he is endeavouring to modify after some five years of experience.

Mr. CHAPLIN: The minister a few minutes ago told us, in respect to the special discounts of the tariff items that had been given to France, that we could change the duties. Does the minister now tell us that he can cancel those special discounts of 10 per cent and 15 per cent that he allowed France over and above the regular tariff?

Mr. ROBB: No. I say that we can change the duty.

Mr. CHAPLIN: The minister means that he can go back and change the original duty but he cannot change the individual items of 10 per cent and 15 per cent discount that he allowed France. Certainly he cannot. Therefore, owing to the fact that we have giver

France that extra list of goods on which they can get this special tariff, Czechoslovakia will have the same privilege and those items should also be read. The minister further says that he is not quite satisfied with the French treaty; he has said that in just so many words, and he has asked the French government to make certain changes. Why? Because France deliberately raised the minimum tariff two or three times after the treaty was made whereas we were bound in regard to many lines to keep our tariff stationary. The result has been, as we all know, that hundreds of lines of goods that we formerly sold France are wiped off the schedule to-day, and we are now down to bare raw material and a few manufacturing goods, notably rubber and some agricultural implements with which we can supply France. Apart from that, there is nothing but raw materials that we are supplying to France, and I think the minister will agree with me. That is one reason why I would like to see the French treaty readjusted. The Minister of Finance has already put on the statute book treaties with other nations which are based upon the French treaty, and this is another of them. Now I ask him what chance on earth has he of being able to readjust the treaty with France when five or six other treaties are based on the French treaty? The thing looks to me to be ridiculous, and the more treaties you base upon the French treaty, the harder it will be to get the French treaty readjusted.

Mr. ROBB: Surely my hon. friend is not arguing that we should not put this treaty through. Czechoslovakia is buying a little more from Canada than we are buying from them, and why not give a good customer of this country the advantages of this agreement? That seems to me common sense.

Mr. STEVENS: That is only begging the question. Our argument is that under the French treaty, Canada is not getting a square deal, to use plain, every-day language. The minister admits that. France has four times amended her tariff, but our tariff is fixed by the agreement, and it cannot be changed except by abrogation or with the permission of France. That is the position in a nutshell. We are now walking blindfold into a similiar position with Czechoslovakia. I am not going to criticize the Czechoslovakia government for a moment. They will probably treat us fairly, but they can, if they wish, do as they like with their tariff, and we shall be bound to Czechoslovakia to the extent of the French treaty without the possibility of amendment, unless we amend our treaty with another country. The thing is absurd.

What we complain of, and what we complained of in 1922, when the French treaty was up for ratification, is that it was improvident unfair to Canadian trade and Canadian industries—obviously unfair. We warned the government then, but they insisted on putting the treaty through. They realize now that they made a mistake then, but they cannot amend that treaty without breaking up the whole trade agreement with France. With that experience before us, we are here being asked to go with our hands tied into an agreement with another country. So far as I am concerned—I am speaking for myself because I have not consulted my colleagues on this particular point—I would abrogate the French treaty to-morrow unless we could get an amendment to it that will be wholly satisfactory. I would not rest under what the minister cited as quite an accomplishment for Mr. Roy, that we shall receive whatever privileges are granted to the United States. I want to see Canada stand on its own pins in dealing with France, and to get a square deal, because we are entitled to it, instead of depending upon the United States, which by the weight of its influence may get certain advantages, which then we may get. I do not care a snap of my finger what they give to the United States, and I say that at the earliest possible date we should either abrogate this French treaty or have it re-adjusted so that it is made fair to Canadian trade.

I want to deal with the clause in the French treaty which the minister has not seen fit to include in his recital. The point which my hon. friend from Lincoln made, and made effectively, and in a manner I think that merits the consideration of this committee, is that other considerations besides these specific duties have been given to the French nation which now will accrue to Czechoslovakia, and which are a disadvantage to Canadian trade. I think there is not a member of the government but would admit, if he were frank with this committee, that we ought to change or abrogate the French treaty —perhaps not abrogate; they might hesitate to do that because they do not wish to have an open commercial breach with France. Neither do I, but they would change the treaty if they had the power to do so, but they cannot change it without the consent of France. Under the French treaty, schedule E provides for intermediate tariff rates less a discount of 10 per cent of the amount of duty on certain articles entering Canada, mentioned in article 10; and schedule F provides for intermediate tariff rates less a discount of 15 per cent on the amount of duty

on certain articles entering Canada, mentioned in article 11. All other articles from France enter Canada at intermediate tariff rates. The point we are making is that apart from the schedule of fixed rates, there is a large number of other items coming in at intermediate tariff rates and on which a discount of 10 and 15 per cent is given, and these rates we are now proposing to give to Czechoslovakia. I venture to say that outside perhaps of the Minister of Trade and Commerce and the Minister of Finance, and a few others who have given a close study to this subject, there is not a member of this house who understands the extent of the application of this treaty which we are being asked to pass to-day, and what I submit we ought to do is to take up our own tariff schedules item by item, and see just what the effect of this treaty will be.

I again draw the attention of the government to this fact. We had two schedules before on silk alone, and we spent hours and hours in this committee, and the tariff board, we were informed, also spent days and possibly weeks remodelling the silk schedules of the Canadian tariff for the purpose, I presume, of intelligent administration of that particular schedule. But this treaty wipes all that work out of existence; the silk schedule is wiped out so far as Czechoslovakia is concerned, and the treaty simply says that Czechoslovakia will export her silk to Canada under the French treaty rates, and the French treaty says simply "fabrics from silk up to 26 inches, so much."—just one sweeping item covering a dozen technical expressions that we have recently laboured over. Either this work that we have recently done is a joke, or else we should bring Czechoslovakia under the terms of that new schedule.

What I suggest to the minister is this, that in this treaty and in the case of every other treaty, we should exempt the specific French schedules. Let their goods come in under the most favoured nation clause, yes, where there is general treatment of those countries under our tariff laws; where we have the lowest tariff or the intermediate tariff or any other tariff, let us give it to these people, but when you include as you are doing here, the French specific schedules, I am opposed to that absolutely.

Mr. KAISER: The expression is frequently used in this bill, "any other foreign country.." While we readily understand that Australia, New Zealand and the West Indies are not foreign countries, this might not be the view of the statesmen of Czechoslavokia. What objection would there be to changing the words to "any other than a British country?"

[Mr. Stevens.]

Mr. ROBB: My hon. friend will observe that this agreement has been signed and submitted to the Czechoslovakian parliament; consequently we cannot change one word. But my hon. friend is in error in believing that the statesmen of other countries place upon the most favoured nation clause the interpretation which he has just given. It has been made perfectly clear to their representatives, and there is no misapprehension on their part as to what is meant. As to the argument of my hon. friend from Vancouver Centre with respect to the lower rates of duty accorded to Czechoslovakia by virtue of the French agreement, I have not any quarrel with his argument. All he has done recently has been to tell the people of Canada who sometimes complain that this government have not reduced duties to the extent expected—and I am talking more particularly of the people who support this government—that by our trade agreements with other countries we have materially reduced the customs duties on goods coming into this country. I am not backing away from that point. We have materially reduced the duties. When our friends quote the general tariff as the measure of protection, they are all wrong. The duties on most of the items imported are based on the British preference or on the trade agreements which we have made with other countries, and we have exposed our own industries—I admit it frankly—to keen competition with other countries throughout the world. That is the policy of the government and the policy of the Canadian people as determined at the polls. Just as soon as they decide for a higher tariff they will elect my hon. friends opposite to office.

Mr. STEVENS: Again the minister has wandered off into a side issue. He has not attempted to answer our contention that we are introducing into this treaty the full force and effect of the French treaty, which, according to his own statement, the government is desirous of amending.

Mr. ROBB: Revising.

Mr. STEVENS: Now I say to him, exclude the French treaty from this agreement. Then we will have something.

Mr. MALCOLM: My hon. friend from Vancouver Centre is altogether wrong in his interpretation of what the Minister of Finance pointed out. My colleague is not complaining of the preferential rates of duty given under the French treaty; he is complaining of the treatment France is according to our exports. There is no doubt that under the French treaty ninety-two articles get 10 per cent under the intermediate tariff, fifteen get 15

per cent, and thirty-one have a fixed rate of duty. That is admitted. Those same rates of duty will apply to Czechoslovakia under the terms of this convention. But my hon. friend from Lincoln (Mr. Chaplin) is mistaken when he says that every other trade treaty we may enter into will be dependent on the terms of the French treaty. The fact remains, however, that if by rearrangement with France those terms are removed from the French treaty, then also they are automatically removed from all our other trade treaties.

Mr. STEVENS: In the meantime they remain.

Mr. MALCOLM: Yes, until some rearrangement is made with France.

Mr. CHAPLIN: I never made any such statement as the minister attributes to me. I said then, and I repeat it now, that while you retain the French agreement as you have it to-day, what is the use bringing the other countries under the French arrangement? You are only making things worse by negotiating similar arrangements. If we make such a rearrangement with France as the minister suggests, the other countries with which we have trade agreements will accuse us of bad faith. Would it not be better to tell them now that we intend to change the French treaty, if that is the government's intention? We have heard it mooted around the house for some time, but you have not the nerve to do what you want to do. That is where the trouble is.

Section 1 agreed to.

Section 2 agreed to.

On section 3—Extension of advantage to the Czechoslovak republic.

Mr. STEVENS: This deals with the most favourable terms granted to any foreign power, and is recited in the schedule containing the treaty. Why is it inserted in the bill?

Mr. ROBB: It is the language drafted by the law officers.

Mr. STEVENS: Is it in the Italian treaty? I do not think it is in the other bills.

Mr. ROBB: Yes, in the convention with Italy the same language occurs.

Section 4 agreed to.

Section 5 agreed to.

On the schedule.

Mr. BENNETT: Were the plenipotentiaries appointed by His Majesty or by the Governor General?

Mr. MACKENZIE KING: By His Majesty on the recommendation of the Canadian government.

Mr. STEVENS: In article 5 of the agreement set out in the schedule I find the following words:

> To enjoy the benefit of the tariff advantages provided for in the foregoing articles, without prejudice to the stipulations of article 4,

and so on. That is a broad general article to which I and others have referred several times. Why are those words inserted there?

Mr. ROBB: It might change the conditions under which goods go through another country.

Mr. STEVENS: The clause provides that Czechoslovakia may have a port in a foreign country recognized if she has no port of her own. I understand that. But leaving that out of the question, why are the words "without prejudice to the stipulations of article 4" inserted in this particular article? My own opinion is that they could be left out without affecting the meaning of the clause, and their very presence indicates that there is something sacred about article 4, which is the article upon which we have based some of our criticism.

Mr. ROBB: They insist that they desire that concession. It was considered by the Justice department.

Mr. BENNETT: The minister has not apprehended the point. "Without prejudice to the stipulations of article 4" would seem to render nugatory the other provisions of the treaty. Article 4 provides for the most-favoured-nation treatment between two countries and article 5 provides the conditions to be observed if the benefits of the agreement are to be enjoyed. To enjoy those benefits it is provided that the goods shall go from a port of Czechoslovakia into a sea or river port of Canada. Incidentally, I wonder why "lake port" was left out? Is there any reason for its omission? But the point my hon. friend (Mr. Stevens) raises is this: the words "without prejudice to the stipulations of article 4" render the whole thing of no value at all. Of what value is it? I am sure the Minister of Trade and Commerce sees the point I am making. If article 4 provides, as it does, for the most-favoured-nation clause to be extended mutually, what is the necessity for these particular words I have quoted? Article 5 says that the goods shall go in such and such a way, and if they do not follow this course then the benefits to be derived from article 4 are not to be enjoyed. The minister has not explained the reason for the use of

the words I have quoted. That is the first point. And the second point to be explained is the reason for the omission of lake ports.

Mr. ROBB: That is in order that the goods shall not come in by way of the United States.

Mr. BENNETT: But they could not come direct from the United States by way of a lake port. They could come to Toronto by a lake port; they could come to Ogdensburg. Montreal is probably a river port, but the ports beyond that are lake ports.

Mr. ROBB: It is the same as in the French treaty.

Mr. BENNETT: But two wrongs have never yet made a right. We have been trying this afternoon to convince the minister of that.

Mr. BOYS: I have been puzzling my brain to see what the effect of the words "without prejudice" and so on would be, but for the life of me I cannot. Will the minister explain the difference between the clause as it now stands and—

The ACTING CHAIRMAN (Mr. Marcil): I shall have to call it six o'clock.

Mr. ROBB: I will consult the Justice department on the matter. In the meantime I will move that the committee rise and report progress.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

ELECTRICITY INSPECTION ACT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved the second reading of Bill No. 36, to amend and revise the Electricity Inspection Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. MALCOLM: I think I should give a word of explanation now. When this bill was first drafted by the officers of the department, no thought was given to the fact that the national research council should set the standards of measurement for electricity and that the department should solely administer the act. That point was rightly raised in the house by the leader of the opposition, and immediately I called the officers of the department together as well as representatives of the Hydro Electric Commission, the chairman of the national research council and the officers of several of the power companies. The result was that these amendments which have been distributed were drafted to cover all the contentious points, and I think they will make the bill satisfactory to all the electrical interests in Canada.

Section agreed to.

On section 2—Interpretation.

Mr. BENNETT: I was going to ask the minister whether or not with respect to many of these matters it might be possible to make the designation "in respect to", because there are certain things which are universal, and when I say that I mean they have been adopted generally in Europe and in America. The introduction of the national research council as the determining body would involve the necessity of repealing legislation in the event of that council being changed or passing out of existence, so it struck me that with respect to several of these matters we might use a term which has a world wide meaning through long usage and universal practice.

Mr. MALCOLM: In reply to my hon. friend I would say that this very point was discussed by the committee which revised the legislation, and I think there was unanimity of opinion in the matter.

Mr. STEVENS: To what committee does the minister refer?

Mr. MALCOLM: The committee of which I spoke, consisting of Mr. Dobson, of the Hydro Electric, Mr. Davies of the Southern Canada Power Company, Mr. Holder of the Shawinigan Company, who is also chairman of the Canadian Electrical Association, and Mr. Turley of the Montreal Light, Heat and Power Company, together with the officers of the department and Dr. Tory of the national research council.

Mr. STEVENS: This is just the interpretation clause, but I would like to ask about the first subsection:

(a) "Broken seal" means a seal which has been rendered ineffective.

Is that the seal on the meter?

Mr. MALCOLM: It is intended to cover meter seals which do not seal. There were some seals which were not broken but which were not effective, and under this subsection if they are not effective they are deemed to be broken seals.

Section agreed to.

On section 3—Unit of supply.

Mr. MALCOLM: I move that section 3 as it appears in the bill be struck out and that the following be substituted therefor:

The commercial unit of electrical supply shall be the kilowatt hour or such units based upon the units of electrical measure established by the Electrical Units Act as are determined by the national research council.

Mr. BENNETT: Is it necessary to add the last five words?

Mr. MALCOLM: Yes, I think so. That was one of the contentious clauses, and after a great deal of consultation this was finally passed and accepted by all the interests concerned.

Mr. BENNETT: I still think it would be better to stop with the words "Electrical Units Act". It is the old story; here is a body looking for something to do. I am sorry to put it that way, but the national research council should have nothing more to say about this work than a child on the street, and I am sure the minister will say that is so as a commercial proposition. He has provided that the unit shall be that established by the Electrical Units Act, and while that act may be settled in terms by the national research council there is no need to say they are the people who shall do it. I commend that point to the attention of the minister.

Mr. COOTE: I wonder if we could not persuade hon. members to speak a little louder, in order that we may hear them.

Mr. BENNETT: It is only a question of time until my hon. friend will move further up on this side of the house anyway.

Amendment agreed to.

Mr. MALCOLM: As hon. members will see by looking at the printed amendments, I move that the last sentence of section 6 be added as subsection (2) of section 3. This is as follows:

The certificate or statement of accuracy of the department of any electricity measuring instrument shall take precedence over any other certificate.

Amendment agreed to.

Section as amended agreed to.

On section 5, subsection 1—Director.

Mr. MALCOLM: I beg to move the following amendment:

After the word "supervision" line 4, substitute for all the words thereafter in the subsection the following:—

"of all the work necessary to give effect to the provisions of this act and any regulations established thereunder in connection with the measurement of electricity for sale throughout Canada."

Mr. STEVENS: This act is highly technical, and it is very difficult for any of us to give intelligent criticism or consideration of it; we must trust very largely to the minister and to the committee which he says went over these proposed changes. I think it would be desirable if the minister would give the committee a brief summary of the reasons for this clause. Frankly I confess I have not had time to study it.

Mr. MALCOLM: This clause will now read:

There may be appointed for the purpose of this act a director, together with such assistants as may be deemed necessary by the head of the department. Such director shall have the direction and general supervision of all the work necessary to give effect to the provisions of this act and any regulations established thereunder in connection with the measurement of electricity for sale throughout Canada.

That gives to the director full authority for the administration of the act.

Mr. BENNETT: This means a new job, I suppose.

Mr. MALCOLM: No, no.

Mr. BOYS: Reference is made to the head of the department. Is that the minister?

Mr. MALCOLM: No, the director.

Mr. KENNEDY: As far as I can see this motion strikes out the old part of the act which calls for the appointment of officers that have passed the qualifying technical examination to be held under the direction of the Civil Service Commission.

Mr. MALCOLM: No. Subsection 2 is not deleted. It stands as it is.

Amendment agreed to.

Section as amended agreed to.

On section 6—Validity of certificate.

Mr. MALCOLM: I move that section 6 be deleted.

Mr. COOTE: Where is the deletion?

Mr. MALCOLM: It is now embodied in section 3 by the amendment of subsection 2 of section 3.

Mr. STEVENS: Just what is the significance of this sentence:

The certificate or statement of accuracy of the department of any electricity measuring instrument shall take precedence over any other certificate.

What is the object of that?

Mr. MALCOLM: The department will then have definite authority for creating a

standard by which electricity shall be measured, and it shall take precedence over any over device which may be introduced.

Mr. CHAPLIN: The purpose of this bill is to regulate to a certain extent the sale of electricity. Is there any provision in it which declares, for instance, what peak shall be used?

Mr. MALCOLM: No.

Mr. CHAPLIN: You do not say anything about that.

Mr. MALCOLM: No.

Mr. CHAPLIN: Why? If you are going to regulate the sale of electricity do you not need to provide whether the sale is to be on a minute peak or a twenty-minute peak?

Mr. MALCOLM: No, that is outside the jurisdiction of this act entirely. This act only relates to inspection of meters and the measurement of elecricity. We are setting a standard for the measurement of electricity. This does not affect the regulation of the sale in any way, only the measurement of the electricity when sold. That is the purpose of the act.

Mr. MANION: Are there any provincial acts dealing with the questions dealt with under this act?

Mr. MALCOLM: This is a matter of federal jurisdiction and always has been. It applies to measurement throughout the whole Dominion.

Mr. ROSS (Kingston): I would refer the minister to the last four words "over any other certificate". What does that refer to?

Mr. MALCOLM: Some power company might question the unit we use to measure electricity. For instance the Montreal Light, Heat & Power Company might have a unit for testing their own meters. The departmental inspectors must have some authority over all other devices that may be introduced. In case of controversy the devices accepted by the department must be considered as superior to all other devices.

Mr. ROSS (Kingston): The only objection is that one of these companies may have an up-to-date instrument.

Mr. BOYS: Does this mean that the government standard will have precedence in the courts, or where?

Mr. MALCOLM: Anywhere.

Mr. BOYS: This would practically set at naught every possible means of getting evidence contrary to the dictum of the departmental official.

[Mr. Malcolm.]

Mr. MALCOLM: My hon. friend will realize that this is the principle which has always been followed. The decision of the department must govern in deciding whether or not measures are honest.

Mr. BOYS: But this is going a long way. You could not even show whether the government standard was wrong, and it may be wrong. I am not saying that the officers of the department are inefficient at all or that the instruments are not up-to-date; but to pass a section of this kind without any possibility of relief is certainly going a very long way.

Mr. MALCOLM: I think my hon. friend understands that there must be a primary standard of measurement, just as there is a standard of length, and the standard that is set up by the department for the inspection of instruments must be accepted as the standard for Canada and must take precedence.

Amendment agreed to.

On section 8: Inspection standards.

Mr. MALCOLM: I beg to move that the following be added:

Such standards shall conform to primary standards which shall be determined by the national research council under the authority of the Research Council Act.

Mr. STEVENS: What about section 7?

The CHAIRMAN: Section 7 was deleted.

Mr. STEVENS: It takes a motion to delete.

The CHAIRMAN: I put the motion.

Mr. STEVENS: I did not hear it. We were on section 6. I was going to ask the minister what was the object in deleting section 7.

Mr. MALCOLM: Section 7 gave to the minister authority to set the standards of regulation. That is deleted from the act, and the setting of standards is left to the national research council.

The CHAIRMAN: Shall the motion to delete section 7 carry?

Motion agreed to.

On section 8.

The CHAIRMAN: The minister moves that the following sentence be added:

Such standards shall conform to primary standards which shall be determined by the national research council under the authority of the Research Council Act.

Mr. MALCOLM: I may explain to the committee that the Research Council Act gives the council authority to set standards for measurement.

Mr. BENNETT: The research council consists in part of laymen and in part of trained scientists. Such a bureau of standards would not be regarded as of much value in the United States, and certainly would not in Europe. I have a very warm friend who is a member of the research council.

Some hon. MEMBERS: Louder.

Mr. BENNETT: I said that the bureau of standards, which is now under our national research council—

Mr. MALCOLM: It is not set up yet.

Mr. BENNETT: But it determines standards. There are on that body some gentlemen who are delightful persons and excellent business men, but I should not set them up as being able to determine what our standards of measurement for electricity should be. I fear the minister has once more permitted the ideas of a few people to overrule his better judgment. We should determine in this statute what a kilowatt is; we have it defined in the Electrical Units Act, and we should not say that the Electrical Units Act is going to be determined by one or two men.

Mr. MALCOLM: No.

Mr. BENNETT: That is what it says. It says that the national research council is going to do this. That is my difficulty, and it runs through the whole bill. Is it not the old, old story? There is a gentleman, nameless now and forever more, who fancies himself as being an authority; he is to be made the head of a particular branch of something and every bit of legislation is to be submitted to him. He fills his name in somewhere—I do not mean as Jim Jones or John Smith, but he fills it in in such a way as to make some work for himself. I am borne out by my own observation and experience as to where these things lead. The minister, a commercial man of great repute, knows that if you employ a person or give him a title in your business he starts in for the first six months to make himself a job. He adds to the work which he has to do, and he defines it. It becomes a constant effort on his part to draw to himself this jurisdiction. I think this is all wrong.

Mr. MALCOLM: I can reply to my hon. friend in this way. I think he is making a mistake in assuming that the national research council are trying to take to themselves authority which they do not possess. It is because I intend to set up under the national research council a bureau of standards to determine electrical units that this clause is inserted in the act. At the moment the bureau of standards is not in existence.

Mr. BENNETT: Exactly.

Mr. MALCOLM: The legislation could be worded:

It shall be determined by the bureau of standards under the national research council.

There is no particular objection to that. But the bureau of standards is to be set up almost immediately, so that we shall have Canadian standards and not be dependent upon laboratories in Chicago. By this legislation I am taking away from the department and from the authority of the minister the power of determining standards and putting it under the national research council, so that the body which they create, namely, the bureau of standards, may determine the standards for the Dominion of Canada.

Mr. BENNETT: My point is that we should set up the bureau of standards.

Mr. MALCOLM: Possibly we may do that.

Mr. STEVENS: There seems to be an anomaly in this legislation. I am endeavouring to read the amendments together with the effect of the deletions from the bill and so on. Clause 7 which deals with standards is deleted, I understand?

Mr. MALCOLM: Yes.

Mr. STEVENS: And a substitute clause is suggested for clause 8?

Mr. MALCOLM: There is an addition to clause 8. One must read the two together.

Mr. STEVENS: Clause 8 reads:

Such standards shall conform to primary standards—

Mr. MALCOLM: "Which shall be determined."

Mr. STEVENS: What are described as "such standards" are those referred to in the deleted clause 7?

Mr. MALCOLM: Exactly.

Mr. STEVENS: Well, clause 7 having been deleted, where are the standards to which "such standards" refer? That is my difficulty. By deleting the clause you eliminate these standards.

Mr. MALCOLM: Clause 7 deals with primary standard. Clause 8 covers the standards by which the officials work. Clause 8 as amended reads:

All instruments and measuring apparatus required for electricity inspection shall be supplied by the department: they shall be designated inspection standards and shall bear the imprint or nameplate of the department. Such standards shall conform to primary standards which shall be determined by the National Research Council under the authority of the Research Council Act.

Mr. STEVENS: In my opinion it does not read well even at that.

Mr. MALCOLM: I think it reads very well.

Mr. STEVENS: In clause 8 you are referring not to standards but to instruments.

Mr. MALCOLM: Yes.

Mr. STEVENS: But the clause referring to standards is clause 7 which is being deleted.

Mr. MALCOLM: Quite so.

Mr. STEVENS: It may be right, but I cannot see it.

Mr. ROSS (Kingston): What will be the routine in regard to inspection?

Mr. MALCOLM: Just the same as it is now. Our regular officers will do their inspection work as they are doing to-day.

Mr. COOTE: Are other weights and measures to be placed under the research council.

Mr. MALCOLM: Is the hon. member referring to the Inspection of Weights and Measures Act?

Mr. COOTE: All our weights and measures. I am endeavouring to find out why this is being placed under the research council unless other weights and measures are also placed under them.

Mr. MALCOLM: I think my hon. friend and every other hon. gentleman present realise that weights and measures are time-known standards and the standards which we use for weights and measures are in the department and are not subject to controversy or question. The measurement and inspection of electricity are subject to a good deal of alteration from time to time and the standards may change. Therefore that is being left to the new bureau of standards which, is being created under the national research council.

Mr. COOTE: It seems to me that the logical thing would be for the department to maintain this power of fixing standards and to let them have the advice of the national research council or the bureau of standards. Why this should be turned over to the research council is more than I can understand.

Mr. MALCOLM: I endeavoured to explain the matter to my hon. friend, but I may not have made myself entirely clear. We are proposing to set up in the Dominion of Canada a bureau of standards which will be the creature of the national research council. The bureau of standards for the Dominion of Canada will be acceptable to all provincial governments, all power companies, all hydro-electric municipally-owned corporations, and it will be able to confer and consult and endeavour to make a standard for Canadian and British equipment for ourselves, so that the Dominion will not be dependent upon standards set by some foreign laboratory. That is the very purpose of a bureau of standards in the Dominion. As the situation stands to-day, if electrical equipment is imported from another country for use in Canada, it first must pass the fire underwriters' laboratories in Chicago or it cannot be used in building construction. That is a situation which I do not think is desirable in regard to equipment of Canadian manufacture or equipment imported from countries other than the United States.

Mr. BENNETT: That is an underwriters' requirement.

Mr. MALCOLM: Yes. If a fuse plug or switch or anything required for use in Canada is purchased in Great Britain or on the continent or made in Canada, the underwriters demand that it be passed by a Chicago laboratory. We shall not have that condition of things when we have this bureau of standards, because the underwriters will have to accept their standards.

Mr. COOTE: All I say is that the bureau should be subject to some governmental authority and the department might very well have the advice of the bureau in fixing these standards. The minister is going to create this bureau and give them an absolutely free hand to do what they like with regard to the measurement of electricity. There is no governmental control whatever.

Mr. STEVENS: Clause 8 in my estimation will not accomplish what the minister has in mind. I am quite in favour of the idea of setting up a national standard in Canada, but I cannot see how under section 8 even the national research council is empowered to set up these standards. That, I think, should be done under an act which will set up and define the powers of a bureau of standards. All that this section does is to refer to certain instruments and measuring apparatus, and it concludes with the words, "Such standards shall conform to primary standards which shall be determined."

Mr. MALCOLM: That section is taken from the authority which the national research council now has under the National Research Council Act. I will pass over to my hon. friend a copy of the act.

Mr. ROSS (Kingston): Is the minister assured that the underwriters' association will be forced to accept the standards that are set up?

Mr. MALCOLM: My hon. friend realizes, of course, that there will have to be empowering legislation by the provinces, but when we have a Dominion bureau of standards set up, I think the provinces will want to accept its standards. I do not mind telling my hon. friend that at the Dominion-provincial conference, the provincial premiers were in favour of the creation of a bureau of standards. They suggested that it would be a very desirable body to establish in Canada, so I think all the provincial governments will avail themselves of the services of the Dominion bureau of standards.

Mr. ROSS (Kingston): It will be almost useless unless the bureau includes electricity and gas, and have the standards of both electricity and gas measured by the one inspector instead of having one inspector for gas and another for electricity.

Mr. ADSHEAD: Will this bureau have to do with anything else besides electricity?

Mr. MALCOLM: I am not in a position to go into full detail on that question, but the bureau of standards will, I believe, cover practically every standard of measurement. To go into the full scope of the bureau of standards at Washington, for instance, would take some time, and I am not conversant enough with it to explain it in full detail, but it does cover a very wide range of standards in other things than electricity.

Mr. CANTLEY: What is the necessity for amending the act at this time? Why not wait until you get your bureau of standards in existence and working?

Mr. MALCOLM: Amendment of the act has been urged now for two or three years. The act has been under discussion for three sessions, but action has been deferred until we felt we were within reasonable approach of having everything arranged agreeably to the various interests concerned.

Mr. CANTLEY: Why not hold it back another year until you have your bureau of standards established, and we can then deal with the matter intelligently?

Mr. DUNNING: The minister has asked me to read the explanation on the opposite page defining the powers of the research council, as it is in fine print, although I do not know that my eyes are any better than his. These are the powers of the research council:

To undertake in such way as may be deemed advisable.

(iv) the investigation and determination of standards and methods of measurements, including length, volume, weight, mass, capacity, time, heat, light, electricity, magnetism and other forms of energy; and the determination of physical constants and the fundamental properties of matter.

Mr. STEVENS That seems broad enough.

Mr. DUNNING: It seems so.

Section agreed to.

Section 9 agreed to.

On section 10—Verification.

Mr. MALCOLM: I move to strike out the words "and sealed or stamped" in lines 4 and 5.

Amendment agreed to.

Section as amended agreed to.

On section 11—Approval of type.

Mr. MALCOLM: I beg to move to substitute the words "national research council" for the word "minister" in line 3.

Mr. ADSHEAD: Surely the minister must have some responsibility in the matter. He cannot put all the responsibility on the council. They report to him, but surely he must be responsible to parliament.

Mr. DUNNING: It is a purely scientific matter that is dealt with here.

Mr. BENNETT: It is not purely scientific, if I may say so without being arbitrarily contradictory. Suppose your bureau of standards sets up the metric system in this country; are we bound by it? Think what power you are giving to a body of men who are not responsible to parliament. The point of the hon. member for East Calgary is that this government must assume the respon-

sibility. According to what has been said by the minister, the bureau might, without any more ado, set up the metric system in Canada, using hectometers, decameters, kilometers, centimeters and various other units of measurement under the metric system. Is it intended to give that power to this body of men? Surely not. I think the minister will agree that that is too dangerous a power to entrust to a body not responsible to parliament. Perhaps they will introduce the soviet form of measurement, which consists in measuring my necessities by another man's opportunities. The Minister of Railways has just read, in fine print, that this body is able to deal with large questions. While the Minister of Trade and Commerce is able to see only out of the small end of the telescope, the Minister of Railways, being able to see out of the large, is able to determine their powers with very much more astuteness than his colleague. I think the point made by the hon. member for East Calgary is a sound one, and that you should not entrust to a body not responsible to parliament the power to change our whole system of measurements.

Mr. MALCOLM: The weights and measures of the things he refers to are now statutory under the Weights and Measures Act, and the council could not change them.

Mr. BENNETT: But seeing through the large end of the telescope, the Minister of Railways said that they had power to do these things.

Mr. YOUNG (Saskatoon): If this bill gives power to any outside body to change the standards in this country, I suggest to the minister that he proceed very carefully. It is not often that I find myself in agreement with the leader of the opposition, but I do not think it is good practice to set up some body and then say that they may do what they will. It does seem to me that it would be better for us first to decide what we want, and then we could have the advice of the council, but let the final determination of the matter be with parliament. I should like the minister to consider that phase of the question.

Mr. MANION: I must disagree with my fellow members on this matter, for I think we should take this from the authority and responsibility of the government. The more affairs we take from the authority and responsibility of this government the better it will be for the country.

Mr. STEVENS: I take second place to no one in this house in advocacy of the inauguration at the earliest possible date of a bureau of standards. I have had the idea under consideration for a good many years, I have consistently supported it, and will welcome the establishment of such a bureau. But I think we are going too far in handing over to the research council power to change our system of measurement.

Mr. MALCOLM: We cannot do that.

Mr. STEVENS: I am under the impression that that would be the effect of this clause. In any case I submit that it will not lessen the influence and authority of the research council if the final determination is still left with the minister. The council will in a sense work under the control of the department only to the extent of its final determination with respect to any given problem. I ask the minister to give this further consideration.

Mr. MALCOLM: This is only bringing the act into line with the powers now possessed by the national research council, as the committee will see by referring to the second page of the proposed amendments, clause (v) of section 10:

> The standardization and certification of the scientific and technical apparatus and instruments for the government service and for use in the industries of Canada, and the determination of the standards of quality of the materials used in the construction of public works and of the supplies used in the various branches of the government service.

And clause (iv) preceding provides for the investigation and determination of standards, and so on. But all the standards as to weights and measures are now determined by parliament under the Weights and Measures Act.

Mr. COOTE: Why depart from that principle in connection with electricity? We can use the bureau of standards to advise the government as to the proper standards under the act for measuring electricity, but surely the minister responsible to this parliament should have the final determination. I do not think we should set up any bureau to absolutely fix these standards; but this appears to be the intention of the bill.

Mr. MALCOLM: It is not a case of setting up standards for weights and measures, but of standardizing scientific apparatus to measure electricity. The creation of this apparatus has to be under some central authority. In the United States it is under the bureau of standards. We propose that it shall be under our bureau of standards, which is part of the national research council, which, in turn, is subject to the Minister of Trade and Commerce. There is no more likelihood of the council attempting to change any stan-

dard of measurement than of parliament seeking to alter the existing system. It should be realized that meters which are permitted to enter Canada from various foreign countries must be inspected to see that they conform with our standards. The minister's approval would be purely nominal; naturally he would approve of the standard set by his own inspectors. Therefore the approval of these meters might just as well be vested in the national research council as in the minister.

Mr. ADSHEAD: But I do not think that the entire responsibility should be placed on the bureau of standards; it should be absolutely subject to the approval of the minister.

Mr. MALCOLM: The bureau of standards is under the minister's department, and he must take full responsibility for its work.

Amendment agreed to.

Section as amended agreed to.

On section 12.—Sealing of meters.

The CHAIRMAN: Section 12 is to be inserted as subsection (2) of section 10.

Mr. MALCOLM: Without change.

Mr. STEVENS: In the previous clause you are making the apparatus subject to the approval of the national research council; in this section we have these words:

—with the exception of such meters as may be approved by the minister for use unsealed.

Why the inconsistency?

Mr. MALCOLM: I must confess that the explanation given to me by the officer of the department is not entirely satisfactory. He says there are certain types of meters which cannot be sealed, forming an exception that the minister should deal with.

Mr. STEVENS: That would never do.

Mr. MALCOLM: I have no objection whatever to make it coincide with the other section, and will move an amendment accordingly.

Mr. STEVENS: I think the minister would be well advised. For instance, section 11 reads:

No meter shall be admitted to verification in Canada until the type of meter to which it belongs has received the approval of the national research council.

Having passed that section, we are assuming that it is necessary for the welfare of this country that the national research council shall approve of such meters. But in the very next section we undo the whole business by allowing the minister or his inspector to admit certain meters.

Mr. BENNETT: Is not this the explanation? The officers of the department realize that that form of meter—a gas meter—should be in the hands of the minister, and that the electricity meter should be in the hands of the research council.

Mr. MALCOLM: I move that the word "minister" in section 12—which now becomes subsection (2) of section 10—be struck out and the words, "national research council" substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 13.—Re-verification of meters.

Mr. MALCOLM: No change.

Mr. STEVENS: It looks to me as if this clause is open to the same criticism as the last:

Within six years or such periods as the governor in council may determine from each verification and sealing

And so on. Is that the same principle with which we have dealt in the other two clauses, on which we place this determining power with the research council?

Mr. MALCOLM: The power companies and those selling electricity wanted to fix a ten-year period and we insisted in our negotiations on a period of six years. They felt that they could do better with the governor in council, in their representations for a longer period, than they could if they went to the research council. We have left it with the governor in council to make any change.

Mr. BENNETT: A frank explanation.

Mr. MALCOLM: That is the real story. The power companies wanted a longer term, but we insisted on five years, plus the twelve months' leeway.

Mr. BENNETT: I had occasion once to have meters investigated, and certainly the life of the modern meter is not six years. Under the statute as it stands the period is fixed at six years.

Mr. MALCOLM: Not necessarily.

Mr. BENNETT: Well, practically.

Mr. MALCOLM: If there is no complaint.

Mr. BENNETT: But the difficulty is in the small consumer being able to make complaints effectively. This matter is one that affects every householder in every city in Canada; that must not be forgotten. This is probably the most far-reaching piece of legislation we have dealt with in this house, for it touches every house in which gas is consumed and electricity used for any purpose, and it also affects every factory in which electrical power is employed. That being so, the power companies will steadily contend that the life of a meter is quite considerable, although in actual practice this has not been found to be the case. No doubt the minister has had occasion to ascertain this as well as any other person. Let me ask him this: Is it just right to say that the governor in council shall have power to extend the lives of these meters?

Mr. MALCOLM: We will not extend the inspection period; it is the other way.

Mr. BENNETT: Or shall he have power to shorten them? Should it not be left to some scientific body that has the facilities to make the necessary investigations to decide the question? Should it not read, "Upon the report of the research council?" Otherwise it leaves it open to the very objection which my hon. friend urges, that they can do better with the governor in council than they can in negotiations with the research council. That, I thought, was the frankest explanation ever given by any minister. It means that the political power is stronger than the scientific, which unfortunately we have all found to be the case. Is it not desirable in some way to protect the existing standards? As an hon. member was referring to the sections and the minister was making his explanation, I recalled to my hon. friend (Mr. Stevens)—not as part of the discussion—the fact that after all the Chicago standards are probably the best electrical standards in the world.

Mr. MALCOLM: And probably will be adopted.

Mr. BENNETT: In the United States 110,000,000 people are using electricity to an extent never known before, and there is no reason why we should not adopt those standards. Why should our people be put to the trouble and expense that might be involved in view of this declaration that only these certificates are to be valid? All these Chicago meters will be affected unless we protect them by some legislation; otherwise we shall not have protected the people. My hon. friend from Saskatoon will agree with me in this respect. We must not overlook the amount of money put up by people in securing these meters in the first instance, because they must make a deposit; and that, coupled with the effect which these certificates will have in evidence, suggests that the matter may become of considerable importance as the legislation now reads.

Mr. MALCOLM: My hon. friend is under a false impression as regards what I said. The inspection of meters is entirely under the department while the setting of standards is left with the research council. No one knows better whether meters are up to standard, than do our own inspectors, who frequently report to the department administering the act. The power companies felt that the bureau of standards might demand an inspection which was not justified and which the experience of our own inspectors did not warrant. We contended that a six-year period was long enough, strict as we are regarding the type of meter that may be used in Canada for the protection of the purchaser; and the experience of the department has shown that this period is fair. The power companies, as I say, wanted a longer period and they felt that probably if the matter went to the research council that body might arbitrarily demand a shorter period while, if it were left to the department, the finding of the inspectors who have supervision of meters from day to day would be safest in their own interest as well as in the interest of the department. Being purely a matter of administration, it is just as well left with the department.

Mr. STEVENS: There is to my mind a distinct menace in this clause. I think we ought to fix in the act a standard period, whether it be six years or ten years. We should fix it definitely.

Mr. MALCOLM: We have it fixed at six years.

Mr. STEVENS: Those who drafted the bill have left it to the governor in council to decide, let us say in the case of the Hydro-Electric of Ontario, that their meters may be inspected within a period of ten years.

Mr. MALCOLM: My hon. friend is mistaken.

Mr. STEVENS: I hope I am.

Mr. MALCOLM: The clause provides for inspection within six years or within such period as the governor in council may determine. We might find that the meters have to be inspected oftener. We wanted to change

the period to five years, to-day it is five years plus twelve months leeway, which makes it practically six years. We do not intend to make it longer.

Mr. STEVENS: If that is the object then let us state it definitely. In cases where in its opinion, on the advice of the chief inspector, it is thought desirable that meters should be inspected within a shorter period, let us enact that the governor in council may have power so to order. But as the clause now reads the governor in council may extend the period as it sees fit in respect of any company. That may not be the intention, but that is the power which we are conferring.

Mr. MALCOLM: Within six years.

Mr. STEVENS: "Or such periods as the governor in council may determine": that to my mind is where the faulty drafting of the clause comes in. I have no objection to the minister's interpretation, but I object to the way the clause is drafted.

Mr. MALCOLM: I think my hon. friend is mistaken; the bill is fairly clear.

Mr. ARTHURS: I suggest the words "or such shorter period". That being evidently the intention, why not so state?

Mr. COOTE: The point raised by the hon. member for Vancouver Centre is well taken. The governor in council could make it longer than six years, if the clause were enacted as it stands.

Mr. MALCOLM: The government has that power, but at the present time we will not increase the period. The inspector's report that, the existing equipment for measurement of electricity being as it is, a six-year period is long enough, and at the moment we refuse to make it longer. I am not saying that in ten years' time, or later, equipment may not be produced and put into general use justifying, say, seven years. At the moment, however, the six-year period is the standard which, on the advice of our own inspectors, we consider satisfactory. We are therefore leaving it with the governor in council, as time goes on, either to extend or to shorten the period. At the present time, however, it certainly will not be extended.

Mr. McGIBBON: Is the minister convinced that six years is not too long?

Mr. MALCOLM: Our inspectors recommend that as the correct period, and it has been in force for some years.

Mr. McGIBBON: Has it not been the experience of every person who has had anything to do with these matters that that is too long?

Mr. MALCOLM: I think not.

Mr. ARTHURS: I think the minister would be well advised to make six years the extreme limit, and to put the word "lesser" before the word "periods" in the first line. It is easy to change the act if you get better meters than you have at present, and in the meantime the consumer has to pay.

Mr. STEVENS: Not very long ago I sent a letter to the minister which I received from a gentleman whom I do not know personally, but who wrote to me very pointedly with regard to this very question. He found that his consumption of electricity, according to his meter, had doubled or trebled, and he insisted that he was not using any more power. As a matter of fact he felt that he was using less electricity, because as his bill mounted he became more careful in his use of electrical energy. I have forgotten the figures, but his bill had doubled or trebled within a few years, and he complained that the meter had not been and was not being properly inspected. I do not know whether he was right or wrong, but that illustrates this point. Obviously it is the duty of parliament and of the government to keep a very strict control over the inspection of meters, and I submit to the minister that it would be advisable to fix in this statute a maximum period. The six years is a minimum period, as the minister has admitted.

Mr. MALCOLM: There is no minimum; you can ask for inspection by the inspectors of the Dominion government a month after the installation of the meter, if it is not satisfactory. This is the longest period for which meters may remain without inspection.

Mr. STEVENS: But the governor in council may say that it shall be longer.

Mr. MALCOLM: That does not remove the right of an individual to apply for inspection.

Mr. STEVENS: That is true, but there must be nearly a million meters in use in Canada to-day, and most people are not competent to judge whether their meter is accurate or inaccurate. Consequently there are very few applications for inspection; the people trust the department, and it is the duty of the department to look after these meters. My point is that this six year period should be the fixed statutory maximum; if it is not long enough make it longer, but give the

governor in council power to call for a shorter period if it is considered desirable. I agree with the suggestion of the hon. member for Parry Sound, that the phrase should be "such lesser period" in the first line.

Mr. BRADY: I would like to ask the minister whether it is compulsory to use watt hour meters exclusively in Canada, or whether ampere hour meters are permitted, as is the case in Great Britain, Germany and other countries?

Mr. MALCOLM: The use of ampere hour meters is permitted, and they are being used very generally through the west to-day.

Mr. McGIBBON: I would like to support the suggestion of the hon. member for Parry Sound, because we must go on the hypothesis that in most cases the user of electricity has no idea whether his meter is correct or incorrect. He depends on the inspector to give him a correct reading, and I think six years is too long a period to let a meter go without inspection.

Mr. ARTHURS: In order to bring up the matter for discussion I would move that the word "lesser" be inserted before the word "periods" in the first line of section 13 of the act. I believe this is the intention of the minister; I think he will agree that six years is the longest period for which a meter is reliable, and this amendment will give the governor in council power to extend that period indefinitely if it is found desirable to do so. We are only seeking to make six years the maximum period which will prevail.

Mr. MALCOLM: I would like to point out to my hon. friend that while we have been discussing the inaccuracy of meters, during the inspections which took place last year 158,000 meters were accepted as being not over 3 per cent fast, which is the standard; that is as close as they can be regulated. There were 47,800 meters accepted as not being over 3 per cent slow; 672 were rejected as over 3 per cent fast and 991 as being over 3 per cent slow. So in the last year our inspectors tested 200,000 meters, of which only about 1,600 were found to be over 3 per cent slow or fast, and of those which were over the standard more were slow than were fast. So it will be seen that the meters in use to-day are a great deal more accurate than those we had ten years ago, and as the days go by we receive fewer complaints.

Mr. ARTHURS: At that rate it would take about twelve years to inspect all the meters in use in Canada at present.

Mr. MALCOLM: Oh, no.

[Mr. Stevens.]

Mr. McGIBBON: May I ask if those figures include the meters which have been tested individually in the municipalities by the local inspectors, who have found them to be defective?

Mr. MALCOLM: Those are the meters which were inspected by the government.

Mr. McGIBBON: Then I would draw attention to the fact that there are a good many meters in every municipality, in Ontario at least, which are taken out and tested by the local engineer and which are found to be defective but which are not inspected by the government men.

Mr. COOTE: I wonder if the minister would tell us how often scales must be inspected?

Mr. MALCOLM: I will be glad to discuss that question when we consider the estimates having to do with the Weights and Measures Act.

Mr. COOTE: I was just asking for information; I thought it might help us now if we had a fixed period within which scales must be inspected.

Mr. MALCOLM: Scales are not sealed.

Amendment agreed to.

Section as amended agreed to.

On section 14.—Certificates.

Mr. STEVENS: This section says "in accordance with regulations made by the minister." Is that what is intended?

Mr. MALCOLM: Yes. That is a departmental matter, having to do with administration.

Section agreed to.

On section 15.—Right to break seal.

Mr. MALCOLM: As an amendment to this section I move that the words "except as may be provided for by regulation of the department" be added to the last sentence.

Amendment agreed to.

Section as amended agreed to.

Sections 16 to 22 inclusive agreed to.

On section 23—Test of voltage and frequency.

Mr. CHURCH: I should like to ask the minister what the word "contractor" means in this section? It is set out in the interpretation act that it includes a municipal or government corporation like the Hydro-Electric Commission of Ontario which is generat-

ing electricity and distributing it to the public at cost. The department is deriving a quarter of a million dollars a year from the operation of this act. The hydro is actually placed in the same position, although it is selling electricity at cost, as a private company which is selling electricity to the public and making a profit of it. There should be a distinction between a public and a private utility. The hydro should be exempt from charges under this act. My opinion is that this parliament has no control over the Ontario Hydro-Electric Commission, as it is a provincial government property and undertaking and work. There have been some decisions to support my view on this point, with respect to taxation of a provincial government work or undertaking. Is this act intra vires as applied to the hydro? I was told in 1923 that the Industrial Disputes Investigation Act was intra vires and had to go to the Privy Council to upset it. The sections of this bill to which I take particular objection are sections 23 and 24, as to who a contractor is and to whom this act applies. I have no objection to the application of the provisions of these sections to privately-owned companies, but it is a different matter when it comes to public utilities owned by the provinces and municipalities, and operating at cost. The bulk of the revenue received under this act—about sixty per cent of it—comes from the province of Ontario, and it is an imposition to take nearly $10,000 a year out of the publicly-owned system of Toronto for meter tests alone. Any meters used for electrical purposes should be manufactured in Canada and foreign companies forced to establish branches here. If the minister wants to accomplish a useful work let him insist that the American and German owners of meters and other electrical devices establish branch factories in Canada. That policy will result in providing more work in this country, and will supplement what the Hydro-Electric has been doing along this line in Ontario. The hydro-electric of Ontario has done much for that province through its developments at Niagara and in the northern parts of the province, and this government must be hard pressed for revenue when it taxes the hydro-electric such large sums for meter testing. Besides, the hydro was taxed in customs duties nearly two millions during the war while construction was proceeding in connection with Niagara hydro development, and that amount should now be refunded. Surely some distinction should be made between a publicly-owned utility which develops electricity and sells it at cost and a privately-owned company operated for profit. Representations along this line have been made for years, but without result, as to reducing hydro meter testing to a nominal sum. I have no doubt what the issue would be if the matter were taken to the courts as I have indicated. In my opinion it would be declared that the federal parliament has no power to tax a publicly-owned undertaking such as the hydro-electric of Ontario, which is the property of the province and municipalities. I have no doubt the minister contends that he is giving this service at cost, but he is including in the expenditure for this particular inspection a lot of things that should not appear there, such as salaries, fuel, furniture, and the like, of the head office at Ottawa. I think the government might be better employed than by invading the sphere of activity of provincial property such as the hydro-electric of Ontario and imposing such a heavy burden on the public who get the benefit of power at cost as against private companies that pay dividends and issue millions of common stock of no par value.

Mr. MALCOLM: My hon. friend seems to be labouring under a false impression with regard to this. The clause would certainly have to include everyone selling electric current, whether it be the Hydro-Electric of Ontario, the light, heat and power company of Montreal, or the muncipality of Ottawa. You cannot differentiate between the contractor who is selling electric current as a publicly-owned utility and the one who is selling it as a privately-owned utility.

Mr. BENNETT: We are protecting the consumer.

Mr. MALCOLM: As the leader of the opposition says, we are protecting the consumer and many Ontario hydro-electric municipalities want this inspection of their meters. The cost of inspection is very low and the hydro-electric engineer, I may tell my hon. friend, was here and assisted in drafting the legislation so that my hon. friend's point is not at all well taken.

Section agreed to.

On section 24—Inspection fees.

Mr. BOYS: Will the minister give the committee some idea of the fees being paid? Is there a distinction between the fee charged for an inspection which the department requires to be made within six years and the fee for what is called a disputed meter test made pursuant to clause 20? If so, what is

the charge under clause 20? Because the person who turns out to be wrong as to the operation of the meter is the one who has to bear the expense of the inspection?

Mr. MALCOLM: I might give my hon. friend the list of meters inspected under the various classes. The fee for inspection of class 1 meter, which is most generally in use, is sixty cents.

Mr. BOYS: That is the ordinary household meter?

Mr. MALCOLM: Yes. That works out at about one-half of a cent a month on a six-year period. For class 2 meter, a higher voltage meter, of which 49,000 were inspected, the fee is seventy-five cents; for class 3 meter, of which 3,400 were inspected, the fee is $1.50, and for class 4 meter, which is a very large meter for a high-powered station, and of which only thirty-three were inspected, the fee is $5.

Mr. BOYS: The minister has not directed himself to the other branch of my question.

Mr. MALCOLM: There is no difference in the charge whether the inspection is asked for or not.

Mr. BOYS: In other words, if a purchaser desires a meter tested for his own protection and asks for a test, those are the fees he has to pay.

Mr. MALCOLM: If the meter is correct.

Mr. BOYS: If that is the case, I think that fee is very moderate. If the meter is not correct, the fee would be the same?

Mr. MALCOLM: If the meter is not correct the contractor pays the fee.

Mr. BOYS: Yes, but what does he pay?

Mr. MALCOLM: Sixty cents.

Mr. BOYS: In other words, the expense of the inspector in going from the nearest point at which he resides to the place of residence of the user of the meter or anything of that kind is not added?

Mr. MALCOLM: No.

Mr. BOYS: There is no question that under that an ordinary householder for sixty cents can satisfy himself as to the accuracy of his meter?

Mr. MALCOLM: Yes.

Mr. BOYS: That would seem to be a moderate charge.

Section agreed to.

Sections 25 to 30 agreed to.

[Mr. Boys.]

On section 31—For installing unverified meters.

Mr. MALCOLM: I move to strike out the word "or" between the words "stamp" and "issues" and substitute therefor the word "and" in paragraph (c) of section 31, so that it will read:

Not being an inspector, seals or stamps and issues a certificate.

Amendment agreed to.

Section as amended agreed to.

Sections 32 and 33 agreed to.

On section 34—Procedure.

Mr. BOYS: I am by no means sure that this is quite as complete as it should be. I observe that there are two forums under which a prosecution may take place. One is before any justice of the peace where the penalty does not exceed twenty-five dollars, and the other is before any two justices of the peace where the penalty exceeds twenty-five dollars. There are in some municipalities, in Ontario at all events, police magistrates who I am by no means certain are justices of the peace. I think their commissions are given to them as police magistrates. If I am right in that—and I think I am—you would not have any opportunity of proceeding before the only tribunal now in existence in practically all the towns of Ontario and possibly other provinces. In my own town you never see a justice of the peace presiding now; he is a thing of the past. There are police magistrates appointed for various districts of the county and they sit as such. If in their appointment they are not described as justices of the peace they would not have jurisdiction to proceed under this clause. I suggest that a provision be inserted in the clause that police magistrates as well as these officers have jurisdiction; and the police magistrates would have to have jurisdiction as regards penalties under twenty-five dollars as well as over twenty-five dollars.

Mr. ELLIOTT: There can be no question that a police magistrate should have the same power that a justice of the peace has. Speaking from memory and offhand I think there is in the criminal code a clause which gives to every police magistrate the same power as that of two justices of the peace. It would seem advisable to permit him to exercise that jurisdiction in this particular case unless it be covered by the general clause in the code, and I think it is covered.

Mr. BOYS: There is not the slightest doubt about what the minister says regarding the criminal code, but the jurisdiction given under this legislation is being given apart entirely from the criminal code. The fact that a police magistrate has certain powers under the criminal code does not give him those powers under this legislation. I am just mentioning the fact: I think the objection is worthy of consideration, and the minister should look into it.

Mr. MALCOLM: I have no particular knowledge with which I could dispute the question raised by my hon. friend any more than that the bill was before the law officers of the crown and I would have expected that the point he raises would be covered. If he thinks there is a doubt and desires to move an amendment in the committee to cover the point, I have no objection.

Mr. BOYS: I am certainly willing to move it, but the difficulty is that it may be rather difficult to frame an amendment which will meet the application of the clause as at present drafted. Paragraph (a) provides for penalties under twenty-five dollars and paragraph (b) for penalties over twenty-five dollars. In my view a police magistrate should have jurisdiction in either case. The only way I see to deal with the matter would be to start off by giving a police magistrate jurisdiction to hear all complaints under this legislation, and then to give special jurisdiction to one justice of the peace in the one case and to two justices of the peace in the other. Unless the minister is particularly anxious to dispose of the matter to-night, he might ask those in charge of it in his department to draft a suitable clause. I make the suggestion for what it is worth.

Mr. ELLIOTT: Would it meet the views of my hon. friend if paragraph (b) were made to read:

Before any two justices of the peace or a police magistrate, if the penalty exceeds twenty-five dollars.

That is provided that the point is not already covered.

Mr. BOYS: I do not think my hon. friend is going far enough. Suppose you have a case in a town where there is a police magistrate, and it is under $25; he would not have jurisdiction.

Mr. MALCOLM: We might insert in paragraphs (a) and (b) the words "or a police magistrate."

Mr. BOYS: All right, if you want to cover it that way.

Mr. ELLIOTT: After the words "justice of the peace."

Mr. BOYS: Or stipendiary magistrate. There are cases where there are stipendiary magistrates.

Mr. BENNETT: I think the section should stand for redrafting. If the Minister of Public Works will look at the old section 40, he will observe that if the penalty does not exceed $20, it is before any justice of the peace, and if the penalty exceeds $20, before any two justices of the peace. We would now add, "or any magistrate exercising the powers of two justices of the peace." There is a special provision in the code with respect to stipendiary magistrates, to which the Minister of Public Works referred, and that is what he has in mind, I take it, when he speaks of the stipendiary exercising the powers of two justices of the peace. I think the section should stand and be redrafted, for the terms in which it now reads might divest the stipendiary entirely of his jurisdiction because he might not happen to be a justice of the peace.

Mr. MALCOLM: We will let the section stand for redrafting.

Section stands.

Section 35 agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. SPEAKER: What is the next order of business?

Mr. MALCOLM: Supply.

Mr. BENNETT: There has to be a motion to go into supply to-day, and we have an amendment to move to the motion. It is probably undesirable to start that at this time of the evening, if there is any other business we can proceed with.

ADJOURNMENT—ST. LAWRENCE WATERWAY

Mr. MALCOLM moved the adjournment of the house.

Mr. BENNETT: Before the motion is formally put, Mr. Speaker, might I point out that we were to get the correspondence to-day with respect to the St. Lawrence waterway? I do not want to complain of the Prime Minister in his absence, but unfortunately one of my colleagues informs me that the press has the correspondence, and none of us has seen it or heard of it. Surely parliament must not be treated in this way.

Mr. ELLIOTT: Was not the statement that it would be handed to the press?

Mr. BENNETT: It was promised to us, too, and one of my colleagues tells me that the press had it this morning.

Mr. MALCOLM: The clerk has just handed me a letter from Doctor Skelton saying that he has sent to the distribution office 950 copies of the report in English and 400 in French. The letter, I see, does not refer to the correspondence. I think the clerk has handed me something different from what the leader of the opposition had in mind.

Mr. BENNETT: Mr. Speaker will recall the circumstances. We were to have the correspondence and the report laid on the table before the house rose this evening. I expected that to be done just before six o'clock, or at all events on the house meeting again at eight. That has not been done, and one of my colleagues informs me that the press has had the correspondence and this report since early to-day, yet none of the members of the house has received it, and no copy has been laid on the table. I think the House of Commons should not be treated in this way, and I protest against it. I do so very reluctantly, with the Prime Minister not here, because I know that neither my friend the Minister of Trade and Commerce nor the Minister of Public Works is responsible for this particular matter, and I suppose the Prime Minister may have intended to come in later in the evening.

Mr. MALCOLM: He did.

Mr. BENNETT: Will this correspondence be laid on the table tonight? Otherwise the press will have it to-morrow, and this house, the people's representatives, will know nothing about it.

Mr. MALCOLM: My hon. friend is aware that the Prime Minister intended to lay the correspondence on the table to-night before the house adjourned. We were ready to go into supply on the estimates of the Department of Trade and Commerce, and I am prepared to do so yet if hon. gentlemen opposite are agreeable.

Mr. BENNETT: The motion to adjourn the house has been moved, and as I told my hon. friend, we have an amendment to the motion for supply.

Mr. McGIBBON: This is only one more instance of the contempt with which this government treats parliament.

Mr. BENNETT: If the Minister of Trade and Commerce wishes to waive his motion for adjournment—

[Mr. Bennett.]

Mr. MALCOLM: And then go into supply.

Mr. BENNETT: No, and then make your motion to go into supply; that is as far as you will get.

Mr. SPEAKER: Mr. Malcolm moves, seconded by Mr. Elliott, that the house do now adjourn. Is it the pleasure of the house to adopt the motion.

Some hon. MEMBERS: No.

Mr. SPEAKER: Carried, on division.

Motion agreed to and the house adjourned at 9.40 p.m.

Tuesday, April 17, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Third report of the select standing committee on railways and shipping owned, operated and controlled by the government—Mr. Goodison.

Fourth report of the select standing committee on banking and commerce—Mr. Hay.

REPORT

Report of the board of audit on the financial affairs of the Quebec harbour commission—Mr. Robb.

ST. LAWRENCE WATERWAY

CORRESPONDENCE, REPORT OF ADVISORY COMMITTEE AND REFERENCE TO SUPREME COURT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table correspondence between the governments of Canada and the United States in 1927-28 with respect to the St. Lawrence waterway project; the report of the international advisory committee, dated January, 1928, and observations thereupon by certain of its members, and orders in council referring to the Supreme Court of Canada certain questions as to water-power rights of the Dominion and the provinces. I must express to my hon. friend opposite (Mr. Bennett), and to the house, my regret that owing to the early adjournment last evening I was not in a position to table these papers as I had hoped to do. I fully expected to be present to table the documents, but the adjournment took place earlier than was anticipated. I wish to move, seconded by Mr. Robb:

That 2,500 copies in English and 1,500 copies in French of the St. Lawrence waterway project papers now tabled be printed forthwith, and that standing order 64 be suspended in relation thereto.

Hon. R. B. BENNETT (Leader of the Opposition): I quite appreciate the statement made by the right hon. the Prime Minister with respect to this matter, but I cannot but think that having regard to the circumstances that must have been present in his mind he might have tabled the documents at six o'clock before the house rose, for the press had them in their possession since the morning, although not to be used until later, as I understood at midnight; and the members of parliament might have been entrusted with the same documents at six o'clock or at eight o'clock at any rate. It is true the house adjourned rather earlier than was expected, but on the other hand the Prime Minister knew of his engagement and I am sure that if he had intimated that he would be absent from the house, they could have been laid on the table by one of his ministers at eight o'clock. I cannot think it is using parliament quite right to have these documents published in the newspapers and widely known to a very considerable number of people before we have any knowledge of them at all. I hardly think that is consistent with the dignity of the house. I do not, however, for a moment think that the Prime Minister wittingly adopted that method of dealing with documents intended for the information of the house.

The motion with respect to the printing of the documents enables me to say something further in connection with another matter of the same kind. Not long since, a document was published in a Toronto paper before it became known at all to the members of this house. I understand that the explanation of it is that the commissioner who made the report gave a copy of it to the newspaper thereby enabling it to be printed. That is, it seems to me, a very reprehensible practice and one that this house should not at all sanction. A report that is to be laid upon the table of the house should not be given to the newspapers until such time as it has been tabled. The adoption of a contrary course is really an insult to members of parliament. I investigated this matter at the time, and my information led me to conclude that the government was not to blame, but rather the commissioner who made the report. I think that principle is quite wrong. Certainly members of parliament should enjoy as much latitude in connection with matters of this kind as the press of the country.

Mr. MACKENZIE KING: May I say that I agree entirely with my hon. friend in all that he has said as to the procedure which should be followed, but I think the house will see in a moment that it was a pure accident that hon. members did not receive these documents last night as was anticipated. In the first place as to the press having copies of the correspondence, my hon. friend knows that with respect to important documents of any length it is sometimes the practice to give copies in advance to the press on the undertaking that they will not be released until a certain time. In connection with the correspondence between the United States and Canada on the St. Lawrence waterway project the understanding was that the press in both countries should receive the documents on Monday at the latest, and the Canadian Press on Saturday night, but that the press summaries of the documents were only to be released for Tuesday morning's papers—

Mr. BENNETT: After midnight.

Mr. MACKENZIE KING: Yes, the purpose being to enable the Canadian Press and the Associated Press to send full despatches and obviate the necessity of individual correspondents telegraphing lengthy communications to their respective papers. It was intimated to me by members of the press gallery that in the case of these papers it would not be advisable to confine the copies that were being given out to the Canadian Press, but that they should be given to all the members of the gallery on the understanding that they would not be released in any case until after the adjournment of the house on Monday night. This was agreed to and I have every reason to believe that the members of the press in that particular have kept faith with the government.

As to tabling the papers at six o'clock, I may say to my hon. friend that I had them in my desk and the thought entered my mind to table them at the hour mentioned when I recalled a conversation I had had with respect to the hour of tabling and mention of the fact that what would be regarded as an early hour here was still earlier in some parts of the western states and western Canada, and that it would be breaking faith with others to allow any of the afternoon papers to receive in advance any intimation at all of what was in the documents. Therefore I deliberately refrained from carrying out the thought I had at the moment of tabling the papers at six o'clock.

Now as to the events of the evening, I fully expected to be in the house not later than half-past nine. As a matter of fact I was in the house by twenty minutes of ten. In the interval, however, the house had adjourned and I had no alternative but to defer tabling the papers until to-day.

Sir GEORGE PERLEY: I should like to ask the Prime Minister a question. Could he not have intrusted the leader of the opposition and the leader of hon. members to the left of Mr. Speaker with copies of the correspondence on the same terms as in the case of the press?

Mr. MACKENZIE KING: I should have been very happy to do so, had I thought my hon. friend might have wished to have the documents in advance. Another time I shall perhaps profit by this experience and see that he gets them a little in advance. As a matter of fact the documents were in my desk in the house and had it been anticipated that adjournment was to take place when it did some of my colleagues might readily have opened the desk and tabled the papers before the house adjourned. I think however everyone now has full information in the form in which it will be found most accessible.

Mr. CHURCH: Will an opportunity be given to resume the adjourned debate on this question?

Mr. MACKENZIE KING: With respect to debates to be brought up in the house we shall have to follow the rules.

Motion agreed to.

RAILWAYS AND SHIPPING

On motion of Mr. W. T. GOODISON (West Lambton), the third report of the select standing committee on railways and shipping owned, operated and controlled by the government, was concurred in.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved the third reading of Bill No. 197, to amend the Militia Pension Act.

Motion agreed to and bill read the third time and passed.

LOWER EAR FALLS STORAGE DAM

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 195, to facilitate the provision of storage in Lac Seul in the province of Ontario, and to repeal the Lake of the Woods Regulation Act, 1921.

Motion agreed to and bill read the third time and passed.

TREATY WITH SPAIN

Hon. J. A. ROBB (Minister of Finance) moved the third reading of Bill No. 201, respecting a certain treaty of commerce and navigation between the United Kingdom and Spain and a certain agreement between the United Kingdom and Spain regulating the treatment of companies.

[Mr. Mackenzie King.]

Motion agreed to and bill read the third time and passed.

FEDERAL DISTRICT COMMISSION ACT, 1927, AMENDMENT

On the order:

Resolved, That the Federal District Commission Act, 1927, be amended to provide,

1. That the period for the payment of the annual grant to the commission, at present fixed at sixteen years from the first day of April, 1927, be extended to thirty years from the first day of April, 1928, the said annual payment to remain at the sum of $250,000;

2. That the commission may issue securities and the Governor in Council may authorize the guarantee of the payment of principal and interest thereon, the proceeds to be deposited to the credit of the Minister of Finance in trust for the commission and released by the minister in his discretion for the purposes of the act;

3. That a sinking fund shall be created and maintained by the commission out of its actual annual income to provide sufficient funds to redeem such guaranteed securities as they respectively become due, and the provisions of the Expropriation Act instead of the Railway Act shall be made applicable to proceedings of the commission.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My purpose in having this number called is not to proceed with the resolution but to ask the permission of the house to withdraw it in order that I may substitute a resolution in somewhat different terms. If consent is given, I move that the resolution be withdrawn and that the order be discharged.

Mr. BENNETT: Carried.

Motion agreed to.

DOMINION LANDS ACT AMENDMENT

The house resumed, from April 13, consideration in committee of Bill No. 199, to amend the Dominion Lands Act.—Mr. Stewart (Edmonton) Mr. Johnston in the chair.

The CHAIRMAN: When this bill was last before the committee certain progress had been made. Section 1 had been struck out. The committee were considering what appears as section 2 in the bill and which will now become section 1.

On section 2—Second homestead.

Hon. CHARLES STEWART (Minister of the Interior): I move to amend this clause in the thirteenth line by changing the figure "8" to the figure "5", and by striking from

the fourteenth and fifteenth lines the words "in the discretion of the minister". The clause will then read:

Provided, however, that any person who on the first day of January, 1925, had obtained or had become entitled to letters patent for a homestead as aforesaid, may be granted the right to make entry for a second homestead, subject to the provisions of this act.

Mr. DONNELLY: I would like to know why the change has been made to 1925. If a man is entitled to a second homestead who has become entitled to letters patent for his homestead before January 1, 1925, why should not that apply to the man who has become entitled to letters patent in 1926, 1927 or 1928?

Mr. STEWART (Edmonton): The criticism of the clause as it was originally drafted was that it would give rise to speculation, although frankly I do not agree very much with that criticism. At all events, this provides for a longer interval between the dates on which a man has proved up and received letters patent for his homestead and the date upon which he may make application for his second homestead. It may tend to prevent an individual proving up and then at once selling his homestead and making application for a second one. On the whole, I think the precaution is a wise one.

Mr. EVANS: Does this provision apply to the whole of the western provinces or only to the dry area?

Mr. STEWART (Edmonton): To the whole of the western provinces.

Mr. EVANS: When this scheme was first projected, it was with the idea of giving a chance to those homesteaders who had failed to establish themselves in the dry parts of Saskatchewan and Alberta particularly. When we were called into conference last year at Regina, some of us understood that that was the purpose of the whole scheme. I must say now, as I said then, that I am opposed to giving a second homestead indiscriminately to all who may feel disposed to apply for it. It is going to upset tremendously conditions throughout western Canada. It will mean more vacant homesteads; the weed crop itself will be a considerable trial to the municipalities, and speculation and other factors will enter in so that conditions will not be improved by giving the second homestead indiscriminately to all who wish to apply for it. I would confine the application of this act to those who have settled in the dry areas and failed to establish themselves as they expected.

Mr. FRASER: Does this apply to the Peace River country and the land in the railway belt of British Columbia?

Mr. STEWART (Edmonton): No, just to the crown lands open for homesteading.

Mr. FRASER: There are crown lands open for homesteading in the Peace River country, are there not?

Mr. STEWART (Edmonton): In the Peace River block, yes, but not very many of them.

Mr. FRASER: And in the railway belt also.

Mr. STEWART (Edmonton): Not in the railway belt.

Mr. STEVENS: Oh yes. I think the minister is mistaken. There are pre-emptions granted in the railway belt.

Mr. STEWART (Edmonton): That is different.

Mr. VALLANCE: I wish to say a few words in support of this measure. It is true, as the hon. member for Rosetown (Mr. Evans) says, that when we gathered in Regina to discuss this matter, he took the attitude there that he takes here to-day, but some others of us voiced the opinion that this was good legislation for various reasons. I know that in the particular district from which I come we have been homesteading for some twenty years, and we find there many good Canadians who have come in from other parts of Canada, particularly from Ontario, and immigrants from overseas. We find families who settled in that district eighteen and twenty years ago, with four or five of a family. Some of those families to-day have two or three boys who are in a position to take up a homestead, and who under the existing law could take up a homestead, but they do not wish to leave the family roof, and if the father can be given the opportunity of taking up a second homestead, it will keep the family united. I believe that that is a good thing, and from my own experience in homesteading I believe that those people who have already had experience in homesteading will be an asset to any new country that is being opened up. As conditions are to-day, these people cannot extend their activities in the district where they are already located because of the high price of land, and the result is that the boys are drifting into the towns and cities, but when the father is given the opportunity of taking up a second homestead, a privilege which I think should be granted, the boys will

come back home and probably homestead again. I am heartily in support of this particular section.

Amendment agreed to.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Terms of payment.

Mr. DONNELLY: Has the minister any intention of restricting the provision of this act to the dried out area? The constituency of Willow Bunch which I represent has been considered wholly in this dried out area, and we feel that that is a black eye for the district. We have been farming in there for the last fifteen or twenty years, and we have had crops every year, and we feel that we should not be dubbed as a dried out area. We think the definition of this dried out area should be limited in some way. All through that district we find many returned soldiers living in the towns and unable to get homesteads because they have no land within the nine miles, and they have to fake either the sale or renting of land before they can file on land. Last fall we opened up a lease in that district, and some of the returned soldiers went in there and faked sales and leases of land to allow them to file on this land. We have farm labourers who have come into that district and worked there for four or five years, living with the farmer, and they cannot go out and take up a homestead, but the farmer's son can. They have to buy or lease land before they can enter on land for a homestead. There are some districts in southern Alberta where probably this might apply, but we do not think it does apply to the constituency which I have the honour to represent. We think this should be restricted.

Mr. STEWART (Edmonton): When the bill was in committee on a previous occasion the criticism was that the legislation had worked out very well, but that it would be unwise to widen its scope and throw all this territory south of township 31 in Saskatchewan and Alberta open for homesteading. I suggested that the amendment proposed be stricken out. I may say that I agree entirely with the hon. member for Willow Bunch (Mr. Donnelly). This summer I shall arrange in conjunction with the provincial government and their officials to make a close inspection of the territory mentioned by him and several other hon. members who represent constituencies in southern Saskatchewan, and next session I hope to submit an amendment that will provide for definite sections to be thrown open for homesteading generally.

[Mr. Vallance.]

Mr. KELLNER: From the remarks of the hon. minister I assume that there is no immediate intention to turn over to the provinces their natural resources. With respect to the terms of payment on school lands, as amended by section 4, I do not think the amendment goes far enough to meet the situation in Alberta. I have a return before me showing that at a sale of school lands last fall one Joseph S. McCallum purchased 3,739 acres, and another A. Shandro, purchased 19,677 acres. I think it may be taken for granted that neither one of those purchasers intends to farm the land so acquired. In all probability they found certain farmers were interested in purchasing, and then said, "All right, you give us a dollar an acre and we will buy the land." I know one man replied that he was quite competent to buy the land himself, and thereupon those speculators ran the particular quarter-section up to $60 an acre, although generally speaking it would not be worth more than $10 or $12 an acre. That was the policy followed all through the recent sales of school lands: unless the farmers gave them a commission to make the purchase they ran up the price ridiculously high. I think it is the intention of those men not to make any further payments unless they can resell the land at a profit; otherwise they are prepared to lose their first payment. It is simply a case of speculation. I think the minister should so amend the act that no one purchaser would be able to secure more than a quarter or a half-section of land.

Mr. STEWART (Edmonton): My hon. friend may remember that some ten years ago W. J. McNamara purchased a large quantity of school lands along the right of way of the then Canadian Northern Railway system in northern Alberta. I felt this was an injustice to the people generally, and I spent two or three days down here with the then Minister of the Interior in an attempt to devise ways and means to prevent the recurrence of such a case. But we were met with this very practical difficulty, that all government officials have discovered that the fairest way in which to dispose of school lands is to offer them for sale at public auction. This results in better prices being obtained for the land and provides the most efficient means against fraud that has yet been devised. Of course, it does not prevent an individual from acquiring more land than he intends to farm, but it does have just the effect my hon. friend has mentioned, where a group of farmers get together and arrange not to bid more than a certain amount for any quarter-section. However, that is not the evil that I am trying

to cure by this bill. My primary purpose is to get a sufficient first payment. We have discovered that one-twentieth is too small an investment on the part of the purchaser to warrant his holding the land if it does not suit his convenience, with the result that he abandons it in very bad condition. I think to dispose of these lands at public auction without any particular restrictions is the best method that can be devised for attaining fair and reasonable prices and thus getting the largest return for the school fund—the object for which the land is set aside.

Mr. IRVINE: What is the usual term after the initial payment has been made?

Mr. STEWART (Edmonton): Twenty years.

Mr. SPENCER: When was the term changed from ten to twenty years?

Mr. STEWART (Edmonton): The change was made by me some three or four years ago.

Mr. DONNELLY: I do not agree with the Minister of the Interior; I think the terms have been absolutely too lax, with the result that many of our western farmers have gambled in school lands. This change from one-twentieth to one-tenth is a step in the right direction, but still the terms of sale are too easy. The trouble is that a man will buy school lands and not complete his payments, farming them for ten or fourteen years. If the department presses him very hard he will rent the land at fifty cents an acre and continue farming for another ten or fifteen years.

Mr. STEWART (Edmonton): He can only rent the land pending another sale.

Mr. DONNELLY: The terms are far too easy. The purchaser should be made to pay in two or three years, just as he would be obliged to do if he had bought from a private individual. If he fails to make his payments the land should be put up at auction and rented at a certain percentage of the upset value. For example, if it was worth $25 an acre, make the rent 8 per cent on that value. Either do that or call for tenders. Many farmers will bid up land to $50, $60 and $75 an acre, and I have seen them bid as high as $80 an acre, with no intention whatever of buying it. They bid it in to control it for the next eight or ten years. He puts up one-twentieth and then sits back and in four, eight or ten years' time he throws it back on the government. He rents the land at fifty cents an acre, and neighbouring farmers who want to rent it cannot do so. This man continues to hold the land at fifty cents until the government puts it up at auction and then he bids it in again paying one-twentieth or one-tenth, and continues ownership. That has been done time and time again in the district I represent. Last summer in two or three sales I saw land run up 50 per cent more than the land was worth in what was nothing but a fake sale, for that land was not sold. The only object is that these individuals may hold the land in this way. Unless we become more strict in our sales we shall not be able to sell our school lands, and they will become polluted with weeds, dirt and so forth, so that they will be worth little or nothing. It seems to me the time has come when we should take measures to enforce more severe terms in connection with these school lands.

Mr. SPENCER: I wish to support what the hon. gentleman who has just spoken has said. Two or three years ago I was informed that the money owing on school lands in Saskatchewan and Alberta amounted to some $3,000,000. As the hon. member (Mr. Donnelly) has said, there are school lands—I know of many cases—where the price was run up to a fair amount and only the first payment was made. That is going on all the time. There are people who hold lands for eight and ten years without paying anything more than the first instalment. In the interests of the country we should in my opinion, be more severe. It is only reasonable, where climatic conditions adverse to agriculture warrant it, to afford the buyers fair opportunity to come through. But where crops are obtained on these lands the department should be more strict than it is at the present time.

Mr. CAMPBELL: Most of the difficulties I have observed in connection with school, Indian and other government lands in my constituency have been due to the manipulations of speculators and not to anything on the part of bona fide farmers. We find a condition out there such as the hon. member for Athabaska (Mr. Kellner) has referred to. A group of speculators will attend sales, and at the particular season of year farmers anxious to obtain lands may not have any money with which to purchase them. The result is that a speculator gets the land cheap; or perhaps a group of them will combine so as to eliminate opposition, and then by the time the regular farmer, the man who really intends to till the soil, to break up the land and make a farm out of it, is ready and anxious to get hold of the land, he finds that the price has gone up $5, $10 and in some cases $15 and $20 per acre. Then what

does the speculator do? He collects year after year all he can obtain from the farmer without turning one dollar in to the department. If the minister will look over the books in the school lands branch as well as in the other branches to which I have alluded, he will find case after case where land was sold to some speculator, a man who never was a farmer and never intended to farm, and then resold to bona fide farmers at greatly enhanced prices. His game is to withhold the money from the department, and in the cases in which I have had to make representations to the minister's department I have discovered that lands have been held five, six, and in some cases, ten and twelve years. During all this time the farmers have been making regular payments to the speculators while the department has not secured a dollar. I have been able to get the departmental officers in many instances to cancel their undertaking with the speculators and to re-lease to bona fide farmers, with the hope of ultimately selling to them when they are in a position to buy. If we are to avoid trouble of this kind in the future the proper thing for us to do is to compel the purchaser to effect improvements on the land. I would not go so far as to compel him to reside on it because the owner might be a farmer living on his own adjoining farm. But if the department is to avoid a lot of these difficulties in the future and at the same time be just to those who are tilling the soil it would be in the interests of these people as well as to the advantage of the government to impose some specific obligations upon the purchaser in connection with the land. Those difficulties of which I have knowledge in my own district have arisen for the most part in connection with Indian lands, and there are some very sad cases in this regard, where farmers have paid in $1,500, $1,800 and sometimes, $2,000 or more to the speculator, believing all the time that he was keeping up his payments to the department, and after a lapse of ten years he finds to his amazement that not a dollar has been paid by the speculator apart from the initial instalment. Then he is threatened with cancellation. In some cases the cancellation proceedings deprive the farmer of the land which he has been farming. But the speculator has secured his profit and he is not very greatly concerned. I agree with the minister on the reasons he has given for raising the initial payment from one-twentieth to one-tenth. That decision, I think, is sound. I think, however, the minister would relieve his officers of a good deal of trouble, and at the same time do justice to the farmers, if by legislation he compelled the purchaser to carry out certain improvements on the land within a specified time.

Mr. STEWART (Edmonton): A serious difficulty suggests itself in connection with the point raised by my hon. friend. In connection with both school and Indian lands we find a good many farmers entering into agreements of sale with people who owe the government money, and never taking the precaution to notify us that the sale has taken place. We know nothing about the matter and we continue notifying the purchaser year after year. We make annual demands for payment and we receive what appear to be reasonable excuses for non-payment. No doubt in a few cases hardship is entailed where payments have been made to the purchaser while no return is made to the department; and this notwithstanding the fact that we have sent out warnings pointing out the importance of our being notified. While we do not intend to be harsh in the collection of these outstanding accounts, I think the purchasers of these lands will realize from now on that we are going to be more insistent than ever that the obligations to the government shall be lived up to in connection with school lands and Indian lands as well. We have had a good deal of difficulty. Times have been bad and we have been somewhat patient, but there does not appear to be any good reason why we should not receive substantial payments and have a clearance of these outstanding obligation within a reasonable time.

Mr. ADSHEAD: What is the effect of these words in subsection 4:

> Provided that the government of the province in which the land is situated expresses its approval of the sale and price in each case.

Does that mean that the government of the province in which the land is situate must consent to and approve the terms of the sale?

Mr. STEWART (Edmonton): No. It is by agreement with the province that the sales take place, and by agreement with the province that the interest charges are fixed. With the single exception of the date of sale, the provinces are consulted about all school lands.

Mr. ADSHEAD: But it says "in each sale."

Mr. STEWART (Edmonton): That is necessary in order to cover the situation.

Mr. KELLNER: I submit to the minister that the most important factor of the sale is

not getting a big price for these lands. I think the upset price which is put on the land is the fairer price, and it would be better for the country generally if the land were sold at that price than at a higher rate. Perhaps the minister will remember when the Saddle Lake reserve lands were sold; a large tract of land was sold to two or three buyers, but the department cancelled the sale and later sold the land again. At the later sale no individual was allowed to purchase more than a half-section, and I do not see why a similar clause could not be introduced in this legislation.

Mr. STEWART (Edmonton): The case is not parallel at all, because a portion of the Saddle Lake reserve was turned over to the soldier settlement board at a fixed rate of $10 per acre, if I remember correctly. They were unable to settle that land, and a portion of it was turned over for local settlement at the same price and with the same adjustment. The only provision we made was to prevent speculation, because the price was fixed, and we intended to prevent any individual from securing an undue portion of the reserve.

Mr. ADSHEAD: I think the minister should take into consideration the suggestion made by the hon. member for Mackenzie (Mr. Campbell).

Mr. McLEAN (Melfort): With reference to this matter of speculation, it is true that ten years ago there was a good deal of speculation in school lands, for several reasons. One reason was that the land could be secured by a comparatively small initial payment, and the price of grain was exceedingly high. When wheat was worth over $2 per bushel and oats sold for more than $1 per bushel, many men bought land at ridiculously high prices, expecting the high prices for grain to continue. Eight years ago this coming summer oats sold for $1.25 per bushel in the district to which the hon. member for Mackenzie referred, and at that price certainly land would be worth $100 per acre. Men went out and bought land at prices up to $70 per acre before the slump came in the fall; then oats dropped to about one-half the former price, and by the following summer oats of the same quality were selling for about 35 cents per bushel at the same point. If the department had stepped in then and dealt harshly with the people who had bought land, many of whom were not speculators but real farmers extending their holdings, there would have been a great deal of suffering caused and the 5 per cent of the purchase price which had been paid would have been lost. That situation has been more or less cleaned up in the intervening years; agriculture has become more prosperous, and now is the time to guard against the recurrence of those conditions. The people throughout the western country are looking for an opportunity to buy school lands; the sale which was held last year indicated that there was a good demand even for land which was not new and which was not as clean in many cases as it might have been. There is a pretty good demand to-day from many legitimate farmers for this land, and I think this provision under which we will collect 10 per cent of the purchase price instead of 5 per cent will check careless speculating.

The example quoted by the hon. member for Athabaska a few moments ago is something which very rarely happens. Land worth $10 per acre was run up to $60, and of that sum 5 per cent was paid. That payment amounted to $3 or 35 per cent of its real value. The speculator could not run up the price of that land by himself; he had to have competition, and a real farmer does not often run up land to a ridiculously high price, although he will run it up to what it is worth to him because of its proximity to his own holdings. In this case apparently the department already has received 35 per cent of the value of the land, and if this amendment had been in force at that time the department would have collected for the school fund 60 per cent of its real value. In these cases there are two parties to the procedure; first, we have the real owners of these lands, and it is incumbent upon the minister to secure every dollar he can possibly get from these lands for the provincial school funds. At the same time what the hon. member for Athabaska has said must be borne in mind; it is better to sell these lands as nearly as possible at their actual value, because then it is more likely that they will be paid for.

Then just a word about improvements; that is a very loose term, and may include a great deal or very little. The hon. member for Mackenzie does not want to see a man forced to live on the land because that might interfere with his residence elsewhere, and I quite agree with him. But when he asks that the department should request the man to carry on other improvements I cannot agree, because I imagine he means breaking and cultivating the land, and in many cases that is the worst thing that can happen. It would not be a good thing to compel a speculator to cultivate land; the legitimate farmer is going to cultivate his land as quickly as possible, because there is no revenue from it

while it is idle, but to take steps which would force the speculator to cultivate the land himself would not be good business because in most cases it would become polluted with weeds and would have to be taken in and sold again if the speculator fell down in his payments. If that were done it would not be worth as much as it was worth before anything was done to it. There is a remedy for that condition, which has been working satisfactorily during the last few years. There is no doubt that the wild lands tax which is collected from such vacant lands in the western provinces has compelled large holders of land to either sell their land to someone who will cultivate it or to cultivate and improve it themselves in such a way as to enable them to avoid paying that tax.

I think this amendment raising to 10 per cent the deposit paid in the first instance is a good thing, and at this time, when demands for land are becoming more general, it will help avoid such speculation as we have had. The balance of the question can be handled by administration; this is a good time to tighten up on collections, because as we know any one who suggested in this house or in the country five or six years ago that we should tighten up on collections would not have been very popular, because it was hard for farmers to get along without paying anything on the capital cost of their land.

Mr. VALLANCE: After listening to this discussion I think there is a keen desire on the part of the committee to restrict the sale of school lands to bona fide farmers who can buy and pay for them. It has been suggested that by raising the initial payment we will keep out the speculator, but I have spoken to a speculator in land within the last few days who told me that that is not so, that the higher the initial payment is made the greater his chance will be. I quite believe that to a certain extent, because many of the western farmers to-day in those districts where school lands are available are not able to make a very high initial payment. However, we may have this condition; one man may buy school land for $10 an acre, while another man pays from $50 to $60 for similar land. They both fall down on their contracts, appeal to the department, sign a quit claim deed, and then obtain the privilege of renting that land for 50 cents per acre. If in the one instance the land was only worth $10 per acre while the other land was worth $60, surely the privilege of renting the land is worth more to the man who had the $60 land than to the man who had the $10 land. The higher price paid for certain land would indicate that the productive power of that land is greater, and therefore I think there ought to be a further tightening up of the regulations. I am absolutely with the hon. member for Willow Bunch (Mr. Donnelly) in the statement that the land should be put in a condition where the farmer who is to cultivate it can do so as easily as possible.

Mr. EVANS: We have certainly fallen somewhat on evil times in certain parts of the west during the last few years. With the exception of those in Alberta our people out there have not recovered from the years 1918, 1919, 1920 and perhaps will not for some time to come. I do not wish to see conditions made much harder for those people who are trying to establish themselves in certain districts where the rain-fall is rather scarce. Another thing, I am of opinion that this legislation is very untimely at this stage. Is there such urgency for the sale of school lands that on the very eve of the handing over of their natural resources to the prairie provinces the government feels impelled to pass a measure of this kind? What urgent need is there of this legislation? Does the minister think there is going to be a large sale of school land? If not what is the reason for this urgency? I think the whole thing is untimely and might just as well be deferred seeing that we are on the eve of giving to the prairie provinces their natural resources.

Mr. STEWART (Edmonton): In reply to my hon. friend may I say that while there is every hope their natural resources will be transferred to the provinces the transfer has not yet been effected, and I am sure he would be the last one to suggest that the whole machinery under which those resources are operated should stop. May I assure him that no arrangement of this kind is made without the consent of the provincial governments or discussion with them with only one single exception and that is the plan alluded to with respect to the renting of the land. It is the intention to apply these amendments to lands that fall back on our hands where failure to make payment is made and the purchaser is closed out, and where we may have for one year, or two at the most, the land under lease. Because it is the most unsatisfactory business we have to deal with in connection with the sale of school lands. We much prefer to deal with purchasers rather than with tenants. We have had a great deal of difficulty in that regard. It is not our intention to allow tenancy to continue for more than two years but there will be a public sale of the lands and new purchasers will be sought for them. In the matter of the

short period that may intervene before there is a resale of the land, and other amendments also, we have been in consultation with the provincial governments concerned.

Mr. SPENCER: Has the department any rules by which the buyers of school lands are allowed to keep on with their payments without those lands being put up for resale?

Mr. STEWART (Edmonton): After consultation with the provincial governments it was decided not to execute the sale of the school lands, but I may say that I pressed upon them the desirability of allowing the sale of improved lands that were held under lease to go on in order to avoid the difficulties encountered in leasing these lands. So far as I know they are all sold at the present time, but reversions are always taking place. We have to take measures to prevent the lands growing weeds and the obvious thing to do is to lease them for a short period. I trust that period will be very short indeed in future.

Mr. EVANS: Have the provincial governments asked for this particular legislation?

Mr. STEWART (Edmonton): Yes.

Mr. SPENCER: What I wanted to find out was for how many years can a buyer continue to farm a piece of land after he has made only one payment or before his ownership is cancelled?

Mr. STEWART (Edmonton): Unless he suffers an absolute failure of crop we expect a payment every year. That has not been the case. I am free to admit we have been somewhat lenient during the bad years settlers have recently passed through. Now we are making more careful inspection, and where we know the purchaser has had a reasonable crop and should be in a position to make payment, we intend to press very strenuously for payment.

Mr. DONNELLY: Is there any intention to change the terms of the lease?

Mr. STEWART (Edmonton): I tried to make it clear to the committee that it is not our intention to continue leasing. Just as soon as it can possibly be done we will resell the land.

Mr. DONNELLY: I wanted to know whether you intend changing the terms of the lease?

Mr. STEWART (Edmonton): It is not our intention to do so. We have a very simple method. It is easy of administration and it does not require inspection.

Mr. FANSHER (Last Mountain): What objection would the minister have to stipulating that not more than one half-section could be purchased by any single individual? This would prevent operations by speculators and would give a bona fide farmer a much better chance of acquiring a holding if he desired to do so.

Mr. STEWART (Edmonton): If in any given locality you restrict the purchase to a quarter or half-section, you immediately have collusion amongst the purchasers in the locality and the price will be depressed to that extent. We have found by experience that the easiest method is to allow free competition. I think there is no doubt that the school land fund has profited proportionately by the free competition which prevails in connection with the purchase of these lands, notwithstanding the fact that in some cases the prices of lands do go to unprecedented heights. I want to say that in many cases where high prices are paid we have not the same amount of difficulty in collection, and the reason that I am making the change back to the one-tenth payment down is that most of our difficulty arises from the fact that the actual individual on ordinary priced land, not on land purchased at too high a figure, appears to have good and sufficient reason for delay in making his payments, with the result that he falls into serious arrears.

May I say a word with respect to the improvements? These matters have all been discussed with the provincial governments who are extremely anxious to get the best prices possible, because, as I pointed out a moment or two ago, they are the ones who benefit by these prices. The better the prices are, the more money they have for their school land funds. While one can find many criticisms to offer, after years of experience these are the methods that have been adopted. I am not averse at all and will agree this year, if we continue to administer these lands, to discussing with the provincial governments the advisability of asking for improvements during the first or second year of purchase; but until I have an opportunity of discussing this matter with them, I do not care to embody such a provision in the legislation.

Mr. COOTE: I do not object to the proposal of the minister to ask for an initial payment of one-tenth; but in view of the remarks which have been made by some members of the committee, I should like to suggest that, after a piece of school land has been purchased and several payments made upon it, the department should not be very

strict in enforcing payment of the principal, because the unpaid principal as soon as it falls into arrears is drawing seven per cent interest. The minister himself stated that it was the desire of the provinces to get as much money as possible out of these school lands. Once the principal is paid it is impossible for the government to secure a rate of seven per cent interest on it. In some cases I have made representations to the department on behalf of parties who were in arrears on their contracts, but who were keeping their interest paid up. As long as they are paying the interest, and particularly such a handsome rate as seven per cent, I think the department should not press these people for payment of the principal provided they are keeping the farm in good shape. It is good business for the provinces to have this rate of interest coming in.

Mr. CAMPBELL: I quite agree with the minister that a sale free from all restrictions may make a better showing on the date of sale; that is, the amount realized at the date of sale might be a little larger than if certain restrictions such as I suggested were attached to the sale, but that does not mean that the government will ultimately secure that amount for the land. The reason I make that suggestion to the minister is that the sales will be good sales. The minister himself knows, and the records of his department will show that scores of these sales are not sales at all. Some speculator secures the land, turns it over to a farmer and expects the farmer to pay up the balance. The speculator collects all he can from the farmer; he stands the department off, and years after, when he has extracted a large amount from the farmer and got his money out of the land, he drops out of the picture altogether. In this way many cases of hardship arise as regards the department as well as the ultimate purchaser, and I think that should be avoided.

In that particular case you might have a very satisfactory showing on the date of the sale but it would not be very satisfactory ultimately to the department. Many of those sales, as I think the hon. member for South Battleford (Mr. Vallance) intimated, were made at a time when land prices were unduly inflated, and just because during a long period these speculators were standing the department off, little or nothing was collected. Now that land is in many cases back on the hands of the department and it must be sold for probably less than half the price it was sold for at that time. My point is that had that land been purchased originally with certain improvement conditions attached to the sale, it perhaps would not have sold at as high a price, but in most cases the department would have secured more money than they did on sales made without restriction. I still think the minister would be well advised to insert some such restriction as that in the statute.

Mr. KELLNER: The minister stated a few minutes ago that he was afraid there might be collusion among the parties. Unquestionably there has been collusion under these regulations, and as regards getting into trouble, I think the minister is in trouble at present. Let us take, for instance, the case that I cited a moment ago of A. Shandro who purchased 123 quarter-sections. I am satisfied he is well known to the minister and I think the minister will admit that unless he sells that land again, it will never be paid for. The only way Shandro can pay for that land is by re-selling it, and I cannot for the life of me see the object in getting him to purchase a large quantity of land like that simply to make some bona fide farmer pay him a commission. The man does not intend to farm and he has no immediate prospect of re-selling the land. He will make his first payment; he will hang on until he runs across some farmer who wants to buy it, and he will then make that farmer pay him a commission. That is not good business for the government of this country to follow and I want even yet to endeavour to persuade the minister to add to this legislation a clause which will limit sales to at most half a section to any one person.

Mr. SPENCER: While I agree with the hon. member for Athabaska (Mr. Kellner), who is trying to limit to a certain extent the purchase of land under the School Lands Act, I would not limit it to quite such a small quantity as half a section. I think we should put a limit on people buying 25, 50, 75 or 100 quarter-sections. I take it that the main object in selling this land is to get more settlers, but sales made in this way are purely a matter of speculation.

I wish to say a few words with regard to the statement made by the hon. member for Macleod (Mr. Coote). There is something in what he says about not pressing the farmer too hard if the interest payments have been kept up; but my main criticism is that there are too many purchasers of land who are not keeping up their payments of either principal or interest, and in those cases I think the department should be a great deal stricter than it is. Where they are not paying either interest or principal, their right to the land

should be cancelled at an early date unless they are suffering from difficult climatic conditions.

Mr. STEWART (Edmonton): I shall be very glad to bring all these representations to the attention of the provincial governments; but inasmuch as this is being done by agreement between the Department of the Interior and the provincial governments, I do not care this year to add to or take from the amendment anything that will materially affect it. I shall, however, be glad to bring before the provincial government the question of the restriction of individual purchases, although I say very frankly that I shall not advocate it; I will oppose it, because I think the effect will be exactly the reverse of what my hon. friends expect. I think free and unrestricted sale is the best method of getting the most money out of these lands. If an individual takes his chance on paying one-twentieth down on each quarter-section that he purchases, he is taking a chance on re-selling or on our closing him out if he is holding these lands for purely speculative purposes. That has not been done in the past, I am free to admit. I have in mind particularly those lands along the old Canadian Northern railway. It is not the intention to allow speculators to hold lands indefinitely out of use. They usually do not do so; usually these lands are leased for grazing purposes; but our difficulty starts when we have an individual farming the land and failing to make payments so that finally we have to close him out. In that case we have the cultivated lands on our hands, and if we do not do something with them they grow up with weeds and we are bombarded by the municipalities to clean them up. That is where our difficulty starts. However, I will make the best presentation possible of all these suggestions to the provincial governments and be prepared, if we are in control, to embody them in amendments next year.

Mr. GARLAND (Bow River): I do not agree with the minister at all on one point, and it seems to be his chief ground for rejecting now, and expressing his intention of rejecting in the future, the suggestion that has been made by the hon. member for Athabasca. What is the minister going to do with a situation like this? Up in the district of Mundare, we will say, there are school lands to be sold. The people in the district of Mundare, many of them, do not speak English fluently, although a few of them do, of course. Some of them want to buy a piece of these school lands, and a gentleman of a certain delicate type of occupation learns that there is to be a sale of these school lands, and he goes down amongst these people and says, "You are going to be up against a difficult proposition. Just leave it all to me. You do not need to appear at the sale at all. I will buy the land for you and look after everything." He makes himself a good fellow, and for a commission proceeds to make the purchase. He buys the land from the department at a lower price than the land would have brought had he not called off all these people. He will have an agreement with several of these people to get this one a certain piece of land, and that one a certain other piece. There is collusion of the worst type in the open auction sale method, because as soon as that agent has bought the land he goes back to these poor individuals for whom he has purchased it, and in addition to the commission he intends charging, he adds something to the purchase price of the land, and they have no way of dealing with him; they have simply to pay him his price, because the sale is made to him in the first place by the department. It has been called to my attention that many cases of that kind have occurred during the last year in the northern districts where school land sales have taken place. I do not know just how the minister is going to cope with that situation. I think the ideal solution would be to say that no land shall be sold to anyone who is not a bona fide farmer, but the difficulty there is to define a bona fide farmer accurately for the purpose of the act. In the face of that difficulty I think the minister should really take into his sympathetic consideration the proposal of the hon. member for Athabaska, especially in view of the fact that, in spite of the words of the hon. member for Melfort, there is no doubt in my mind but that if the prosperous conditions which my hon. friends opposite so loudly declare exist now in western Canada and elsewhere continue, then inevitably there is going to be a steadily upward trend in the price of land. These men know it. I feel myself that such will be the case, and if conditions in the west are going to be better, and I believe they are getting better now, there is going to be as wide speculation as possible.

I agree with the hon. member for South Battleford that the increase in the initial payment is not going to stop the speculator, but it will stop the farmer who has not much cash in the bank, but has a couple of growing sons for whom he would like to hold a certain piece of land. He has not the money to put up, but Mr. Doctor or Mr. Lawyer or Mr. Somebody else in the nearby town sees there a fine chance for himself. He has the capital,

and he grabs this land. He knows that the farmer's sons within five years must have the land or get out of the district, and so he says to the farmer, "Don't worry. Just as soon as your boys are ready to take up the land, I will sell it to you, and in the meantime you can use it for grazing." I do not think this amendment will prevent speculation.

Mr. STEWART (Edmonton): I do not say so.

Mr. GARLAND (Bow River): Nor do I think it will put the land under cultivation any sooner. Under the old system, if the payment was smaller at the start, there would be more chance of the farmer getting the land and bringing it under cultivation. Frankly, I do not think the minister has made much of a job of these changes, and if the provincial governments have agreed to them, then all I have to say is that perhaps some of them need revision themselves, and some of them quite clearly do.

I think the best point that has been raised so far was raised by the hon. member for Mackenzie and by the hon. member for Athabaska. In my opinion in connection with all these sales of land the attempt should be to get them into the hands of bona fide farmers and bring them under cultivation as soon as possible, and you can best do that, first, by providing that the improvements must be done. They will not always do them, but that provision would help. Secondly, prevent the sale of large blocks of land to any single individual, not more than a section to any individual.

Mr. COOTE: I think it would be good policy for this government and for the provincial governments interested to say that not more than four quarter-sections of school lands shall be sold to any one man at any of these sales. I know of cases where speculators have bought as much as thirty quarters at a school lands sale, and then have sold that land to the farmers who lived near at an advance in price. It would take the farmer four or five years to pay off the increased value which the speculator had put on the land, and for years the farmer would not be able to pay anything to the department. The department kindly allows them to hold this land without paying interest, let alone principal, and after the farmer has taken four or five years to pay off the increased value which the speculator charges him, he then begins to pay off the department. I think the land would bring just as much if it was sold with a limit of four quarter-sections to any one man, and certainly it would cut out a lot of the speculation that now goes on. The provinces will admit that it is to their interest to get this land under cultivation as soon as possible, as well as to get a good price for the land, and any loss the provinces might suffer by limiting sales to four quarter-sections to any one individual would easily be offset by the less amount of speculation which would take place and by having the land brought under cultivation sooner.

Section agreed to.

Bill reported, read the third time and passed.

TRADE CONVENTION WITH CZECHOSLOVAKIA

The house resumed from April 16 consideration in committee of Bill No. 202, respecting a certain trade convention between His Majesty and the President of the Czechoslovak republic.—Mr. Robb—Mr. Johnston in the chair.

Mr. ROBB: Mr. Chairman, when the house rose at six o'clock last night doubt was expressed by my hon. friends opposite regarding the words, "most-favoured-nation", some contending that their inclusion would give Czechoslovakia the advantages of our tariff arrangements with the mother country. I observe that in May, 1925, when we were passing a similar treaty with The Netherlands the then leader of the opposition, the Right Hon. Mr. Meighen, raised the same point. To make sure of our position, I then wired to the representatives of The Netherlands and this is the reply I received:

I have the honour to inform you that according to a cable dated May 20, received from the Minister of Foreign Affairs at The Hague, The Netherlands government has not at all the intention to claim the benefits of the said British preferential tariff under article one of said Canadian-Netherlands convention; and furthermore, that in the opinion of The Netherlands government the claiming of the benefits of the said British preferential tariff would not be justified under the text of the said convention.

So there is a clear understanding as to that.

Sir GEORGE PERLEY: Does the minister think that the opinion he has just read will be effective as against the Czechoslovakian government?

Mr. ROBB: The language is identical in both treaties, and we have the same understanding with the representatives of that country. There is no doubt in their mind as to the scope of the treaty.

Bill reported, read the third time and passed.

COMMERCIAL TREATIES WITH EUROPEAN COUNTRIES

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 203, respecting trade between Canada and Esthonia, Hungary, Latvia, Lithuania, Portugal, Roumania, and the Serb, Croat and Slovene Kingdom.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Mr. BENNETT: Perhaps the minister will make an explanation with reference to this bill.

Mr. ROBB: Mr. Chairman, this is similar to the bill dealt with yesterday, with some exceptions. The United Kingdom has made various commercial treaties with world powers, most of them being styled "for commerce and navigation," and it is a general term of these treaties that they do not apply to the self-governing dominions unless the dominion gives notice that it intends to accept the treaty in whole or in part. In treaties with the foregoing countries it has been deemed advisable to accept the clause providing for the mutual exchange of the most-favoured-nation treatment.

Let me give the committee the figures of our trade with these countries for the fiscal years 1926 and 1927. In 1926 our exports totalled $1,250,693, as against imports of $433,350; and in 1927 the relative figures were $2,374,021 as against $673,760.

In the classes of goods that we export our chief competitor is the United States, which enjoys the most-favoured-nation treatment with each country. As our exports are considerably in excess of our imports from these countries, the benefits, both present and potential, are obvious. Several of the countries in question are new, and from time to time there is a gradual adjustment of tariff barriers, and as the United States is entitled to the most-favoured-nation treatment that country would immediately get the benefit of any local adjustment. Canada is now being placed on an equal footing with the United States.

This is the tariff position in each of the countries affected:

Esthonia has recently adopted minimum and maximum tariff schedules. The minimum rate is 50 per cent less than the general.

Hungary. Hungary has one tariff but has special treaty rates with a number of countries. There is also a provision that she can increase the normal rates three times where there is tariff discrimination against her goods.

Latvia. Latvia has now introduced a two-column tariff, the preferential being 50 per cent less than the general.

Portugal. Portugal has two rates, the maximum being generally double the minimum, although sometimes it is greater.

Roumania. Roumania has two rates, and it is provided that non-treaty countries may be called upon to pay the maximum, which is 50 per cent higher than the minimum.

The Serb, Croat and Slovene Kingdom. This kingdom has two rates. The maximum if often three times the minimum.

Lithuania. Early in 1926 Lithuania amended its customs tariff so that goods coming from non-treaty countries might be made subject to a duty of 30 per cent over the present one-column schedule. This new rating was never put into effect, but now that Latvia and Esthonia have adopted conventional rates Lithuania may do the same.

On section one—Short title.

Mr. CHURCH: Mr. Chairman, I am at a loss to understand how these particular treaties are going to benefit Canada. Great Britain is a free-trade country, and to-day a million and a quarter men are out of work there because of such treaties as these. In a fiscal sense we are in an altogether different position as compared with the mother country. This simply means that we are following in the footsteps of Great Britain and adopting free trade piecemeal. We have given away the Canadian home market to foreign producers, with the result that 700,000 Canadians have had to go to the United States to look for work. As representing an industrial constituency I protest vigorously against this way of doing business. We are simply opening our doors to all the countries under the sun and making Canada the dumping ground for their surplus products and manufactures under a favoured nation free trade policy. One cannot go into any department store in the city I come from without finding on the counters every variety of goods imported from all these countries as well as from the United States, produced under such conditions as it is impossible for our manufacturers to compete against. In these European and Asiatic countries there is depreciated currency and cheap labour and the conditions are such that the Canadian manufacturers are entirely at a disadvantage. Treaties like the Australian, the French and others which this government has entered into, can have only one effect, and that is to destroy our home market.

There is nothing before us to show how this is going to affect the home market here or employment in this country. The result will be the abolition of such little protection as we have. If that is the object, why not strike protection off the books altogether? I attended a convention where the word "protection," I am sorry to say, was not mentioned in any resolution, and the particular resolution in which it should have appeared I opposed. This proposal before us at the present time simply means that we are going to open our doors to free trade with Europe, South America and other parts of the world. We are not given any information as to how agriculture and many of our basic industries will be affected. What we have before us to-day is nothing else than a second budget; that is what it is. It seems that this year we are geting our budget piecemeal—a part prepared by Mr. Moore, a part prepared by the Minister of Finance (Mr. Robb), and a part presented to us in these various favoured nation treaties. This parliament is in the economic position of adopting a "shut your eyes, close your mouth and see what I will put in it" free trade policy.

Why, I venture to say that half the members of this house do not know what they are voting for. Those hon. gentlemen who represent protectionist constituencies are not in the house to protect the interests of their electorate. It seems to me that the Liberal party is aiming at complete free trade such as exists in England. That is their platform —free trade, as they have it in England. As a matter of fact, they have all sorts of platforms, but their fiscal policy is a platform to get in on and not to stand on. As a consistent protectionist I absolutely protest against this sort of thing. I protest against favoured-nation treaties which are going to open the doors of this country wide to all the nations of the seven seas. On the pretext of something called "most favoured-nation treatment", we are making Canada the dumping ground for the surplus products of the rest of the world. The only country under the sun not favoured by this government is the Dominion of Canada; Canadians are the only people on the face of the earth who are not to enjoy any economic favours or a place in the sun. The result, as I say, is that 700,000 of our men are obliged to seek employment in the United States owing to economic reasons.

Under the free trade favoured-nation policy pursued in Great Britain one and a quarter millions are receiving the dole and a million are out of work. But to-day England is beginning to find out her mistake; she is being shut out of the markets of the world and is veering around to protection and the Safeguarding of Industries Act. England has lost the ship-building orders to the Germans, and many of her other basic industries are threatened. They will not be able to weather the storm. I was alone in protesting against such a policy when I attended the convention at Winnipeg and I am consistent to-day in again opposing a proposal which makes for free trade and adopts free trade as they have it in England, piecemeal, as an economic policy for Canada.

Mr. ROBB: All we are doing is giving to the countries concerned the advantage of our most favoured-nation column. But perhaps the best answer I can give my hon. friend is to inform him that of all those in Canada who have urged the government to negotiate these treaties the strongest representations have come from large industries in the city represented by him. I have in mind two particular industries there, doing a considerable business, and I may quote without giving names—although there is no reason why the names should not be given—

Mr. SPENCE: Let us have the names.

Mr. ROBB: Well, one is the rubber industry of Toronto, a very large industry in which my hon. friend is no doubt interested. I will quote an extract from a letter received from Mr. Thomas Bradshaw of the Massey Harris Company:

> We are extremely anxious that we should extend our European business in every way possible, and especially to do so at the present time in those countries which are beginning to import our goods. The situation we find is that in certain European countries where the United States has a more favourable agreement than Canada, goods are being imported from the United States such as we manufacture in Canada. Trade connections are being made and we are absolutely unable to sell and make favourable connections. We know that we are losing a number of good opportunities now, and we fear it will be very difficult indeed for us to make good these losses in future years because many of the valuable connections which might be concluded will be taken up by United States manufacturers.

That is an extract from a letter dated February 8, 1926, signed Thomas Bradshaw.

Mr. BENNETT: What about 1928? What is his view now?

Mr. ROBB: We cannot make a treaty in half an hour, you know. We have been negotiating all the time and this is the conclusion of our work.

Mr. CHAPLIN: Did these people ask you to extend all the privileges of the French treaty to these different nations in order to

trade with them? That is what you are doing in this case, just as you did yesterday in the other case. That is exactly what you are doing. You are giving to these different small nations all the advantages of the French treaty.

Mr. ROBB: Admitting all that, we are getting something in return.

Mr. CAHAN: What are you getting?

Mr. ROBB: You cannot sell unless you buy, and we are now selling to these countries, notwithstanding that we have no trade agreement with them. We are selling more than we are buying.

Mr. SPENCE: Keep on selling.

Mr. ROBB: But we wish to increase our trade. Now, I have given the spread in the different customs tariffs. It would take some time to run over the different countries to show the benefits to be derived.

Mr. CHAPLIN: The minister a moment ago spoke about the United States as our competitor. Is the United States giving to these people in its market the same advantages as we are extending to them in ours?

Mr. ROBB: It is not what the United States are doing; it is what they are buying from us. That is what interests our industries; it is the fact that they can get in there on the same terms as other countries. And everyone knows that the more they can sell there, the better for them. Take the agricultural implement industry, for example. If that industry can run night and day, one part of the time on export business and the other part on domestic business, does it not stand to reason that it can sell cheaper in its own country? My hon. friend will agree with that.

Mr. CHAPLIN: I do not agree with that at all. I do not agree that any business can run profitably night and day, except a few industries, such as steel. It is ridiculous to talk about businesses running night and day because it is not profitable to do so.

Mr. CHURCH: There are some people who call themselves manufacturers, but who are really the worst enemies of the manufacturers in this country; they want to grab all the privileges, and they do not care what becomes of those people who are out of employment. No wonder the minister has read letters from them; they want to secure all the advantages there are from such a treaty at the expense of everyone else. We have had unfortunate experiencs with regard to the last three or four treaties, and I predict that this will not be different.

Mr. CAHAN: The other side of the question should be explained by the minister, namely what imports we are likely to receive from these countries and how these imports will affect our own markets. The hon. gentleman said he was selling something to these central European countries. So he is; he is selling the labour markets of Canada to the extent to which these countries are placed at an advantage in our markets over our own producers. We are also told that this will provide a greater market for the manufacturers of rubber and of agricultural machinery, but I would not give the Canadian market as represented by prospective imports from central Europe in order to assist those two large combinations known as the rubber combine and the agricultural combine. The great need of this country at present is not to advance the interests in foreign markets of the combines and trusts of Canada; outside of our agricultural and mining production our great need is to foster and encourage the small industries which formerly operated in Canada, giving employment to the people in our small towns and country villages. If we are to retain our population and give employment to those who may come to Canada from abroad we must encourage these smaller industries which formerly gave local employment to thousands of people and kept them at home. Therefore I believe that before we pass this bill we should know what imports we are likely to receive from abroad, what imports are given a particular advantage in our market. Otherwise it seems to me we are giving them our markets without a quid pro quo, and the only satisfactory thing about the treaty is the fact that it can be rendered ineffective by giving six months' notice.

Mr. SPENCE: It is not often I agree with the hon. member for Toronto Northwest (Mr. Church), but I endorse everything he said to-day, and I endorse also the remarks of the hon. member for St. Lawrence-St. George (Mr. Cahan). I am not going to repeat their statements, but notwithstanding the representations made by the two large firms in Toronto who favour this treaty I think it would be far better for us to consider the thousands of other industries in the city of Toronto rather than those two combines which are getting everything from this government. The importations from these foreign countries will create a great deal of unemployment in

Canada, and in addition to that everyone knows that every treaty we have made since this government came into power has been detrimental to the country as a whole. Unemployment is increasing every day, and I say this is the biggest farce in the world. Let England make all the treaties she likes, but let us sit quietly and do all the business we can without allowing foreign countries to dump their cheap goods into our markets. I never heard so much rot before and honestly I do not know how the minister can defend such a treaty. We know that since 1922 this government have been ruining the industries of this country, and in the end it will drive them all out of the country. It makes a man sick when he is accustomed to do business on the level.

Mr. ROBB: Perhaps that is why the stocks of all the different industries in Canada are so high.

Mr. SPENCE: That is no sign of prosperity.

Mr. ROBB: I listened to my hon. friend; surely he need not interrupt me.

Mr. SPENCE: I have heard that repeated too often.

Mr. ROBB: Perhaps that is why stocks have increased in value, and perhaps that is why they are paying the same dividends although the shares have been split up. Perhaps that is why the great industries of our country are employing almost twice as many men as they employed in 1922, and perhaps that is why our exports have increased so enormously during that period.

Mr. SPENCE: But the minister must know very well that there are far more closed factories in Toronto now than there were in 1922, and there is not half the employment to-day.

Mr. ROBB: I do not know that, and no one else knows it.

Mr. SPENCE: That applies even to the Massey Harris Company, which has been propped up by this government

Mr. ROBB: Perhaps that is why they are building more houses—

Mr. SPENCE: Half of them are empty, and the same applies to the stores.

The CHAIRMAN: Order.

Mr. SPENCE: You cannot get away with that kind of stuff.

Mr. ROBB: In answer to the hon. member for St. Lawrence-St. George, if we take the agreements as they come, Esthonia is first. The imports from that country were fibrilla, flax fibre and flax tow. Those came in free; no duty at all was collected on them. We sold to Esthonia wheat flour, rubber manufactures, internal combustion engines, harvesters and binders, mowing machines, ploughs and other farm implements together with parts for such implements. Then we come to Hungary; the concession we have with regard to that country is of considerable value to the fishing industry and the manufacturing industry of Canada. The imports from that country were largely beans.

Mr. BENNETT: And we do not produce any beans in Canada?

Mr. ROBB: We do, but we had a bean crop failure last year. When we have plenty of beans we can take care of our own requirements, but when we do not grow them here we have to buy them from some other country.

Mr. CHAPLIN: Was that the only article imported?

Mr. ROBB: Practically. The total value of the imports for the year ending March 31, 1927, was $60,956, of which $58,000 represented beans. Then we come to Latvia; the imports from that country in 1923 amounted to $8,810, of which $7,286 entered under the free tariff. There were no imports in 1924, but in 1925 they amounted to $2,927, of which $2,844 came in free. I suppose that represented raw material for some of our industries. The total imports in 1926 amounted to $400 and they all came in under the free tariff column. In that same year we exported to Latvia articles to the amount of $528,765. From Lithuania in 1923 the total imports were $5,873. These came in under the free tariff column. They were required I imagine for some of our industries.

Mr. CAHAN: Why do you select 1923?

Mr. ROBB: Our record commenced in that year. In 1924 the total imports were $525. That is to say $525 came in free.

Mr. CHAPLIN: The industries did not require as much trade that year.

Mr. ROBB: I will answer that argument just in a moment. In 1926 the total imports were $300.

Mr. BENNETT: The industries were worse off still.

Mr. ROBB: In 1927 they were getting better. The imports amounted to $4,107.

Mr. STEVENS: They are getting worse all the time.

Mr. BENNETT: No, better.

Mr. ROBB: From Roumania the imports in 1927 were $35,666. There were $7,473 worth of nuts, $23,256 worth of beans, and $4,937 of other articles. We sell them canvas shoes, rubber tires, canned fish, agricultural implements, automobiles and other articles amounting in all to just about half a million. Before sitting down there is a matter I should like to put on record. I noticed in the press this morning some comment on the payments that have been made to Canada by different countries to which Canada loaned money during the reconstruction period, and there seems to be some misunderstanding as to Roumania. Under the agreement entered into in 1919, Canada loaned to Roumania $20,449,084 at 5½ per cent interest, and repayable in five years. My hon. friend did not object to trading with Roumania. That was during the time the friends of the hon. member for Lincoln (Mr. Chaplin) were in power.

Mr. CHAPLIN: I do not object to trading with them now, but I do object to the terms on which we are trading.

Mr. ROBB: Ah, but the terms now are better than the terms in my hon. friend's time.

Mr. CHAPLIN: Not at all. The minister knows very well that that money was loaned as a war measure.

Mr. ROBB: Yes?

Mr. CHAPLIN: There was no trading about it, it was a war measure.

Mr. ROBB: They are paying their own way now.

Mr. CHAPLIN: We are very glad to hear it.

Mr. ROBB: Up to the end of 1922 Roumania had paid no interest and no principal. Negotiations were undertaken by Hon. Mr. Larkin with representatives of Roumania with a view to placing this debt on a better basis. An agreement was made under which the arrears of interest plus interest thereon, amounting in all to $3,520,636, were capitalized with the original principal and new bonds for the sum of $23,969,720 were issued to Canada. These bonds bear interest at 4 per cent and mature April 1st, 1968. There is provision for a sinking fund which would retire the whole issue by the maturity date. The service of these bonds—interest and sinking fund—is secured by a special export tax on grain, payable in sterling. To date, interest payments have been received by Canada regularly on the due date to the amount of $5,273,290 in all.

Mr. KAISER: I was much impressed with the remarks of the hon. member for St. Lawrence-St. George (Mr. Cahan). It is all right for us as Canadians to consider our own products and whether we can market them, but we must remember that other countries are acting similarly and are seeking markets for their products. One of these countries, Lithuania, is a much smaller country than Canada with a population of 4,800,000, about one-half of our own. The articles they are endeavouring to sell are corn, cattle, hams, poultry, eggs, butter, timber, flax, linseed, hides and wool. Now as a Canadian I contend that our markets for butter, eggs and wool have been sufficiently invaded by the treaties already entered into without opening the door to every other country in the world to make inroads in our market which should be preserved for our own products.

Mr. CAHAN: I simply wish to remark in reply to the Minister of Finance that the imports which we now receive from these countries is no indication whatsoever of the imports which we are likely to receive under the more favourable tariff which is being granted to them. Take every one of these countries if you will. Look at the discussions at the last Economic conference at Geneva last year and you will find that every country is looking to the preservation of its own markets for its own local industries in order to keep its labouring people at home. These treaties are simply breaking down every safeguard we have in Canada, and placing other countries in a most advantageous position to compete locally in our markets with such manufactures as they are able to develop.

Mr. BENNETT: There are two or three points to which I should like to direct attention. First, these treaties are not set out in the statutes but such portions of them as the minister thinks desirable are referred to. I do not think it is sound legislation to proceed in that manner and not have before us the treaties upon which these concessions are based. Some of the treaties are very old. One is dated 1914, another is dated 1923, and a third bears as late a date as 1927. What we in effect are doing is giving adherence to treaties about which we know nothing. It is not sufficient to say that we are giving our support to the trade portion of these treaties. Let us look at the preamble, and the preamble is an important part in this regard:

Whereas by treaties of commerce and navigation or by agreements made by exchanges of notes between the United Kingdom of Great Britain and Ireland and the countries and on the date set out in the schedule to this act, it is provided that the stipulations of the said treaties or agreements respectively shall not be applicable to any self-governing dominion unless notice is given of the desire of His Majesty that the said stipulations shall apply to such dominion but that nevertheless goods of such dominion shall enjoy in each of the said countries respectively the same treatment as would be enjoyed by similar goods if produced in the United Kingdom so long as goods produced or manufactured in the respective countries are accorded in such dominion favoured-nation treatment; and whereas it is desirable that Canada should have the benefit of that portion of each of the treaties or agreements which provides for the exchange of the said mutual trade advantages: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Now the effect of that is what? I ask the minister to state definitely what the effect of this notification or expression of desire to deal with these several countries is? Are we bound by all the provisions in the treaties or are we bound by portions of them only? If we are bound by portions of them only, how can that be having regard to the terms of the treaties themselves? The excerpts that are set out in the explanatory notes certainly throw no light upon that point There are references to particular articles of the treaty by which it is provided that the treaty itself shall not apply to self-governing communities nor to India, except under certain conditions. I should like to know whether or not we are bound by all the terms of the treaty merely because we give notice in that particular regard? It will be noticed that with respect to Esthonia, article 28 provides:

Nevertheless, goods produced or manufactured in India or in any of His Britannic Majesty's self-governing dominions, colonies, possessions or protectorates shall enjoy in Esthonia complete and unconditional most-favoured-nation treatment so long as goods produced or manufactured in Esthonia are accorded in India or such self-governing dominion, colony, possession or protectorate treatment as favourable as that accorded to goods produced or manufactured in any other foreign country.

Have we the right to limit our adoption, or as was said yesterday, our acceptance of that treaty with that particular foreign country?

Mr. ROBB: That is clearly understoood.

Mr. BENNETT: The trouble is that we have not before us the treaties themselves. It is a wrong principle to ask parliament to exercise its legislative powers with respect to certain sections of a treaty without our having before us the whole of the treaty that has been negotiated between the two contracting countries. That is the first point. Then the minister has made the point that the export trade of the country will be greatly developed by the adoption of these treaties. May I point out to the minister that the argument he made with respect to the agricultural implement business is answered in the United States Commercial Intelligence issued only a few weeks ago. They say that to-day they are displacing Canadian implements in Canada to an extent they never did before; that the business of the United States was greater in agricultural implements last year than it was ever before in their history, and that the business which they do in Canada is greater than they do in any other part of the world. What is the minister doing in this case? He is displacing Canadian manufactured goods in Canada by those of a foreign country and he is endeavouring to open up a foreign market, a market that may be destroyed overnight. Let me ask the minister this further question: How long are these treaties for? It is not stated in this bill how long they are for, there is nothing to indicate how long they may last, because I find that each of them is on a different basis. There is at the end of the bill a provision with respect to the legislation coming into force and the suspension of inconsistent laws; but when is it to be ended? Are we bound by the terms of the commercial treaties that England negotiated with these countries for a term of fifteen or twenty years?

Mr. ROBB: They may be terminated on twelve months' notice.

Mr. BENNETT: Where is that to be found?

Mr. ROBB: In the explanatory notes.

An hon. MEMBER: The third section.

Mr. ROBB: They have different terminations but they are all covered.

Mr. BENNETT: Section 3 reads:

The governor in council may make such orders and regulations as are deemed necessary to carry out the provisions and intent of this act, and may upon giving six months' notice to the government of any of the countries mentioned in the said schedule of his intention so to do, order and direct that the favoured nation treatment accorded to such country by this act shall cease and determine, whereupon it shall cease and determine accordingly.

The point I make is that it is not competent for the Dominion of Canada to pass that section if the treaty itself says that it shall be a treaty that requires two or three years' or twelve months' notice. Each treaty has its own particular provision.

There is another point in that regard to which I wish to direct the attention of the minister. The Minister of Justice (Mr. Lapointe) the other day read certain paragraphs from the findings of the Economic conference at Geneva. That Economic conference adopted as a principle the view that treaties of trade and commerce should be of long date and they gave the reasons why. Now we say that we are negotiating a treaty, because that is what this amounts to, with these various countries, Lithuania, Esthonia, Latvia, from which we buy beans and other goods of that sort amounting, according to the minister, to $4,000 in one year. I believe one year it got up as high as $5,000, and in another it dropped as low as $300. When our business in agricultural implements in Canada has been displaced by United States goods, as it was last year, according to their statement, as it never was before in our history; when we cannot sell at home but are trying to sell somewhere else, and when suddenly those foreign countries give us notice that they are through with us, what is going to happen to our business in this country? That is a question which the minister should be thinking about. He is telling us how he is expanding Canadian trade. I suggest to him that he should endeavour to expand it at home instead of leaving Canadian agricultural implements to find markets in other parts of the world while the Canadian demand is being supplied by long trainloads of United States machines, the manufacture of which provides employment for United States workers. These foreign countries in which the minister is endeavouring to find markets for our goods are building up their industries by highly protective tariffs; they are endeavouring to produce goods in their own countries, and when that trade is lost to us we shall turn in vain to our country for a market that has been displaced by goods manufactured by the people of the United States. I suggest that the time has come when the minister should direct his attention to the filling of Canadian requirements with Canadian-made goods.

Mr. ROBB: Does my hon. friend argue that we should impose an increased duty on agricultural implements? Let us understand each other on this.

Mr. BENNETT: It is the old story—draw a herring across the trail if you can. I will answer the minister's question. Parliament took the duty off agricultural implements and the price became higher. The material, the steel, the iron and everything else imported that went into those goods we gave a drawback upon not only for foreign trade but for local trade as well. Notwithstanding that fact, the United States industry has displaced our Canadian implements to an extent that never occurred before in our history. The United States Commercial Intelligence for February, 1928, states that the greatest market the people of the United States have to-day for their agricultural implements is the Dominion of Canada.

Mr. ROBB: How does my hon. friend propose to stop that?

Mr. BENNETT: Apart altogether from the fact that it is the business of the minister and not mine to stop it, I will tell him how I would do so. I would stop it by changing seats with the Minister of Finance. That is a very simple way too. I can only say this that if the party which I have the honour for the moment to lead were in power, these things would not continue. Further, we have in our hands what instruments, what tools, to use the words of an Englishman, to accomplish that end? We have the tariff, the excise tax, drawbacks, freight rates; we have in our hands all these things as tools that will enable us to see to it that this thing ends without increasing the cost to the consumer by a single dollar. Why is it that the price of agricultural implements has gone up in the last five years? Why has the price not gone down, if the argument of my hon. friend is sound? Why is it that the figures cited by the hon. member for London (Mr. White), the hon. member for Halton (Mr. Anderson) and the hon. member for Ontario (Mr. Kaiser), have not been controverted? Because they cannot be controverted, because they are taken from trade journals, because they are statements of fact. The minister says: If you were in power, would you impose a duty? It might be that a duty would be necessary, but I would utilize the machinery of government and the power of this parliament to an extent that would secure us against the invasion by the people of the United States of our market and not compel us to go abroad to seek markets for our products.

When the Minister of Finance read a letter from the head of a great manufacturing concern dated in 1926, all he had to do was to take the figures for that same concern for 1927 and bring them up to date and he would find that, instead of expanding their trade in in this country, they are yielding it to their United States competitors; that they have taken over the J. I. Case Company in the United States so that they may be able to get some benefit from that in addition to the factory which they have in France, and that they are depending more and more upon their export business and less and less upon the

domestic consumption which is being taken away from them by somebody else, owing to the fact that conditions are as they are.

What will happen when these markets are lost to us? There is one market that we have control of, and that is our own. There are six markets that we have not control of, and those are mentioned in the schedule of this treaty. That is the point we desire to make, and that is the point which the minister should keep in his mind. While he can legislate for Canada he cannot legislate for Esthonia and Latvia, and when they give notice to terminate the treaty, when they no longer receive our goods under the most-favoured-nation treatment, we shall seek in vain for a channel for our trade, after we have developed a channel across 3,000 miles of sea and a long distance by land, and at the same time have neglected the opportunity at home, and had our home market taken from us by somebody else. I have upstairs—and I can get it for the minister; I showed it to him during the recent debate—the statement made by the Americans that they had established in this country last year the greatest channel of trade for their implements that they had in the world, and now we are going to Esthonia and Latvia with foreign shipments, foreign currencies, and all that is therein involved, and neglecting the market at home.

The Minister of Finance asks, what would you do? Would you put on a higher duty? My answer is very simple. I would do whatever is necessary to enable us to manufacture at home the goods required by the Canadian people, and it is not necessary to increase the cost to do it either. You may appeal to your agrarian friends from Saskatchewan and ask them to cheer loudly when you speak of low duty. You may appeal to the hon. member for Weyburn, with his repeal of the order in council dealing with the values to be placed on vegetables and eggs, or to the hon. member for Comox-Alberni who asks for a duty on eggs and makes his recital as a free trader that the duty would not increase the price. You may tell the cotton industry in Quebec that it is necessary to have a duty of 7½ per cent on yarns, and then abandon it because the agrarians demand that you should do so. You may do all that, but in the end this humbug will be understood by the people. This is nothing more or less than the old story; it has been practised so long in this country that it has become a habit with the minister. He appeals to the agrarians with one tale, and to the manufacturers with another, hoping to hold them both. If he wants to know what the market gardeners of Quebec think about it, let him ask that delegation that is about to wait upon the Prime Minister headed by the hon. member for Laprairie-Napierville; let him ask the agrarians from Saskatchewan whether they are going to let the order in council go or have it re-enacted; or ask my hon. friend from Laprairie-Napierville whether he is going to see the market gardening industry of Quebec destroyed. The humbug will end at last. To the left you have those who insisted on having the order in council rescinded. My hon. friend from Weyburn has a smile on his face, like the cat that came in with the canary. He realizes that he has been successful in having the order in council cancelled. My hon. friend from Laprairie-Napierville is not smiling, because he has discovered what the cancellation of the order in council means. Yes, I see him smiling now, to think of the reception that his delegation will get from the Prime Minister and the cabinet when they ask for the re-enactment of the order in council and my hon. friend over there from Marquette is wondering what is going to happen; is the government going to rescind it and then re-enact it the same session? Is my hon. friend from Weyburn to have the pleasure of seeing it rescinded in the early part of the session, and then reintroduced and passed in the closing days of the session? Is protection to be made effective on market gardening by order in council after the house prorogues? Ask the hon. gentleman who heads the delegation. Ask him what speech he will make when he presents the delegation to the Prime Minister and his colleagues.

It is the same old story, Mr. Speaker. Here we have it again in connection with these treaties of trade and navigation to carry Canadian goods into the far recesses of Austria, Esthonia and Latvia and the other communities that came into being by reason of the treaty of peace. But while all this is happening, what about Canadian markets? That is the problem we are putting to the hon. Minister of Finance, and it is a problem with respect to which we have a right to an answer. The hon. Minister of Justice, whom I see in his seat, smiling urbanely as ever, appealed the other day to Caesar, Caesar being the league of nations. May I ask him if he has read what the economic conference said about negotiating treaties of this kind with a short life? It was said that they should not be subject to easy termination because the channel of trade that may be destroyed makes great difficulties for both parties. After we have been sending our goods to Esthonia and Latvia, when that channel of trade is suddenly terminated by the people of those countries saying they do not need

our goods any longer, the Canadian manufacturer will look in vain for his market at home, for he will have lost it to the United States of America. That is the position we put to the minister, and he rises in his wrath and asks, would you put a duty on agricultural implements?

Mr. ROBB: I am not wrathy.

Mr. BENNETT: Then perhaps he is righteously indignant. He asks, would we put a duty on agricultural implements. I answer, we would do anything that may be necessary.

Some hon. MEMBERS: Louder.

Mr. BENNETT: I am so glad that my hon. friends are interested in what I am saying. Per adventure it may be the rescinding of an order in council that I am speaking of.

I do suggest to the hon. Minister of Finance that we have a right to see what is involved with respect to the various terms for the termination of these agreements, for obviously we cannot by mere statute change the terms of the agreements. They date back to 1914, I believe. Lastly, it is quite apparent from what has been said that this is but a little more of what the great Napoleon described as ammunition, as fodder with which to feed the electorate as to the vast foreign trade developed by this country—$30,000 worth of beans one year, and $500 worth of something else next year.

My hon. friend took occasion to refer to the loan to Roumania, and to the fact that in this morning's press adequate appreciation was not expressed of the great services of this government in collecting the interest from Roumania. Does he recall how we were condemned as a party because we loaned the money to Roumania? Does he recall the speeches, embalmed in Hansard, that were made against the Minister of Finance of that day and his supporters regarding the loan to Roumania? It was money lost and gone forever, he then said, and now he rejoices in the fact that, like the poor woman, Roumania has found her treasure again. He says it is due to the genius of the Liberal government because they reduced the interest from 5 to 4 per cent, and the Hon. P. C. Larkin was the genius who has discovered that Roumania can pay her interest. Does the Minister of Finance recall his speeches of those days condemning the loan to Roumania? I should judge from the smile of the Minister of Trade and Commerce that he did not think much of the loan to Roumania.

Mr. MALCOLM: I do not think much of it yet.

Mr. BENNETT: No, but unfortunately the Minister of Finance was rejoicing in the fact that his High Commissioner in London has been able to negotiate an arrangement by which the loan is perfectly safe beyond peradventure.

Mr. ROBB: No. I said that we had collected $5,000,000 outstanding, and when we came into office not one cent of interest or principal had been collected.

Mr. BENNETT: Of course not, for the loan had been made only a short time before. The loan was made to Roumania during her reconstruction period on the understanding that credits were to be available in Canada to give employment to Canadian workingmen during the period of reconstruction in this country. That credit having thus been used, there was some difficulty in the days of reconstruction for Roumania, but very shortly afterwards she found her feet and now every day is making progress towards stability. The Hon. Mr. Larkin told me in London what had been negotiated a few days before with Roumania, and that there had been assigned to this particular debt the proceeds of an export tax upon wheat. Now, wheat is one of the most important exports of Roumania, and we have this export duty upon wheat for the service of this loan. Our interest is being paid promptly, a sinking fund is provided, and the loan is safe. Yet my friend the Minister of Finance takes responsibility for having reduced the interest rate to four per cent and accepted new securities for the old. I am sorry my friend the Minister of Trade and Commerce has so little confidence in the loan with regard to which there has been a complete novation; the loan now is the loan of this government and not of its predecessors. But I think the hon. gentleman should at least say that those who made the loan had high faith and confidence that it would ultimately be repaid, and that it was made by us as an international obligation and duty and to give employment at that particular period of reconstruction to a large number of Canadian workmen. The government of that day believed the loan was well secured. It now transpires that it was safe in every particular, and although the government have reduced the rate of interest to four per cent, they probably did so for reasons perfectly good to themselves, because they compounded some of the old interest. I wish my hon. friend a long life of peace and happiness in some other office than that which he now occupies, for in that event he will be with us until 1968 when the securities mature.

Mr. MANION: The Minister of Finance a few minutes ago, replying to an hon. member on this side of the house, stated that there was very little unemployment in this country. Again and again the members of this party are accused of being unpatriotic because we have drawn attention to the obvious fact that there is unemployment in the Dominion. I have in my hand the Canadian Unionist, the organ of the All-Canadian Congress of Labour, and I propose to quote its opinion on the question of employment in this country which the minister says is in such excellent condition. The article begins:

> The government spokesman, moving the adoption of the address in the House of Commons on January 27, declared that "unemployment was considerably lessened and the demand for labour has increased."

Then a little lower down I find the following:

> The desire to minimize the prevalence of unemployment is shared by both the old-line political parties.

I read that passage to show that this paper is not the mouthpiece of the Conservative party; it is a labour organ pure and simple. Again:

> Nowhere can one obtain statistics of unemployment that have any claim to accuracy or completeness, without collating the reports of at least two government departments.

And again:

> The prosperous condition of Canadian industry is proclaimed from high places: the partial returns on unemployment are quoted as though they revealed the whole situation. But casual observation is sufficient to convince one that prosperity is confined to comparatively few among the population and that unemployment is rampant among the masses.

In another part of the article the writer estimates that the unemployed in the cities and towns of Canada amount to a quarter of a million. He says:

> To sum up the situation of the Canadian working class: the dry-as-dust figures from official sources speak with a horrible eloquence, and they prove beyond dispute that among more than one-third of the workers (the only section for which statistics are available) unemployment is rife. Applied to the remainder of the workers by simple rule-of-three, they show that a quarter of a million urban wage earners are involuntarily idle and suffering from unmerited poverty.

And he concludes:

> —and government spokesmen. . . are contemptible indeed when they seek to beguile the public with platitudes about a "prosperity" that is a delusion and a snare.

I have quoted the article, Mr. Chairman, because continually we on this side of the house are accused of exaggerating any ill conditions in the Dominion and are taunted with being unpatriotic in drawing attention to undoubted facts. Only a few minutes ago the Minister of Finance made the broad statement that Canadian employment is good and that no one could deny it. Well, the Canadian Unionist denies it. It reminds me of other broad statements the hon. gentleman has made without adducing the slightest proof of their soundness. Again and again he has told this house that his tariff reductions last year did not do any harm to the motor industry of Canada. Yet the Department of Trade and Commerce has issued statistics that the manufacture and export of automobiles has decreased and the import of automobiles has increased. Those figures I placed on Hansard some time ago. I bring this to the attention of hon. members because I believe general statements of this character made by the minister should be backed up with ample proof, and that the government should hesitate to accuse the official opposition of unpatriotic motives simply because we have described conditions as they actually exist, and as confirmed by this labour organ.

Mr. MALCOLM: Is the writer's statement true?

Mr. MANION: He gives figures.

Mr. MALCOLM: But he admits that there is no authority for his figures.

Mr. MANION: He simply says that the figures given out by the government are not reliable.

Mr. MALCOLM: I think if my hon. friend will read the article again he will find that the writer says that statistics are difficult to obtain.

Mr. MANION: But after criticizing both political parties, he expresses an opinion similar to that which we on this side of the house have expressed. He is speaking as an expert on labour, and it is claimed that the All-Canadian Congress of Labour is the largest Canadian-controlled labour organization in existence. However, I wish to put his opinion on record because it confirms what we have frequently pointed out, that there is a great deal of unemployment throughout the country. Only the other evening while in Toronto I was stopped three times by people asking for the price of a meal as I walked from my office to the Albany Club, a distance of less than a mile.

Mr. LAPOINTE: You are looking so prosperous.

Mr. MANION: Perhaps so; I try to look as prosperous as my income will permit. I might point out that the same condition exists in Montreal, where soup kitchens have had to be opened.

Mr. McINTOSH: The hon. gentleman is dealing with seasonal unemployment.

Mr. MANION: I am dealing with unemployment in general. The winter season is a little worse than the summer season; that is all. I submit that unemployment is severe in the Dominion, that in consequence we are losing our people to the United States, and that undoubtedly such a treaty as this will still further decrease the employment of our own people and increase the employment of foreigners.

Mr. DONNELLY: Is there not unemployment even in the United States?

Mr. MANION: The papers describe the unemployment there as very bad. But for that matter the unemployment condition is also very bad in free trade England. The Minister of Finance cited as proof of prosperous conditions in this country that the prices of stocks are soaring, and that therefore employment must be good. In the United States stock prices have gone up even more markedly than in this country, and yet unemployment there is very bad too.

Mr. CAHAN: We have not yet reached section three of this bill, Mr. Chairman, but it is pertinent to a discussion of section two. It provides that the government upon giving six months' notice may determine the treaty. In looking over the articles of these various treaties which are quoted in the explanatory note annexed to the bill, it will be found that in the case of Esthonia the treaty may be determined on twelve months' notice; in the case of Hungary, on twelve months' notice; in the case of Latvia, on twelve months' notice; in the case of Lithuania, three months' notice; in the case of Portugal, twelve months' notice; in the case of Roumania, six months' notice; in the case of the Serb, Croat and Slovene kingdom, twelve months' notice. Why does the hon. gentleman provide for six months' notice in respect of treaties where our very adhesion is an assent that we will only exercise our rights to determine them by longer notice?

Mr. ROBB: My hon. friend has just answered the inquiry asked by the leader of the opposition (Mr. Bennett) as to the termination of the treaties. This bill was prepared by the law officers of the crown, and the tariff commissioner having directed my attention to the point, I had intended when we came to this particular article to move that it be amended so as to make the maximum twelve months. Some of them expire in three months, but the maximum is twelve. I intend when we reach the clause in question to move an amendment accordingly.

Mr. CHAPLIN: Is the minister going to conclude the schedule of goods that are imported from these countries? He has given two or three of the countries and I should like to have the list complete.

Mr. ROBB: I thought I had given them all.

Mr. CHAPLIN: I have not the information in regard to the Croat and Slovene kingdom and Portugal.

Mr. ROBB: I will take that up.

Mr. EVANS: I did not expect that this discussion would develop into a protectionist-free trade argument. I want to correct the leader of the opposition in regard to the agricultural industry. It is not by any means a matter of sale that prevents that industry from prospering; if it is not prospering it is due to the price. No one knows this better than the Minister of Finance (Mr. Robb), who a little while ago received a petition to put agricultural implements on the free list. In our research department of the United Farmers we have found that an implement made in Hamilton—a seed drill—was selling $30 cheaper in the United States than it was being sold to the western Canadian farmer. Indeed, an hon. gentleman near me declares that it was $55 cheaper to the United States than to the Canadian farmer. I wonder what the hon. member for West Calgary (Mr. Bennett) has to say to that?

Mr. BENNETT: I say I do not think the statement is accurate.

Mr. EVANS: It is accurate, I can assure the hon. gentleman of that.

Mr. BELL (Hamilton): Give us the name of the maker of the drill.

Mr. EVANS: I cannot, offhand.

Mr. BELL (Hamilton): I should like to take it up in Hamilton.

Mr. EVANS: This is in line with what is going on in other directions.

Mr. FANSHER (Last Mountain): There are affidavits to support the statement.

Mr. BELL (Hamilton): I want to know the name of the maker.

Mr. EVANS: Our Canadian manufacturer seems to be unable to do anything until he is linked up with the politician, and for that reason imports are kept out. As I have said before in this house, there is no enterprise among the manufacturers, and the small dealer is all the time being closed out in the small towns. The small manufacturer has no place to-day in Canada where workingmen can be employed. There is no room for workmen except in great companies in the larger centres of industry where labour is concentrated. I do not know why things should be thus, but acts of brigandage of this nature are taken advantage of by certain men to the detriment of the rest of the country. I remember having paid on one occasion $164 for an agricultural implement in Saskatoon when a relative of mine in England actually bought that implement $26.50 cheaper. The hon. gentleman has been asked how he would remedy these things and put the implement industry on a sound basis. He is afraid to tell us and to-day I challenge him. He said he would do what was needed. Well, what more is needed? The western farmer is to-day paying the price in freight rates and tariff, and there is a differential in favour of the Canadian manufacturer on shipments from the industrial centres of the east to the western provinces. If this is not enough for the manufacturer, what does he want? I challenge my hon. friend to say. Apparently the manufacturers have come to rely solely upon the tariff; they are coming to regard the tariff, rather than their own enterprise and industry, as the foundation of their success.

Section agreed to.

On section 3—Orders in council authorized.

Mr. ROBB: I move that, in line three, the word "six" be struck out and the word "twelve" be substituted therefor.

Mr. CAHAN: The minister promised us within the past half hour that when he proposed the amendment it would be that the notice provided by the treaty itself should be given. We should therefore have the amendment appropriately worded to provide, in the case of Lithuania, for example, the giving of three months' notice, in the case of Portugal, twelve months' notice, and so forth, as provided in the treaties themselves. In the case of Roumania it is six months. That is to say, the notice which we give should be in accordance with the terms of the treaty to which we are acceding.

Mr. ROBB: That would cover the point; there should be that reservation. I therefore move that the committee rise and report progress and ask leave to sit again this day, and in the interval the necessary amendment may be drafted.

Mr. BENNETT: You have to provide for the termination of the agreement within the period specified in the treaty itself.

Mr. CHAPLIN: Will the minister bring in the return asked for?

Mr. ROBB: Yes.

Mr. GEARY: During the dinner hour will the minister obtain for us information as to what trade goes to England from these different countries? It is to no purpose, in support of a treaty of this kind, to quote imports of goods into this country in times past. These different countries expect to get something from these treaties and surely they expect to increase their exports to Canada as a result of the lowering of our duty on certain articles they manufacture.

Mr. ROBB: Surely.

Mr. GEARY: What are the products of those countries?

Mr. ROBB: I will give a list.

Mr. GEARY: That is, dealt in with Canada. But that has nothing to do with the information I am asking for. If we were given some figures to show the exports of those countries into Great Britain, it would be an indication of what we may expect to have come into Canada under lower duties. There is nothing at all in what the minister has said to indicate the wisdom of this treaty. Nothing that he has said in regard to imports indicates what the benefit to either country will be under the treaty, and it is obvious that these countries are not entering into the treaty for the fun of it: they expect to find an outlet for their manufactured goods and their other produce. Now, what are those manufactured goods and those products which under a lower tariff they expect to ship to this country?

Mr. ROBB: Perhaps it will ease my hon. friend's mind if I observe that those countries are largely agricultural.

Mr. GEARY: I know that.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 24, to incorporate the Highwood Western Railway Company—Mr. Coote.

Bill No. 41, respecting the Imperial Guarantee and Accident Insurance Company of Canada—Mr. Edwards (Ottawa).

Bill No. 48, respecting the Calgary and Fernie Railway Company—Mr. Gershaw.

Bill No. 52, respecting the Canadian Pacific Railway Company—Mr. Speakman.

Bill No. 60, respecting the Canadian Surety Company—Mr. Hocken.

MANITOBA AND NORTHWESTERN RAILWAY COMPANY OF CANADA

The house in committee on Bill No. 53, respecting the Manitoba and Northwestern Railway Company of Canada—Mr. McLean (Melfort)—Mr. Johnston in the chair.

On section 1—Extension of time for completion.

The CHAIRMAN: An addition has been made to this clause. After the word "may" in the eleventh line the words have been added "within two years after the passing of this act continue the construction of and". A further amendment has been made by the addition in the twenty-fourth line after the word "if" of the words "within the said periods respectively." In the twenty-fifth line the words "so commenced and is not" have been added.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

The house in committee on Bill No. 57 respecting the Edmonton, Dunvegan and British Columbia Railway Company—Mr. Kennedy—Mr. Johnston in the chair.

On section 1—New branch lines authorized.

Mr. DUNNING: There is an amendment to that section, Mr. Chairman.

The CHAIRMAN: In the sixteenth line the word "township" is changed to "townships", and the words "seven to" are struck out and the words "eight or" substituted therefor. In the seventeenth line the word "eight" is struck out and the word "nine" substituted therefor. The words "from mileage sixty-five at or near Wembley" in the twentieth and twenty-first lines have been deleted. The words "township seventy-eight" in the twenty-fourth line have been struck out and the words "townships seventy-eight or seventy-nine" substituted therefor.

Mr. KENNEDY: I think the amendment made in the railway committee was to substitute the words "seventy-eight or seventy-nine" for the words "seventy-seven to seventy-eight" in subsection (a) and in subsection (b) "township seventy-seven or seventy-eight" instead of "seventy-eight."

The CHAIRMAN: That is not in the bill I have. In my copy in subsection (b) the words "township seventy-eight" have been struck out and the words "townships seventy-eight or seventy-nine" substituted therefor.

Mr. DUNNING: My hon. friend from Peace River knows the ground but the copy in possession of the Chairman is signed by the chairman of the railway committee. "Seventy-eight or seventy-nine" is written in in subsection (b). If my hon. friend is sure it should be "seventy-seven or seventy-eight" instead of "seventy-eight or seventy-nine" he could move that amendment. He knows best the precise location.

Mr. BENNETT: Look at the map.

Mr. DUNNING: I have not a copy of the map handy.

Mr. CAHAN: Unless it is a mere correction, notice would have to be given of that amendment.

Mr. DUNNING: I think that is right. Perhaps the hon. member for Peace River would consent to leave the bill in committee in order that he may determine what amendment should be made.

Mr. KENNEDY: That would be the better way. I am fairly sure about it, but I do not like to put my word against the signed copy of the chairman.

Mr. DUNNING: It can be understood that my hon. friend will give due notice of the amendment before the bill comes up again in committee.

Mr. CAHILL: If the figures are not right there must have been an error on my part in putting them down. In that case I hardly think it necessary to give notice of an amendment.

Mr. KENNEDY: I am quite certain that in subsection (a) the words should be "seventy-eight or seventy-nine."

Mr. DUNNING: That is quite right.

Mr. KENNEDY: And in subsection (b) "seventy-seven or seventy-eight."

Mr. DUNNING: If my hon. friend is prepared to move an amendment now, in view of the fact that apparently there is a clerical error in the record we may dispense with the usual notice.

Mr. GARLAND (Bow River): I submit that no amendment is necessary; there has been a mistake in the notation made on the original bill, and all that is necessary is to make a correction.

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

Mr. KENNEDY: Let it stand.

The CHAIRMAN: Bill No. 57 stands.

BRITISH EMPIRE ASSURANCE COMPANY

The house in committee on Bill No. 40, to incorporate the British Empire Assurance Company.—Mr. Edwards (Ottawa)—Mr. Johnston in the chair.

On the title.

Mr. GEARY: May I ask the chairman of the committee or the proper minister, what steps, if any, have been taken to ensure that the name appropriated by this company does not clash with that of some other insurance company? There is an insurance company called the Empire Life Assurance Company, or the Empire Assurance Company, something very similar to this.

Mr. ROBB: I have no record of that, but I imagine that the matter would be closely scrutinized first by the Department of the Secretary of State, which grants the charter, and afterwards by the Department of Insurance.

Mr. GEARY: The company to which I refer is a provincial company.

Mr. McLEAN (Melfort): There is also a Western Empire Life Assurance Company, so that there are evidently two Empire insurance companies already in existence in Canada.

[Mr. Cahill.]

Mr. RYCKMAN: This bill was proposed by the British America Assurance Company which has been incorporated for seventy-five years or more. They desire to have a subsidiary company and they are following the law which was passed last session. United States companies enjoy that privilege; English companies have it, and now for the first time Canadian companies have it. The bill was carefully considered in committee and no objection whatever was taken in this connection.

Title agreed to.

Bill reported, read the third time and passed.

SUN LIFE ASSURANCE COMPANY OF CANADA

The house in committee on Bill No. 56, respecting the Sun Life Assurance Company of Canada.—Sir Eugene Fiset—Mr. Johnston in the chair.

Mr. HEPBURN: Before this bill passes I should like to discuss the merits of it. Last session a bill similar to this was introduced into the house, its purpose being to increase the capital stock from $2,000,000 to $4,000,000. We who opposed the bill at that time both in the banking and commerce committee and on the floor of the house maintained that the real purpose of the bill was to increase the profits of the shareholders at the expense of the participating policyholders. This contention was upheld by the Superintendent of Insurance, and with due respect to that gentleman I think he is generally recognized as one of the outstanding financial men in the Dominion of Canada. He is a man who cannot be swayed by anything other than his own good judgment. We often hear references made in vague and indefinite terms to the influence of the big interests on the governing body in this Dominion, and I was glad indeed that parliament saw fit to block that proposed legislation, which was obviously unfair not only to the policyholders of the company, but to the insurance business in general.

The contention that the main purpose of the bill was to increase the profits of the stockholders was denied by the sponsors of the bill, who waxed wrathy at the mere suggestion of any such thing, but those who were in favour of the bill were put to the test by an amendment moved by a member of the Progressive group proposing a 15 per cent profit limitation on the proposed new capital. The amendment was endorsed by the Minister of Finance, who said at the time that after all it was the policyholders' money which provides the real capital of the company. He

also said that a 15 per cent profit limitation was not an unfair rate of interest on any legitimate investment. The amendment was carried, and immediately the bill was withdrawn. Anyone who had had any question in his mind up to that point as to the real purpose of the bill certainly was in doubt no longer. The fact that the company withdrew its bill and refused to accept the 15 per cent limitation was a complete admission on the part even of the company itself that the real purpose of the bill was to re-arrange the company's stock so as to exact a greater profit, and to do that with the authority of parliament. The company is back this year with a bill of a similar nature, but this time they have carefully paved the way. A reorganization of the directorate has taken place and men of political prominence now sit on the board, it being expected, no doubt, that they will in some way or other be able to facilitate the passage of this bill through the house. On top of that, the best lobbyists were obtained, and they canvassed members before the bill was even introduced. I believe that this has been the most thoroughly lobbied bill in the House of Commons that I have seen so far. If one were to judge by the enthusiastic support this bill received in the banking and commerce committee, those who are opposed to it must be a small minority, but we are not discouraged, and we hope to stir up enough opposition so that the policyholders will take some action and their sentiments perhaps be reflected in some way or another on the floor of this house. We are encouraged by the fact that the Superintendent of Insurance is again opposed to this bill, in face of the fact that a press report, emanating no doubt from the head office of the Sun Life Assurance Company of Canada, appeared some time ago to the effect that some agreement had been reached with parliament by which the passage of this bill was assured. This report, I believe, was responsible for the stock of the company, which stood at that time at $560 per share, soaring to its present value of $2,000 per share. Before passing this bill in its present form parliament must consider this matter very carefully because certain principles are at stake.

Canada stands second among the nations of the world to-day in per capita life insurance. Life insurance is a real economic necessity. It is of national importance, and is rendering a service comparable only to that rendered by our chartered banks and trust companies, and from a humanitarian standpoint it gives protection to widows, children and dependents. The operation of life insurance companies should therefore be supervised and guarded closely. This company is attempting a stock manipulating scheme which is not in the best interest of the policy-holders or the insurance business generally. To-day, when the whole trend of events in the insurance world is towards mutualization, the Sun Life company is asking permission of this parliament to increase its capital. Those who have taken out insurance with the company have done so on the present basis of operation. If we pass this bill, we will be a party to a breach of contract between the company and the policyholders. It is useless to argue that this increase in capital will not be a tax upon the policyholders. To bear out this contention I would refer to the evidence of Mr. Macauley, given before the royal commission on insurance. Under oath before this commission he stated, in reply to a direct question, that he had been repeatedly requested to allow shareholders to pay up more money and had refused, (1) because the company did not need the money or capital; (2) because the new capital would be taking away more of the profits belonging to the policyholders.

To use his exact words, he stated:

> The reason that guided me particularly in refusing was always that it would be a tax on the policyholders.

Mr. ERNST: May I ask if the hon. gentleman is a policyholder in the Sun Life company?

Mr. HEPBURN: Yes, I am. In 1901 the Canada Life Assurance Company increased its paid up capital from $125,000 to $1,000,000. The president of the Sun Life company at the time issued a circular in which in caustic and severe terms he criticized the action of the Canada Life company in that regard. Referring to the part which dealt with the direct effect of an increase of capital of $875,000 upon the Canada Life policyholders, he stated:

> And now let us see the extra amount of profits that the change will cause to be absorbed. On an 8 per cent basis, half of the interest on the paid up capital $40,000, will likely be taken from the policyholders' earnings, which is $35,000 more than in the past. Therefore the policyholders will be mulcted yearly to that extent. On a 20 per cent basis the policyholders' annual loss would reach $175,000.
>
> How does that harmonize with the president's statement that the policyholders cannot suffer in any way whatever by the calling in of the capital stock.

That was what the president of the Sun Life thought of the action of the Canada Life at that time. What must the company honestly think of itself to-day, when it has not only called in its unpaid capital, but is actually asking parliament to let it issue more

capital stock? The calling in of the unpaid capital stock, and the issuing of new stock, brings up another matter upon which some light should be thrown.

At the time the Canada Life Assurance company increased its paid capital its shares were quoted at $525. The minute the $875,000 was paid in, according to the president of the Sun Life, the market value of the stock became $4,593,000, and to use his own words:

> The shareholders would seem to pocket the whole benefit of the difference of $3,718,000, and seemingly all for the best interest of the policyholders, another admirable illustration of the administration of a great trust maintaining the people's interest even against their opinions.

Now I agree that the president of the Sun Life was perfectly right at the time. It was a get-rich-quick scheme. To-day Canada Life stock stands around $1,200 per share, and those same stockholders have been enriched by a further four million dollars or so.

But the point I want to make is this. If the president of the Sun Life was right at the time, and he surely was, how does it apply to-day to his own company? A few months ago the Sun Life increased its paid up stock to its full authorized capital, from $1,500,000 to $2,000,000. Its stock is quoted at approximately $2,000 per share. On a 20 to 1 basis its $500,000 paid in is now worth ten millions. Therefore the shareholders in question benefited by the transaction to the extent of $9,500,000 on the present market values, the interest on which is borne by the policyholders. If the two millions of new capital stock asked for in this bill is issued at par, with a fixed dividend of 25 per cent, and enjoying a share of the reserve fund now the property of the shareholders, it will mean that the marketable value will be at many millions, which will mean another melon the interest upon which will be borne by the policyholders.

Mr. Macauley, the present president of the company, is an astute business man, and in order to facilitate the passing of the bill has conceived the brilliant plan of throwing up a smoke screen, and so he says that the Americans are trying to buy up control of the company. The patriotic appeal is the last resort. Since 1911, however, the old flag-waving stuff has lost its punch. The Superintendent of Insurance points out that if the Americans were trying to buy up the stock, which is not the case, the two millions of new capital asked for is not necessary to protect the company from such a contingency.

It might be interesting to point out the inconsistency of the Sun Life in this respect—about as inconsistent as many of the arguments advanced by some of our opposition friends in regard to trade treaties. They appear to entertain the idea that they can make a hole in the fence big enough to let their chickens through into their neighbour's garden, but not big enough to let their neighbour's chickens trespass in their own gardens. From information under my hand I find that the Sun Life has money invested in 233 foreign concerns, mostly American, and on top of that a fair share of their insurance business is done in the United States. The company has twenty thousand shares of fully paid up stock, and at the present time sixty-five people own 15,126 of these shares, or over 75 per cent; and 194 people own the balance of 4,874 shares, or about 25 per cent of the capital stock. So with the whole of the capital stock in the hands of so few people, it is quite obvious to me that there is no danger of any outsiders obtaining control against the wishes of the present shareholders. Their whole argument in this regard lacks force and reason, and may well be treated lightly.

A brief statement of the company's affairs shows that the original paid up cash capital was $305,000. From that small sum of money the company's business was built up. Special dividends and stock bonuses have been declared, bringing the capital stock prior to January of this year up to $1,500,000. To do this they divided a stock bonus of $845,000 and declared a special dividend of $350,000. On the actual capital of $305,000 they have been declaring dividends annually of $225,000, or at the rate of 73.8 per cent on the actual cash investment. At the same time the company has been piling up a huge reserve, which is the property of the shareholders. On January 1 of this year the marketable value of the 15,000 paid up shares was $30,000,000. So the cash investment of $305,000 has grown in value by nearly a thousand times the original amount. Now, I think that is nearly enough for the company to have, and that a halt should be called in their manipulations. Stock manipulations and stock watering are all too common in this country, the result being that the Canadian public is weighted down to-day paying interest on tremendous capitalizations of this kind, built up by manipulations and profits taken from the people themselves.

Referring again to the financial record of the company, a few years ago when it was necessary to increase the capital in order to operate in the American market they issued their new stock at a premium, and properly so, of $300 per share. This premium went where it should go—to the policyholders. There is no intention on the part of the company this time to divide the money with the policyholders,

to whom it rightly belongs. On the contrary, according to the bill this stock will be issued at par to their friends, and immediately it assumes a market value they will make a profit ranging from ten to forty million dollars by the transaction.

I understand that the hon. member for Battle River (Mr. Spencer) proposes to move an amendment that the capital stock to be issued be held in trust for the policyholders. I am quite prepared to support this amendment, but on general principles I would rather see the bill thrown out entirely. Therefore I reserve my right to vote for the amendment, but if there is sufficient support I shall vote for the rejection of the bill itself.

Mr. KELLNER: Mr. Chairman, I also wish to add my voice in protest against the passage of this bill. The hon. member who has just spoken (Mr. Hepburn) has gone into the activities of the company so thoroughly that I need not quote any figures. I will content myself with the broad statement that in my opinion this is an effort to water the stock in order to make some money for the company without its rendering any service whatever in return. Further, I hold that it is the duty of the government to regulate such activities. The government is entrusted with the welfare of the people of Canada, and in view of the fact that under the law it is an offence not to have any money at all, I argue that correspondingly it should be an offence to have too much money. If a Canadian strolls into any city or town of this Dominion and is found to be without this "visible means of support" he will be arrested. Now, it seems to me that it is reasonable to argue conversely that if anyone in this country has too much money, and has not obtained it honourably, he also should be subject to the same treatment as the beggar. Only parliament can determine the ways by which it may be permissible for any citizen of Canada to obtain money. Therefore I think an application of this kind should be scrutinized very carefully to make sure that it is not an attempt to get the privilege of passing out to the shareholders a huge amount of money without rendering any corresponding service therefor.

It is worth while, Mr. Chairman, to consider the reasons advanced by the company for this increase in their capital stock. I well remember that a short time ago it was argued in the press that in order to enable this company to go into foreign fields and underwrite insurance and engage in other business activities it was necessary to increase the capital stock. Well, at the present time Canada is making very strenuous efforts to induce foreign capital to be invested in the development of this country. So long as we are going to the four corners of the earth to induce capitalists to invest their money in Canadian enterprises, why should we make it easy for the Sun Life Company to invest their funds in foreign countries? Then the previous speaker touched on another matter. He stated that the newspapers a little while ago carried a notice from the president of the company that there was grave danger of the Americans getting control of the company. I remember having read some of these articles. The president would evidently lead the Canadian people to believe that in some secret, unseen manner the Americans were going to come over and simply steal this Canadian company. Anyone who has gone into the history of the company to any extent will realize that the directors had it in their own power to keep the Americans or anybody else from doing anything of the kind. Until a short time ago only 75 per cent of the stock had been fully paid up. The directors had control of the transfer of shares until such time as the shares were fully paid up. If they wanted to maintain this as a Canadian company and to retain practically the same shareholders as were formerly in the concern, all they had to do was to refrain from calling for the last 25 per cent on the shares. But a few months ago they sent out a call, and the remaining 25 per cent was paid up. Now the directors have no say in the matter and the shares may be transferred without their approval, so that there is an opportunity now for the shares to get into the hands of others than Canadians. That there is a possibility of this happening is a different matter.

It is worth while considering the very great advance that has taken place in the shares of the company. A few months ago the shares were somewhere around $600 or $700; at the present time they are about $2,000. Do hon. members think that the investing public of this country and of the United States sat down and figured out the possible earnings of the company within the next few months and, after looking into the matter more thoroughly, decided that, whereas, a few months ago the company had an earning power which would justify the payment of $600, now it has an earning power on its shares that will yield a value of $2,000? Will anyone argue for a moment that there is any possibility in the world that the investing public of this country came to the conclusion, after mature deliberation, that these shares were worth that much more than they were a few months previously?

One thing more I wish to touch upon. This possibly has been one of the most successful companies we have ever had in Canada. It operated for a considerable time on a very small capital; in fact, until 1897 it had a paid-up capital of only $30,000. Now if they have been getting along so marvellously well on so small a capitalization, is it not rather risky to give them the privilege of materially increasing their capitalization, especially at a time such as we are passing through, particularly having regard to the investments that are offering? All companies are liable to make indiscreet investments, and while this is an ably managed company and all that, parliament owes a duty to the shareholders and policyholders of the company and would do well, I submit, to discourage this endeavour. We owe this to the policyholders at least, in order to ensure that they shall receive that consideration to which they are entitled.

Possibly no other company in Canada has made money more quickly or has gone further afield to make it. We find that the Sun Life has investments practically throughout Europe and North America. If increasing the capital stock is going to facilitate these foreign investments, I should think it would be very much better if we left the stock where it stands. Possibly no country in the world today requires capital more than Canada does, and certainly none is making a greater bid for it. It is almost nine o'clock, Mr. Chairman. I submit that this question should be given very serious consideration. It would be a grave mistake for this house to pass a measure like this without considering it thoroughly, and in view of the fact that we have had only half an hour to-night to discuss the subject, I move that the debate be adjourned.

Mr. CHURCH: I shall take only a few minutes of the time of the committee on this bill. The principle of the bill is laid down in its preamble. This company is in a good financial condition. The bill should have gone to the private bills committee and not to the committee on banking and commerce. Our Insurance Act needs an overhauling in the interests of the policyholder and of the poor lapsed-policy man who loses his all. If he cannot pay more than three years' premiums, then the company confiscates and hoards those premiums.

This company has been coming to parliament, asking for special legislation, which has been passed on their behalf in the following years: in 1865, by chapter 43; in 1870 by chapter 58; in 1871, by chapter 53; in 1882, by chapter 100 and in 1897, by chapter 82. And now they are seeking to have this bill put through. They want to amend their various acts and to increase their capital stock as well as to alter the economic and financial laws and, by legislation, change the par value of their shares for the good of their stockholders and at the expense of their shareholders. The capital of the company is now $2,000,000. By the general Insurance Act, section 70, the capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of the act. Mr. Finlayson, the capable superintendent of insurance, offered objection to this bill. The company also seeks power to alter the stock qualifications of its directors in order to make certain handouts, dividing the stock into different classes. I submit that this parliament should protect the policyholders.

Progress reported.

COMMERCIAL TREATIES WITH EUROPEAN COUNTRIES

The house resumed consideration in committee of Bill No. 203, respecting trade between Canada and Esthonia, Hungary, Latvia, Lithuania, Portugal, Roumania, and the Serb, Croat and Slovene Kingdom—Mr. Robb—Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose at six o'clock we were considering section 3 of the bill. The minister moves that the words "six months" in the third and fourth lines of section 3 be struck out and that the words "within the respective periods required by each of the several treaties or agreements in regard to the termination of the same" be inserted in lieu thereof.

Mr. CAHAN: This amendment is a fair attempt to carry out the understanding at which we arrived, but I think it would be clearer if it were to read "within the respective periods prescribed by each of the several treaties or agreements for the termination of the same".

Mr. ROBB: This amendment was prepared by the law officers of the crown, but I see no objection to the words proposed by my hon. friend; perhaps they are better. I will therefore accept that suggestion. I ask for leave to withdraw the amendment I have proposed, and to substitute the words suggested by my hon. friend.

The CHAIRMAN: The minister moves that section 3 be amended by striking out the words "six months" in the third and fourth lines and inserting the following in lieu thereof:

Within the respective periods prescribed by each of the several treaties or agreements for the termination of the same.

Amendment agreed to.

Section as amended agreed to.

Section 4 agreed to.

On section 5—When act comes into force.

Mr. GEARY: Before the house rose at six o'clock I asked the minister to give some of the information which he must have collected during the negotiation of these treaties, and his answer was that we were supposed to know that the products of these different countries were mainly agricultural. I suppose the minister was referring to beans, which seem to have been the product most in evidence as coming from any one of these countries Other articles cited by the minister came in free. But that gives us no information at all as to the possible effect on the trade of this country of the agreements now contemplated. Probably the minister had something to do with the negotiation of these treaties, and I think he owes it to the house to give some of the information he thus acquired. It is no help to us to give the exports from these different countries to Canada under the old tariff; we want to know the probable or possible effect of the new tariff upon the agricultural and industrial life of this country, and we can secure that information only by learning what are the products of these countries and to what extent and under what conditions they have been exported to other countries, such as Great Britain. I do not know where the agreements were negotiated; we have had no information in that regard. Probably they were put through by half a dozen trade commissioners and concluded by correspondence between the different capitals. These agreements may have a disrupting effect on the industries of this country; we do not know. If the minister has been closely in touch with the negotiations no doubt he has weighed the possible advantages and disadvantages which may result in the future, so I would like him to answer that question a little more fully. It is not well to pass it off by saying that we are supposed to know that the products of those countries are mainly agricultural. If the minister knows that they are or are not such, let him say so, but we are entitled to have some statement from him as to the probable effect upon the commerce of the country.

Mr. ROBB: The observations of my hon. friend lead me to believe that possibly he was not in the house when I introduced this measure, because I then explained that we were accepting the terms of a trade agreement made with the mother country, to which we are entitled to subscribe. During the course of the afternoon I placed on record statements of the imports from these different countries. Was my hon. friend present when I did so?

Mr. GEARY: If the minister had listened to me he would have heard me touch on that, but the point I made was that he gave this house no help in determining the future effect of these agreements upon the commerce of Canada.

Mr. ROBB: My hon. friend is giving a very large order. We have looked carefully into the trade of the country and we have determined that it would be advantageous to Canada to make this trade agreement, but we are not able to say—my hon. friend knows it is impossible to do so—how much of the trade now going to other countries will be diverted to Canada. The fact remains, however, that the balance of trade now is largely in favour of Canada.

Mr. GEARY: I asked the minister to tell us what has been the result of his inquiry during the negotiations into the possible effect of the new tariff on Canadian trade. I am a little suspicious of the different trade treaties which this government has entered into. The minister himself has a passion for making treaties, and I cannot recall any country in Europe, except perhaps Monte Carlo or Russia, with which he has not proposed to enter into a treaty. I should like to know a little more about what the result of his observations was in regard to the effect of this treaty, but so far the minister has given us nothing.

Mr. ROBB: I repeat that I have not placed before the committee the extent of the trade of the different countries with which we are making treaties with all the other countries of the world, but perhaps it might ease the mind of my hon. friend if I were briefly to review the general situation as it affects Canada. We heard this afternoon from hon. gentlemen opposite, and particularly from the gentleman who has a right to speak for that party, that as a result of these trade treaties we are exposing our industries to the competition of those countries apparently forgetting that at the same time they are opening their doors to our products. My information is that our products are going to those countries. The leader of the official opposition chided me very severely this afternoon for entering into these agreements, and, when asked what he would propose, emphasized particularly the in-

creased importation of agricultural implements into Canada during the past year. I invited my hon. friend to come out flatly and say what he proposed to do to stop that. The hon. gentleman was very careful not to use the word "protection," although his friends around him I believe entertained the idea that protection was the cure he had in mind. My hon. friend hedged very carefully by saying that we could adjust matters through the instrumentality of the railways.

Mr. BENNETT: I did not say that.

Mr. ROBB: That was the inference from what my hon. friend did say.

Mr. BENNETT: I did not say that.

Mr. ROBB: My hon. friend did not say that? I will give the hon. gentleman credit that he did not say so explicitly. In the case of the transportation of grain and grain products there is a special reduced rate on export business. We do not reduce the rates on products intended for the home market but we do reduce them on products that are shipped out of this country. I did not understand my hon. friend to say that he intended to reverse that policy.

Mr. BENNETT: I did not say anything about it.

Mr. ROBB: No, my hon. friend was very careful. He was almost as careful as they were at the Winnipeg convention.

Mr. BENNETT: He was not quite as careful as my hon. friend himself usually is.

Mr. ROBB: Let us look at the trade of Canada and find out whether there is any justification for the charge made against us that by reason of these treaties trade is not as good in Canada as it was in 1922.

Mr. BENNETT: No one said that.

Mr. ROBB: Let us find out if unemployment is greater now than it was in 1922. No, I shall take the trade of Canada first.

Mr. BENNETT: Is this a speech for the gallery?

Mr. ROBB: Oh no, my hon. friends have invited it.

Mr. STEVENS: It is a third budget speech.

Mr. BENNETT: It is the budget for 1929. We have not had that yet.

Mr. ROBB: I have here a statement of the trade of the world prepared by the economic committee in Geneva. They point out that in 1913 the per capita trade of Canada was $145.50. In 1926 the per capita trade of Canada was $240.84. They also point out that in 1913 three countries had favourable trade balances per capita: the United States, $7.13; British India, 60 cents; Argentina, $6.78. In that year Canada had an adverse balance of trade. Hon. gentlemen opposite were then in office.

Mr. BENNETT: They were just getting ready for war in the Balkans.

Mr. ROBB: There was no war then. Canada had an unfavourable trade balance that year, 1913, of $29.61 per capita. What were the conditions in 1926? There were six countries that had favourable trade balances per capita, as follows: the United States, $3.22; British India, $1.01; Brazil, $1.97; South Africa, 14 cents; and France, 2 cents. Canada which in 1913, under the administration of my hon. friends opposite, had an unfavourable trade balance, in 1926 had a favourable trade balance of $29.34 per capita.

Mr. BENNETT: That is the fourth time this session the statement has been read.

Mr. ROBB: Is it? I have some information here which has not yet been read this session. My hon. friend was very much alarmed this afternoon over the condition of the agricultural implement industry. He pointed out that we had to compete with other countries, and that there was a considerable increase in the importation of agricultural implements from the United States. Let me show what was the result of the change in the tariff on agricultural implements of which my hon. friends complained so bitterly, and which they resisted for many weeks and finally voted against. We had some difficulty in putting it through; we were told we would ruin the agricultural industry. The change in the tariff took place in April, 1924. In August of that year the employees in 37 factories in the agricultural implement industry numbered 4,498. In 1927 the same factories reported 8,698 almost double the number. There are 69 firms manufacturing agricultural implements in Canada. In 1924 they reported an average for the whole year of 6,700 employees. In 1926 they reported 10,091 employees. So much for the agricultural industry which it was said we had ruined.

Let us come to the automobile industry. This afternoon we heard from the hon. member for Ontario (Mr. Kaiser) in whose constituency there is located a very large automobile industry—I do not want to say that it is the largest in Canada. I do not want to accuse my hon. friend of being a party to what took place, but I know that when we reduced the duty on automobiles in 1926,

there came to Ottawa a very large delegation composed of men who were sincere, who believed that we were going to ruin the industry.

Mr. McGIBBON: The minister fixed it up later.

Mr. ROBB: That is not what my hon. friend said this afternoon. He complained that we had ruined the automobile industry and he was supported by his leader.

Mr. KAISER: I am afraid that the minister is a little wrong in his calculations. I never said a word about the automobile industry.

Mr. ROBB: He said that we had ruined industries, and his friends around him referred especially to the automobile industry.

Mr. MANION: I spoke of the automobile industry and I quoted the statement of the Department of Trade and Commerce. If the minister wishes, I will quote it again.

Mr. ROBB. All right.

Mr. MANION: This is the exact quotation. After a brief summary of the situation, they say in this report of the Department of Trade and Commerce, under a government in which my hon. friend (Mr. Robb) is Minister of Finance:

In review, a comparison of statistical data covering the Canadian automobile industry for 1927 with the figures for the corresponding period of a year ago shows the following features: (1) Production was lower by 13 per cent; (2) exports were lower by 23 per cent; (3) imports were higher by 28 per cent.

Then I said:

Has the automobile industry been adversely affected? The answer is obvious. Let me quote further:

"During December, 1927, the production of automobiles in Canada amounted to 3,435 cars. This was the lowest output reported for any month during the past three years, being only slightly over one half the number of 6,617 cars made in the previous month and less than one half the number of 7,752 cars produced in December of a year ago."

This is my quotation from the same report, and I will finish it:

I quote still further:

Imports of automobiles into Canada during 1927 totalled 36,630 cars, an increase of 28 per cent over the 28,535 cars imported last year which in turn was almost double the 14,632 cars brought into Canada during 1925. . . Exports of automobiles from Canada during 1927 amounted to 57,793 cars, a decrease of 23 per cent from the 74,553 cars shipped to foreign countries in 1926.

That is the report of my hon friend's Department of Trade and Commerce in regard to the situation in the automobile industry during the past year.

Mr. ROBB: My hon. friend has quoted statistics and I find no fault; but no person in this house knows the answer better than he does. He knows that the Ford industry was closed down. He knows that dealers throughout Canada in Ford cars were unable to get their supplies. I am not going to argue the question with my hon. friend, who is a doctor and a good one. I am going to put in evidence the statement of a gentleman who is at the head of one of the largest automobile industries in Canada. I have in my hand the Commercial and Financial Review for 1927, published by the Montreal Gazette, and in that publication I find at page 159 a statement by Mr. R. S. McLaughlin, president of the General Motors of Canada. He should be an authority; my hon. friends in 1926 considered him an authority on automobiles. This is what he says in that statement about the automobile industry:

Although Oshawa is an outstanding example, more than fifty other Canadian cities and towns benefit by the increasing importance of Canadian automotive industry. Important steps were taken during 1927 to increase the content of Canadian labour and materials in cars fabricated in this country. Contracts involving millions of dollars for parts and materials were let for the first time in Canada. In 1926 it was said that 100,000 persons in the Dominion were dependent on the automotive and allied industries. In 1928 it is probable that there will be half again as many, exclusive of the thousands who are involved in the sale and servicing of cars through dealer organizations from coast to coast. There seems little doubt that the coming year will be notable not only for the passing of the million mark in automobile registrations, but for the setting up of new records of production in the automotive industry in the Dominion.

That is the statement of a man who is in the business and who ought to know, and the people of Canada will be more ready to accept such a statement than the tales of woe of hon. gentlemen opposite.

Mr. MANION: It was claimed by men engaged in the automobile industry that the reduction in the tariff, until it was changed again, would ruin that industry.

Mr. ROBB: But they guessed wrong.

Mr. STEWART (Leeds): The minister, by many words and by a great deal of irrelevant argument, has entirely evaded the question that was very properly put to him by the hon. member for South Toronto (Mr. Geary) and which was, as I understand it, what imports were likely to come into Canada as a result of this treaty. The minister in

connection with the Australian treaty had no doubt as to the object of Australia. We were told that they expected to increase their exports of raisins. He had no doubt whatever as to the intention and expectation of New Zealand when the treaty was made with respect to agricultural produce, the result being that imports of butter have been enormously increased to the great detriment of the dairy industry of Canada. What the hon. member for South Toronto is asking is what products these countries have in mind under similar circumstances and for which of these they hope to secure an increased market in Canada. The minister was well informed in regard to these other treaties; surely he must have similar information in regard to this one. That is what the hon. member is asking for and that is just what the minister has avoided giving to the committee.

Mr. ROBB: I can only repeat that I have not those figures before me. My hon. friend knows from the trade we have had in the past what the trade has been in Canada. I say frankly to my hon. friend that we are changing these countries from the general tariff to the most favoured-nation tariff, and only time will tell to what extent it will help them. We know that we are getting the most favoured-nation tariff on our raw products.

Mr. CHAPLIN: Will the minister provide the information respecting the two countries he left out, namely, Portugal and the Slovene Kingdom?

Mr. ROBB: The imports from Portugal are as follows:

Commodity	1926	1927
Figs, dried	$ 6,586	$ 8,098
Wines, non-sparkling	218,032	248,091
Other seeds	.....	3,642
Sardines	1,318	980
Damask of cotton	$ 16,280	$ 4,298
Bed quilts of cotton	146	54
Handkerchiefs	474	174
Sheets and pillow cases, cotton	703	1,639
Embroideries		225
Clothing, cotton	516	395
Other cottons	1,328	3,024
Damask of linen	1,876	4,852
Doylies, traycloths, et cetera, of linen	671	6,345
Other flax, hemp, and so forth	124	1,384
Corkwood, not manufactured	79,772	123,597
Corkwood, manufactured	19,275	60,902
Salt		1,474
Containers, n.o.p. (packages)	357	359
All other articles	1,359	1,493
Total	$ 348,817	$ 471,026

[Mr. H. A. Stewart.]

The exports were as follows:

Commodity	1926	1927
Wheat		$1,141,908
Flour of wheat	$ 2,456	
Rubber manufactures	2,350	14,881
Codfish, dried	77,250	90,702
Masts and spars	341	
Planks and boards	7,077	705
Harvesters	12,086	4,261
Ploughs and parts	1,169	1,313
Other farm machinery and parts	732	1,648
Needles and pins	3,085	1,995
Automobiles, passenger	14,810	3,078
All other articles	417	12,966
Total	$121,773	$1,273,457

With reference to the kingdom of the Serbs, Croats and Slovenes, about 80 per cent of the population are engaged in agricultural pursuits. The kingdom has a population of twelve millions. The principal exports from the kingdom include grain, wheat flour, beans, prunes, hemp, live stock, meats, eggs, wood, cement, copper, ores and minerals. The imports into Canada during the fiscal year ending March 31, 1927, amounted to $6,854, and the exports from Canada for the same period $116,325. The principal exports were:

Wheat flour	$ 37,128
Ploughs	4,275
Parts of agricultural implements	1,487
Automobiles	61,159
Other articles	12,276
Total	$116,325

Their import tariff consists of two columns containing the minimum and the maximum duties.

Mr. CHAPLIN: Is there a clause in the Portuguese treaty similar to the one in the Czechoslovak treaty respecting wines whereby we guarantee that no provincial tax shall be charged against them unless a tax is charged against ours? We have not the treaty before us and have to take everything for granted.

Mr. ROBB: They receive most-favoured-nation treatment, so I imagine they will have those terms. My hon. friend pointed out—

Mr. CHAPLIN: I pointed out in connection with the other treaty that we were particular to see that by its terms the foreigners were protected in the Ontario market, for example, that this government could look after them, but it could not protect our own people in the Ontario market.

Mr. ROBB: I pointed out to my hon. friend in connection with the other treaty that that applied only to goods in transit and in warehouse.

Mr. CHAPLIN: The minister made that statement, but the transit clause had nothing whatever to do with the other. The transit clause stood by itself, and the other stood by itself. One had reference only to the goods, and the other referred to their transit. There would be no sense to it otherwise. Now the same clause comes in here again.

Mr. FRASER: I would like to remind the minister that when he was speaking in regard to our importations from Hungary he stated that out of a total importation of $60,000 we imported $58,000 worth of beans. Will the duty on beans from Hungary be reduced under this treaty? Will they come in under the preferential tariff?

Mr. ROBB: I will give my hon. friend the tariff, and then he can judge for himself.

Mr. STEVENS: Give us the item.

Mr. ROBB: It is item 47; the intermediate tariff is 22½ cents, and the general tariff 25 cents a bushel, so they will have an advantage of 2½ cents a bushel.

Mr. BENNETT: Over what they had before?

Mr. ROBB: Yes, but they will still have to pay 22½ cents a bushel.

Mr. FRASER: Evidently this treaty will result in a greater importation of beans. The minister has stated that we had a poor bean crop last year. I cannot say whether that is correct or not, but at all events we increased our importation of beans from 146,000 bushels in 1926 to 595,000 bushels in 1927, about four times as much. I do not want to dispute the minister's statement that we had a poor bean crop in Canada last year, but I do know that in my district in British Columbia we used to grow a lot of beans, but at the present time the farmers have quit growing beans for the simple reason that they cannot compete with the cheap beans from Hungary and Japan, and this reduction in the tariff will still further aggravate that situation. The amount of beans grown in that district may seem small, but it is large for that particular locality, which exports quite a large quantity of beans. But the minister by this treaty is making conditions worse for that section. At the present time they cannot make the living growing beans that they did a few years ago, and now the duty is to be decreased, resulting in greater importations than ever.

Mr. ROBB: There will still be a duty of 22½ cents a bushel.

Mr. BENNETT: The minister has a very insinuating manner. He came in this evening having in his possession the annual report made by a newspaper upon economic conditions in Canada. He proposed to produce that report containing an article written by the president of an automobile industry in Oshawa, and then to endeavour to make the member for Ontario (Mr. Kaiser) responsible for statements with respect to automobiles which were made by the member for Fort William (Mr. Manion).

Mr. MANION: On the word of the Minister of Trade and Commerce (Mr. Malcolm).

Mr. BENNETT: Yes. I saw him produce the report and get it ready with the aid of the Minister of Railways (Mr. Dunning). He then proceeded to fasten upon the member for Ontario a statement which he did not utter in order to make capital out of the observations made by the president of the automobile industry in Oshawa. The attempt failed because we would not let him get away with it. It was unworthy of him. When the government introduced their legislation to reduce the tariff on automobiles they told the people of this country that under no conditions would they vary it. They received a delegation in a theatre in this city, and the Minister of Finance at least had courage enough to say that he would stand by his guns—and those guns turned out to be squibs. Then he changed his legislation so as to afford a higher measure of protection to the industry than it had theretofore enjoyed. He knows it and everybody who understands the facts knows it. He raised the protection, not by the tariff, but by the use of the excise. I put upon Hansard the other day, and I repeat now, the figures of the Trade and Commerce department showing exactly what was imported into this country with respect to automobiles last year compared with the preceding year. When he says there were bad times in the automobile industry because the Ford Motor Company at Ford was closed that year, he is entirely beside the facts. As a well-informed minister of the crown he should know that at page 454 of the Commercial Intelligence Journal it is shown that in 1927, we imported for assembling purposes $29,582,000 worth of automobile parts, as against only $25,000,000 worth in 1926; in one year the value of the imports had risen by over $4,000,000. That is the answer. And the same state of affairs prevails with regard to other parts that enter into the manufacture of automobiles.

But the minister stated that I made certain observations with respect to the agricultural

implement industry, and then he endeavoured to raise a target which he proposed to demolish. What did I say? That during the last few years this country has been steadily increasing its exports of agricultural implements and as well increasing its imports of such implements from the United States. Let me take the same authority that he quoted this afternoon, Mr. Thomas Bradshaw. What did he say when the government brought down its tariff with respect to agricultural implements? And what did Mr. Vincent Massey, the president of the Massey-Harris Company then say? They said the industry would be ruined if the policy initiated by the government was carried out. What was done by the administration? Rather than go back on their promises to the agrarian interests, and still desiring to placate the manufacturers, with that well-practised double-dealing, on the one hand blowing hot and on the other blowing cold, they gave a drawback upon all the imported materials entering into the construction of agricultural implements—wood, steel and iron—and thus afforded a larger measure of protection to the industry than it had theretofore enjoyed. The hon. gentleman knows it. What has been the result? There has been an increase in the prices paid by our farmers for their implements, not a decrease. And no one on the other side has risen to answer what was said by the hon. member for London (Mr. White) the other evening, that whereas in the year prior to the legislation with respect to drawbacks we manufactured 63 per cent of all the agricultural implements used in Canada, the last return we have shows that we made only 54 per cent. We have not the complete figures for last year, but they will show that more than half of all the agricultural implements used in this country were not of Canadian manufacture.

Mr. MACKENZIE KING: How much did we export?

Mr. BENNETT: I am just coming to that point. But we are told, our manufacturers have been busy. Busy on what? On manufacturing agricultural implements for export.

Mr. MACKENZIE KING: All right.

Mr. BENNETT: Just let me read the United States government report with respect to that, because it is all-important to keep in mind their statement as to what has happened to their own agricultural implement industry. I am not going to give a summary, for fear of misapprehension. Here are the exact words as stated at page 437 of the commerce reports issued by the United States Department of Commerce. I commend this to the Prime Minister in view of what he said in 1923 with respect to these matters:

> The outstanding feature of the shipments of agricultural implements during the year 1927 was the large total that went to Canada, amounting to $29,791,472 which was 33 per cent of the total shipped to all countries, and which exceeded the shipments to all of Europe by more than $8,000,000.

Now the hon. Minister of Finance is talking about the business we are going to do in agricultural implements in Europe, whereas the United States did more business in Canada by $8,000,000 than they did in the whole of Europe last year.

Mr. ROBB: What year is my hon. friend quoting, 1927 or 1928?

Mr. BENNETT: I am quoting the commerce reports issued by the United States Department of Commerce on February 13, 1928, dealing with the calendar year 1927. Let us go a step further:

> Canadian purchases in 1927 were the largest ever reported and were greater than the average shipments to all countries in the years prior to 1918.

Further:

> These large Canadian purchases resulted from the material betterment of conditions in Ontario and the prairie provinces, especially Saskatchewan and Alberta, where American tractors, threshing machines, and harvesters were sold much more extensively than in 1926. Purchases of wheeled tractors were exceptionally large, amounting to 15,749 valued at $12,421,105 as compared with 8,173 valued at $6,823,648 in 1926. Sales of American implements in Canada have been showing consistent and rapid increases during the past three years and, since each of these years has been a good crop year, the buying power of the farming population has been materially enhanced. It is also worthy of note that exports of implements to Canada comprised 90 per cent of shipments to all of North America, including Central America and the West Indies, and exceeded those to all of South America by $10,000,000.

That is the story during the three years that have elapsed since this government dealt with the tariff on agricultural implements. Let us see just what that means. The right hon. Prime Minister asked me what we have been exporting. Ah, Mr. Chairman, no question could better prove my case, for it proves that while the American manufacturer has been taking advantage of the market near at home, the Canadian manufacturer has been forced to ship his product three thousand miles by sea and thousands of miles by land to find a market to replace his home market captured by his competitor to the south as I have read from the United States report. That is the glorious procedure of this government. Then they talk of our expanding foreign trade! May I in this regard refer to

the language used by the right hon. Prime Minister just one year before he was forced—forced, I say—by his supporters from Saskatchewan to take this course, in order to make it seem that he was meeting their wishes in regard to the tariff on agricultural implements, while at the same time he was endeavouring to tell the manufacturers of these implements that all was well. These were his words when dealing with the tariff on May 23, 1923:

> What is the position with regard to the United States? Since the Liberal convention was held, there has been enacted by the United States a much higher tariff than ever before existed between Canada and the United States. The Fordney-McCumber tariff, so-called, to-day is operating to the disadvantage of Canada. Is there any member of this house who will stand up in his place and say: Notwithstanding that obvious fact we think we should throw down our bars against the United States and give them an opportunity to come in here and affect our industries in a manner even more seriously than they have already been affected.

That was the question propounded by the Prime Minister in 1923. In 1924, yielding to pressure to put these items on the free list, he appeased the manufacturers when they complained by giving them free raw material, free ore, free steel. The result has been that we have decreased the quantity of agricultural implements produced in Canada by upwards of 10 per cent since this tariff came into force. In other words, we have bought from foreign lands 10 per cent more of our agricultural implements than we were purchasing at the time this legislation was enacted, with no advantage to the farmer inasmuch as prices have not been lowered. The facts placed on Hansard by the hon. member for London (Mr. White) the other night cannot be controverted; they cannot possibly be denied. The trade journals which the hon. member produced, giving references to page and date, abundantly establish his contention. But there has been another effect of this policy: it has compelled the Canadian manufacturer to seek his markets thousands of miles away while his competitor across the imaginary line south of us has been able to pour his products in over a few hundred miles by train to the destruction of the Canadian manufacturers' market. There is no doubt about this; the figures conclusively prove it. It may be said, as has been said frequently in the past: "Oh, well, we are a low tariff party; we are reducing the tariff on implements of production",—then turning to the manufacturer and saying: "We will not hurt you; we will give you a drawback on everything you import, so that while it may appear that we are reducing the tariff we are in reality affording you greater protection than ever". That is the hypocrisy of the tariff policy of the Liberal party. That is the sort of double dealing which they practise: one story in the east and another in the west. It is the same in regard to fertilizers and other things as well. The Minister of Finance when in Winnipeg last year discussing the tariff was prone to tell the people about the difficulties encountered during elections, when so much exaggeration was indulged in. He pointed out how little real basis there was for the statements made at such times. But when it comes to the question of getting votes I doubt whether there is anyone who can trim his sail to any passing breeze, without coming up in the wind, to greater advantage than can that hon. gentleman. In that regard he is more practised than his leader. It is indeed a valuable accomplishment to be able to catch the advantage of every passing breeze. The Minister of Immigration (Mr. Forke) smiles. No doubt he is thinking of the speeches he made in 1925 in the province of Manitoba with respect to this government. That evidently is what is passing through his mind. He is reflecting on the threats of destruction which he was then breathing against the government—the disaster that would overtake them if they did not reduce the duties. But notwithstanding that they have not fulfilled his wishes, he can well smile, for they have made him an exalted minister of the crown. It is no wonder; he smiles because of the power thus entrusted to him. In the most serious moments of his life he could never contemplate the possibility of a capacity so small invested with authority so great.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I say that with great deliberation, because the administration of the department shows that he is wholly unfit for the duties of administration. We might as well be perfectly frank and fair about it, and the house will have an opportunity to decide whether or not that is so. The time has come when it is desirable in some things to speak with great frankness; and when you find departments administered as some departments are administered in this country, hon. members would be lacking in courage if they did not express themselves candidly. That is my opinion in that regard and there is no need for apology.

The Minister of Finance in the treaty he has introduced to-day has been careful to avoid dealing with the subject directed to his attention by the hon. member for Cariboo. He realizes that in respect of many of the articles to which reference has been made he

is bringing about, in this instance, the same condition that resulted in relation to the Australian treaty with respect to raisins and other commodities. In other words, by giving a blanket concession, absolutely regardless of the details of his agreement, he is incurring the risk of having our markets destroyed with respect to such commodities as may be produced in the countries with which he is dealing. Now we are endeavouring to develop our resources. As the Prime Minister asks, if the markets to the south of us are shut off by the Fordney-McCumber tariff or any other policy that may be adopted in the United States, what happens? Here we are adopting a blanket policy with respect to these various countries with which we are making agreements, and the only stipulation we make is that the lowest tariff we give to any people in the world, with the exception of the British tariff, shall be extended to them.

Mr. ROBB: And they say they will give the same tc us.

Mr. BENNETT: Yes, they say that they will give us the lowest tariff they have. But I submit that the treaty is in its essence wholly wrong because it pays no regard to the varying circumstances and conditions prevailing respectively in the two contracting countries. I do not think a treaty is sound which provides a blanket concession such as this. It was not customary in days gone by to negotiate treaties in this form; it was customary to name the articles affected and to determine the measure of duty that should be applied. What we have done is this: we have gone to these countries and said, "You give us your best tariff and we will give you that tariff which is most favourable to you." Bear in mind that the League of Nations, to which the Minister of Finance made reference this afternoon, has stated that the only country in the world that has reduced its tariff since the war is Canada. We have a lower tariff than any of these six nations affected. If we are the only country that has reduced its tariff since the war, and these new states that came into being by reason of the doctrine of self-determination have erected, according to the report of the economic conference, high tariff walls for the purpose of endeavouring to render their communities self-sustaining and self-contained, it is obvious at what a disadvantage we have placed ourselves. Willy-nilly we are making a blanket arrangement by which we say to them, "You give us the lowest you have and we will give you the lowest we have." But as Senator Dandurand says, Canada has reduced its tariff three times since the war, and it follows therefore that our tariff is relatively low to those of the various countries involved. My hon. friend from South Toronto, who is desirous of ascertaining the tariff rate with respect to some of these items, has asked for certain figures. We had certain figures given to us yesterday, but none have been volunteered to-day. We do not know what the tariff is in relation to Esthonia or Latvia or Lithuania or the country of the Serbs. We do not know what their tariff is on the various items involved; we have no idea what intermediate tariff they levy. In negotiating this treaty, to which we are asked to give our approval, the minister has offered us nothing in any shape or form to indicate what duties are imposed by these foreign countries. We know of course that they have varying tariffs; they have high tariffs and low tariffs; some have intermediate tariffs and others have not. Others again have one tariff against the world. But we have undertaken to accept the lowest tariff from them, whatever it may be, and we are giving them in return—apart from the British preferential tariff—a rate lower than that we shall enjoy from any of them. And this we are doing regardless of any other consideration. I submit that is not a proper basis on which to negotiate a treaty. For instance, we should know exactly whether, by reason of such a treaty, raisins are to cost us $2 or $3 per pound in duties. Had we known that when the treaty was negotiated with Australia, the situation would have been different, because there are many admirable things in connection with that treaty. I suggest, however, that if the minister had had the knowledge of bargaining he should have had, he would not not have made that agreement with respect to raisins. He has said himself, and we have it on record, that when he went to Australia he tried to raise the tariff so that he would have something with which to bargain, having in mind the very fact to which I now allude. So it is painfully apparent to us as the years go by that to place upon the statute book a treaty about which we have nothing before us to indicate the measure of the duties imposed is but to put our heads in a noose and leave the noose open. As a result some products may come in here more readily than they will go anywhere else, while at the same time we have the advantage of the lowest tariff, whatever it may be ,in these countries in Europe. There is nothing to indicate that the protection is fair or just, and certainly it is a departure from the principles under which tariff treaties were negotiated in the early history of this country. For that reason

we are directing attention to the undesirability of entering into blanket treaties with respect to trade which contain no specific reference to the various matters affected, and which do not allow this country to safeguard its industrial, agricultural and indeed its national life through this parliament. We have had occasion during the last few weeks and months to direct attention to the fact that the treaty negotiated with New Zealand by order in council has brought into Canada from the country during the last few months thousands of pounds of butter. I do not refer to the Australian treaty; I speak of a tariff treaty negotiated by order in council, with respect to which this parliament was not consulted. I submit that to negotiate commercial treaties in this way is to bring about injury to the economic life of this country which cannot be easily overtaken, because as he said not long ago my hon. friend realizes the difficulties with which he had to deal in considering the effect as regards raisins and the effect of the New Zealand treaty with respect to butter.

I do not want these cases to be similar in character, and for that reason we venture to point out the undesirability of negotiating blanket treaties with no reference to the articles affected, leaving the lowest tariff in each country to affect the imports into the respective countries without regard to the peculiar circumstances and conditions under which we maintain our national life.

Mr. MACKENZIE KING: My hon. friend has spoken so rapidly and has covered so many subjects in the course of his remarks that I hope he will pardon me if at the moment I do not fully grasp the significance of all that he has said. However, he did begin by referring to the agricultural implement industry, and I believe he cited Mr. Bradshaw as an authority. The impression he sought to leave with the committee was that through its legislation the government had in some way injured the agricultural implement industry.

Mr. BENNETT: I will correct that; if I spoke so rapidly that my hon friend could not hear me I will now speak slowly. I said that when the legislation was introduced lowering the duty on agricultural implements Mr. Bradshaw said that if it remained as it was it would be ruinous to the industry, and that the government gave drawbacks upon the steel, iron and other raw materials entering into the construction of these implements, so that the industry was better off than ever.

Mr. MACKENZIE KING: Do I understand my hon. friend to say that the effect of the legislation really has been to help the agricultural industry?

Mr. BENNETT: To give it the same protection it had before.

Mr. MACKENZIE KING: Is my hon. friend arguing that the effect of the legislation has been to help the agricultural implement industry or to injure it?

Mr. BENNETT: I repeat—

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: There is no difficulty in answering that question. The legislation passed by the government has afforded to the agricultural implement industry as much protection as it had before, if not more. The point I made was with regard to the duplicity involved in endeavouring to make one part of the public believe the government were removing duties while they were really putting the manufacturer in a better position than he occupied before.

Mr. MACKENZIE KING: My hon. friend must not get away from the point. His argument was that the agricultural implement industry was now obliged to export very much more largely than had been the case formerly, and the inference was that it did so because it was not in as favourable a position as it had been before the legislation had been passed by the government, or as it would be were it supplying the home market primarily.

Mr. BENNETT: That is true.

Mr. MACKENZIE KING: I assume my hon. friend will still admit that Mr. Bradshaw is an authority deserving of quotation?

Mr. BENNETT: Certainly he should be.

Mr. MACKENZIE KING: Then allow me to read to my hon. friend what Mr. Bradshaw has said in reference to the agricultural implement industry as his words will be found in the Montreal Financial Times under date of March 9 of this year. He says:

> The year 1927 witnessed a conspicuous advance on the part of the implement industry in Canada. Sales showed a substantial increase in most fields—

Later on he said:

> Production in all Canadian implement factories last year was noticeably greater than before, and in many of them it was necessary to engage in night shifts to a considerable extent.

Mr. BENNETT: That is export business.

Mr. MACKENZIE KING: That is the business in which these companies are engaged. Mr. Bradshaw proceeded.

Although the implement industry was able to make a substantial advance in Canada in 1926, its progress in 1927 was even greater. All companies reported increased business both in east and west.

Further on he said:

In view of the generally good conditions as outlined and the substantial progress made in recent years, the implement manufacturer feels justified in taking an optimistic view.

I think we can accept the statement of Mr. Bradshaw as to the position of the implement industry, and I think the manufacturers of agricultural implements know their business better than does anyone else. If it is profitable to make their sales in an export market rather than in the home market I think the manufacturers should be given that privilege, so long as the Canadian consumer has the opportunity of getting his goods from whatever sources they can be obtained at the lowest cost possible. His interests then will be amply protected. I say therefore the policy of the government in enabling the consumer to obtain his implements from sources which may be even more advantageous to him than those of the home manufacturers, and at the same time enabling our manufacturers to increase their total production, and in particular their export business, has helped both the producer and the consumer.

Mr. ROBB: My hon. friend has been quoting figures, and to substantiate what Mr. Bradshaw has said I find that in the year 1921, when hon. members opposite were in office, the importation of agricultural implements from the United States amounted to $24,134,783. Today my hon. friend complains because that business amounts to about $18,000,000.

Mr. BENNETT: $29,000,000.

Mr. ROBB: I see the reason for the difference; I am quoting the figures for the fiscal years.

Mr. SPENCE: You are quoting them to suit yourself.

Mr. ROBB: It makes no difference; it is a year's business just the same. During the fiscal year 1927 our export of agricultural implements to the United States amounted to $4,204,581, so the trade goes both ways.

I must have misunderstood my hon. friend from Toronto; I thought he was asking for the export of goods from the different countries mentioned to the United Kingdom, but now I infer that the house requires information as to the difference in tariffs, and I am quite prepared to put that information on record.

Mr. GEARY: What I suggested to the minister was that he should take the house into his confidence as to the negotiations, and as to what he learned which induced him to enter into this treaty. He has given us nothing whatever on these points.

Mr. ROBB: My hon. friend wanted to know—

Mr. GEARY: What the prospects are under the new tariff.

Mr. ROBB: My hon. friend wants me to give the difference in the tariffs. For instance in Esthonia we are getting a reduction of from 10 to 50 per cent.

Mr. FRASER: What are the rates?

Mr. ROBB: I will give the rates. On explosion motors operated by naphtha fuel, and other machinery, the rates are 0.23½ gold francs per kilo. The reduction under the French treaty with Esthonia is 20 per cent off the general tariff. In the case of agricultural machines the general tariff is 0.02 francs. The reduction under the French treaty with Esthonia is 30 per cent. Their franc is one-fifth of a dollar in round figures, and we get a reduction of 30 per cent.

Mr. CHAPLIN: Is the rate so much a pound or so much a kilogram?

Mr. ROBB: A kilogram, I imagine. There are reductions of 50 per cent, 50 per cent, 20 per cent, 33⅓ per cent, 25 per cent and 50 per cent.

Mr. FRASER: What is the rate on beans entering Hungary?

Mr. ROBB: We do not ship beans.

Mr. FRASER: You referred to Hungary this afternoon. I do not know what you meant by it.

Mr. ROBB: We do not ship beans to Hungary.

Mr. FRASER: What does Hungary charge if we want to ship them to that country?

Mr. CHAPLIN: We may have a chance to export beans.

Mr. ROBB: I have not the rate on beans.

Mr. KAISER: The Prime Minister and the Minister of Finance are quoting figures purporting to show what has been accomplished in the matter of agricultural implements. They

claim that as the result of a change made in the tariff the agricultural implement people employed more hands. Now in the case of this large industry when the duty was taken off the government endeavoured to assist them from the bottom by permitting certain materials from a foreign country to enter Canada free and to go into the manufacture of agricultural implements. When the members of the government are setting up claims in regard to the number of men employed in the agricultural implement industry why do they not state how many men were thrown on the street in Oshawa because the malleable iron works closed for a year or two? For years and years we made malleable iron for this industry and thus built up a large industry. It was a secondary industry and this government never considers the little industries. Canada needs the smaller factories, and they require to be looked after just as well as the larger ones. Malleable iron entering into the manufacture of these implements was allowed to come into the country free or almost free. A few days after the government made this change the large industries took from their factories in Oshawa every mould and every pattern. They were actually closed down, the men were thrown on the street, and the malleable iron industry in Oshawa would have been out of business to-day had it not been for the springing into existence of the automobile industry, whereupon the malleable iron works changed from making malleable iron for agricultural implements to making iron for automobiles. But this readjustment required several years. The government effected a little change in the tariff in the interest of the large industries and put a number of small industries out of business. This is something which should be taken into consideration when the government make such boasts as those in which they have been indulging.

Mr. STEVENS: My hon. friend the Minister of Railways (Mr. Dunning) grins and laughs; I do not know why.

Mr. DUNNING: May I not smile? I was not thinking about the hon. gentlemen.

Mr. STEVENS: My hon. friend may smile if he chooses but there are two ways of doing it. Last night when a similar treaty was under discussion we drew the attention of the minister to the fact that the French treaty would be carried en bloc into these treaties. We have no way of judging what the effect of the French treaty upon Canadian trade is as applied to these different countries; the minister is not vouchsafing any information on that subject. I want to take this opportunity of protesting, as I did yesterday, against the system of blindly incorporating one treaty into another without any knowledge of the possible effect of the treaty with France upon the seven treaties we are now adopting. I call the attention of the committee and the minister to the fact that in the explanatory notes in this bill we have nothing before us at all except the quotations from the treaties indicating that Canada may, under certain conditions, join in the benefits or what are suggested as benefits likely to result from those treaties. We have no information before us as to what the effects of these treaties will be. I draw attention to the further fact that these seven treaties are made with Great Britain, which has an entirely different fiscal system from that of Canada, and we have not before us any information that will enable us to judge whether or not treaties which it may be quite proper for Great Britain to make are suitable to the fiscal policy of this country.

There is another thing I want to refer to, because there has been some argument and a bit of cross-firing regarding the effect of the tariff in two or three principal industries. The minister quoted figures for two selected years regarding the agricultural implement industry. What I wish to place before the committee in that respect is a quotation from the Trade of Canada for the fiscal year ending March 31, 1927. I shall not bore the house with the details, but I have them here and if required I will give them. The total imports of agricultural implements in 1923 were $8,392,000. That was the year, if I recall rightly, when the amendment to the tariff was made.

Mr. ROBB: No, it was in 1924.

Mr. STEVENS: I will give the other years. About that time an amendment to the tariff was made reducing the duties, and this is the story in regard to imports of these agricultural implements. I am giving the round figures:

Year	Imports
1923	$ 8,300,000
1924	11,600,000
1925	6,400,000
1926	13,200,000
1927	18,800,000

The point is this, that in these few years the importations jumped to more than double what they were prior to the change in tariff.

Mr. STEWART (Edmonton): Has my hon. friend the figures as to the output of Canadian companies during that period?

Mr. STEVENS: I will deal with that in a moment. The export trade shows a corresponding increase. The figures are as follows:

Year	Exports
1923	$ 6,000,000
1924	9,000,000
1925	11,000,000
1926	13,000,000
1927	17,000,000

It is not a sufficient answer to say: Oh, you have lost a great deal of business in Canada; there has been a tremendous increase in imports, but you have been exporting. This is what I want to draw to the attention of the committee. The Minister of Finance and his colleagues argue on the basis that if we can keep Canadian trade just about even, we are doing well. Canada ought to be progressing more effectively and in a larger degree than any other country in the world.

Mr. ROBB: Canada is doing so.

Mr. STEVENS: It ought to do so. Its natural conditions warrant us in expecting it to expand in every direction, but it is not doing so in these particular branches of trade. We have increased our exports and that is all to the good, but we must look at the other side of the story and realize that we have increased our imports in this industry. I have under my hand the figures, which I shall not bore the committee with at the moment, but which show that the cost to the Canadian purchaser has not been reduced correspondingly; as a matter of fact there is an increase in the cost to the Canadian purchaser. But Canadian factories have lost about $10,000,000 worth of business owing to increased imports in this particular line.

Mr. STEWART (Edmonton): Does my hon. friend intend to give the committee the increase in the home trade?

Mr. STEVENS: The figures are not given

Mr. STEWART (Edmonton): They would be interesting.

Mr. STEVENS: I make this suggestion, although it will take a little mental arithmetic. We might take the exports and if we deduct from them—

Mr. STEWART (Edmonton): All I want is the bare increase in business.

Mr. STEVENS: I have not the figures under my hand. I was endeavouring to suggest a way by which they might be arrived at. I am not saying that there has been no increase. I am saying that there has been a large increase in exports, but there has also been a tremendous increase in imports.

Let me deal now with imports of automobile parts. The figures are as follows:

Year	Imports
1923	$14,000,000
1924	16,000,000
1925	14,000,000

That is an average of about $15,000,000 a year. Then in the second budget of 1925 we amended the tariff adjustments that were first introduced and we put certain parts and materials on the free list, with what result? The result was that importations of automobile parts increased in 1926 to $23,000,000 and, in 1927, the figures for which the minister did not quote, to $29,000,000. What has been the effect? The effect of the amendment to the tariff in 1925 has been simply to double our imports of parts entering into the manufacture of automobiles. Let me take some of the items. For instance, a line of manufacture that is handled wholly in Canada is tops, wheels and bodies. I see no imports of these prior to 1925, but in 1926 we have an importation amounting to $6,000,000, showing a tremendous increase in this importation and naturally a loss to Canadian trade. The result of the whole thing is this, as my hon. friend pointed out a moment ago: You closed up in Oshawa a malleable iron factory for a period of time. It is true they reopened that and are working again. In another section of Canada near Windsor there was a factory successfully manufacturing automobile tops, and this factory has been closed up and out of business ever since. Authorities that know tell me that in Ontario alone there are two hundred industries that are seriously affected by these amendments to the tariff. It is not sufficient to say that Massey-Harris, the International Harvester, possibly the General Motors and a few other large companies have compensated their loss in some other way, if other industries in other cities and towns have been seriously and adversely affected. That is our complaint. We say to the minister in regard to this treaty just as we said in regard to the treaty that was under discussion yesterday: We have no way of gauging its possible effect upon Canadian trade. Personally I am quite prepared to endorse the principle of making trade agreements with other countries; but I would want to use our bargaining power, that is our tariff, in making specific treaties with these different countries, getting some advantage in their market in return for an advantage offered in our market. But in this case we are given nothing of the kind, and I venture to say that the minister has not an official

in his department nor has the Department of National Revenue an official who can give us any idea of the possible effect of this treaty. This series of treaties will go into operation; imports will start to come in and then industries which are adversely affected will come next year before parliament or before the government and plead for some redress in regard to the unfair competition to which they are subjected. That is not a reasonable way to legislate or to make treaties, and we are justified in complaining very bitterly that the minister is unable to give us any information regarding the possible or likely effect of this treaty. When the hon. member for South Toronto put his question to the minister this afternoon, it was a pertinent query that ought to have brought forth some response, I repeat what I said yesterday in regard to the treaty with Czechoslovakia, that we are blindly ratifying to-night these seven treaties without knowing any of their terms. Furthermore, we do not know to what we are committed in the way of navigation, because these are trade and navigation treaties.

Mr. ROBB: There is nothing about navigation. We are accepting only the trade part.

Mr. STEVENS: It is very comforting to get that information from the minister.

Mr. ROBB: I would direct my hon. friend's attention to the preamble, which is very clear:

Whereas it is desirable that Canada should have the benefit of that portion of each of the treaties or agreements which provide for the exchange of the said mutual trade advantages.

That is all we accept.

Mr. STEVENS: I read this also in the preamble:

Whereas by treaties of commerce and navigation or by agreements made by exchanges of notes between the United Kingdom of Great Britain and Ireland and the countries and on the dates set out in the schedule to this act—

Mr. ROBB: That is the title.

Mr. STEVENS: No, it is the preamble.

It is provided that the stipulations of the said treaties or agreements respectively shall not be applicable to any self-governing dominion unless notice is given of the desire of His Majesty that the said stipulations shall apply to such dominion but that nevertheless goods of such dominion shall enjoy in each of the said countries respectively the same treatment as would be enjoyed by similar goods if produced in the United Kingdom so long as goods produced or manufactured in the respective countries are accorded in such dominion favoured-nation treatment;

Mr. ROBB: Read on.

Mr. STEVENS:

and whereas it is desirable that Canada should have the benefit of that portion of each of the treaties or agreements which provides for the exchange of the said mutual trade advantages: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

We have not a single article of the treaties before us except these articles which refer to the method by which we shall become a party to the treaty. That is the complaint we make, that the minister ought to have given the house copies of these treaties long ago so that we might have studied them carefully, together with information regarding trade other than just the bare imports and exports—because, after all, we are not making this agreement simply to deal with $300 worth of beans, which was mentioned in regard to one of the countries, but with the expectation of doing a growing business. If we expect to do additional business we want to know what direction that business is going to take. If we expect to increase our importations from these countries—and there can be no other object—we want to know what effect that is going to have on Canadian trade.

My hon. friend from Cariboo a moment ago drew attention to the question of beans. It raised a laugh in the house, but I want to say that I know that particular district and have known it for nearly thirty-five years. There are hundreds of farmers in that district, which is in what is known as the dry belt of British Columbia, who succeeded years ago in raising a very high quality of bean. It was their whole crop, and was just as important to them as the wheat crop is to the prairie farmer or the vegetable crop to farmers in other parts of the country. It was life or death to them, financially; it meant success or failure. Conditions were difficult for them because of competition from Japan and China, and the beans from those countries, by the way, were found upon examination in Canada to contain a certain poison, and there was a time when we had to shut those beans out of this country in the interest of the health of the people of Canada. There is now coming in from certain of the Balkan states what is known to be an inferior bean, a small yellow bean, which is not on a par at all with the beans we can produce in the district to which my hon. friend has referred and in other sections of Canada; they are not comparable at all, and yet our farmers are faced with this competition. The minister and others may say, what do the few beans we import amount to? But I say that it means all the difference between these farmers continuing in business or being driven out of business.

An hon. MEMBER: It means spilling the beans.

Mr. STEVENS: Yes. It makes all the difference in the world to them. It is a serious matter. I notice in the tariff which I have under my hand a long schedule of stuff coming in from Japan. Now the Japanese treaty of 1913, irrespective of what it contains, is to become our treaty with these seven different countries, and I ask the minister, does he know, in the light of the Japanese treaty, what the effect of these other treaties will be on Canadian trade. He may answer that he does not think they will have much effect. I do not know; I have not had time to check it up, but the point I am making is that both the French and the Japanese treaties become our treaties with seven other countries by one stroke of the pen, without the slightest information being furnished to parliament as to the possible effects. I submit that that is not fair to the people of Canada. Those in Canada who will be affected will not know it for one, two, three, four, six months, or perhaps a year, and then they will begin to realise that importers in Montreal and other parts of Canada are bringing in goods with which they cannot successfully compete. Someone may say, let us buy these goods in the cheapest market; but owing to the depreciated currency in these countries, and that factor, I am glad to say, is lessening from year to year—

Mr. YOUNG (Weyburn): How does depreciated currency affect the situation?

Mr. STEVENS: The depreciated currency of Europe has been one of the most serious factors affecting our trade. My hon. friend can shake his head, but I know it; I have studied it from end to end. And not only is that a factor, but there are also the long hours of labour and the low wages paid in those countries. There is no gainsaying that their standard of living is lower than the Canadian standard. It is all very well to come forward with this rather fantastic theory that the great desideratum should be to buy your goods in the cheapest market and sell them in the dearest, and then fold your arms and feel that you have propounded a profound philosophy, but as a matter of fact these things are not dealt with by theory; they are not determined by any philosophical reasoning, but by cold facts, competition and experience, and the experience of Canada will be suddenly to wake up and find that she has entangled herself in a dozen treaties in the last few hours which parliament is blindly ratifying without adequate information as to what the effects will be.

[Mr. Stevens.]

Mr. ROBB: My hon. friend was for a short time—for altogether too short a time, I have no doubt he imagines—Minister of Trade and Commerce, and he knows the staff of the department fairly well. I think he will agree that among our best trade commissioners is Mr. Wilgress, who represents Canada as trade commissioner with headquarters at Hamburg. My hon. friend complains that we have no information before us from any of the officers of the department recommending treaties with these countries.

Mr. STEVENS: I did not say anything of the kind. I said that parliament has no information before it. The minister may have the information on his desk, but we have been discussing these matters now for two hours; one of these treaties we discussed for nearly two days, and I submit that, whatever information the minister has, it has not been placed before parliament.

Mr. ROBB: We have a letter from Mr. Wilgress dated September 21, 1926—possibly he was then writing to my hon. friend as minister—in which he says:

> You will note that while Canadian goods are at present receiving the reductions, the Esthonian government are awaiting official notification from Canada that most-favoured-nation treatment is being extended to goods of Esthonian origin. I cannot too strongly urge that steps should be taken as soon as possible to officially notify the Esthonian government in the above sense, since there are practically no products which Esthonia could export to Canada, and hence the advantages would be all on the Canadian side if such a step was taken.

I admit at once that perhaps it might have been better had we had printed and distributed among the members more detailed information as to the difference in the tariffs, but as I pointed out on the introduction of the measure, we are obtaining concessions running from 10 to 50 per cent in the tariffs on our goods going into these countries. My hon. friend complains that this treaty is based on the treaty made with Japan, and he mentioned particularly beans. My hon. friend surely is not going to chide me over the Japanese treaty, which was made by the Conservative government in office in 1913.

Mr. STEVENS: That is not my point, and the minister knows it.

Mr. ROBB: I am not finding any fault with the government of that day; I think it was a pretty good trade agreement with Japan. In 1922 we imported from Japan $8,194,682 worth of goods, and we exported about $14,900,000 worth; in 1927 the respective figures were $11,000,000 and $30,000,000 odd. That is a pretty good kind of trade.

I submit experience will prove not what my hon. friend has suggested, but that this trade will be of equal advantage to the Dominion.

Mr. CHAPLIN: Will the minister give us the trade under the French treaty?

Mr. ROBB: In 1922 we imported from France $13,482,005 worth of goods, and exported $8,248,000 odd; in 1927 the respective figures were approximately $23,000,000 and $15,000,000. I admit at once that in this case the balance of trade is against us.

Referring again to agricultural implements, mentioned by my hon. friend, I observe that our total exports to all countries for the fiscal year ending March, 1927, were about $17,000,000 in value, and our total imports about $18,000,000. But had my hon. friends thought for one moment they would not have brought up this question, particularly as to the increase in our importations, because the records show that this increase is represented mainly by farm tractors and tractor parts. My hon. friends did not treat that industry as kindly as we did the agricultural implement industry in 1924. In 1918 they put these tractors on the free list, but did not make any provision for our manufacturers to get their raw material on the same basis, with the result that they put the industry right out of business. To-day we are not manufacturing any farm tractors, and last year we imported $8,000,000 odd.

Mr. CHAPLIN: What we did in 1918 was in the nature of a war measure to increase the production of grain at less cost. The minister knows that very well. What has he done to alleviate the condition? Nothing.

Mr. STEWART (Edmonton): Did the government supported by the hon. gentleman do anything for the industry between 1918 and 1921?

Mr. CHAPLIN: We simply took off the tariff.

Mr. STEWART (Edmonton): But you did not put it on again.

Mr. CHAPLIN: When the Union government was in power it was well understood that no tariff changes would be made except in a few instances; that is, there was no general adjustment. If what we did was wrong, why did not the present minister make the necessary change? Has he done anything?

Mr. STEVENS: The minister has again followed his old course of imputing to me an adverse reference to the Japanese treaty that I never made.

Mr. ROBB: No.

Mr. STEVENS: What I complain of is that by this omnibus measure we are embodying in the seven treaties dealt with the treaty with France and the treaty with Japan, without any adequate knowledge of what the effect will be. Then the minister told us we had no information. But after we have been debating this and the other treaties for two days, he produces for the first time a letter from our trade agent in Hamburg. That letter contained only a suggestion to the government that the time had come when we should enter into treaties with these countries. My complaint is that the minister has had since 1926, when the letter was received, until 1928, to prepare his precis of this whole business, which should have been laid on the table with these bills so we would know what the effect would be. I am not complaining of the officers of the department. I am complaining that the government of the day brings down measures without furnishing the information to enable us to judge their merits. I protest vigorously against passing these treaties. It may be that they will work out satisfactorily, but we are going blind at the present time. As I said on a previous occasion, neither the minister himself, nor any of his colleagues, nor any official of his department, is competent to say now what will be the effect of these treaties.

Section agreed to.

Schedule agreed to.

Bill reported.

Mr. ROBB moved the third reading of the bill.

Mr. SPEAKER: Shall the said bill be read a third time?

Mr. BENNETT: On division.

Mr. SPEAKER: Carried on division.

Motion agreed to and bill read the third time and passed.

On motion of Mr. Mackenzie King the house adjourned at 10.53 p.m.

Wednesday, April 18, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Fifth report of the select standing committee on banking and commerce.—Mr. Hay.

Sixth report of the select standing committee on agriculture and colonization.—Mr. Kay.

On motion of Mr. Hay the fifth report of the committee on banking and commerce was concurred in.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FOREST CONSERVATION AND PATHOLOGY

Mr. LADNER:

1. Is the government carrying on any work in forestry pathology in the province of British Columbia?
2. If so, what is the staff and what is the amount of money spent during each of the last three years?
3. Does the government of Canada engage in the work of forestry conservation in the province of British Columbia?
4. If so, what has been the expense thereof?
5. In view of the great devastation amongst the forests of Canada due to disease, is it the intention of the government to further increase the work of forest conservation and forest pathology?

Mr. RINFRET:

Department of Agriculture—

1. If this question includes forest entomology the government has carried out a great deal of research work as outlined in reply to question 3.

2. Forest entomology in B.C.

	1925–26	1926–27	1927–28
Staff..	6	7	8
Expenditure..	$9,033.79	$12,068.14	$12,045.42

3. Yes. In addition to other work of this kind the Dominion Department of Agriculture has paid special attention to injuries by forest insects in British Columbia. For the past six years the division of forest insects of the Dominion entomological branch has been investigating the extensive forest insect outbreaks in British Columbia. Its officers have studied the insect outbreaks wherever large amounts of timber were being destroyed, have devised and recommended methods of control, wherever possible, and have undertaken the supervision of control measures that were instituted on their recommendations by the provincial forest branch and the Dominion forest service. Through the effect co-operation of these three organizations a large amount of valuable timber has been saved during the past few years.

This work has in the past been devoted chiefly to the control of extensive outbreaks of bark-beetles in yellow pine. The bark-beetle control work has now been brought to a successful conclusion and recently the investigations have been extended to include bark-beetle outbreaks in lodgepole pine, Douglas fir, and other timber trees, injury by the western cedar borer, and other destructive forest insects.

4. As stated under question No. 2.

5. Under consideration.

Department of the Interior—

1. Aside from pathological work on wood performed in the forest products laboratories in this service at Vancouver; and aside from the incidental pathological problems which come to the attention of our forest protective and administrative organization, no special provision has been made by this service for forest pathological study.

2. Impossible to segregate incidental charges to pathological studies.

3. Yes.

4. The forest service expenditure is as follows:—

Forest protection	1925–26	1926–27	1927–28	Total
(a) Forest administration silvicultural research..	$225,940 33	$309,653 89	$184,886 47	$720,480 69
(b) Forest products res. labs. Vancouver and Montreal..	22,332 56	27,044 13	30,248 35	79,625 04
	$248,272 89	$336,698 02	$215,134 82	$800,105 73

Forest fire protection expenditures in national parks situated in British Columbia—

Park	1925–26	1926–27	1927–28 Jan. 31
Yoho..	$ 967 00	$1,629 00	$2,960 00
Glacier..	988 00	284 00	1,570 00
Revelstoke..	1,028 00	1,419 00	1,473 00
Kootenay..	1,410 00	2,166 00	1,468 00
Total..	$4,393 00	$5,498 00	$7,471 00

[Mr. Speaker.]

Wardens' salaries and expenses—

Park	1925-26	1926-27	1927-28
Yoho	$ 6,693 40	$ 8,176 63	$ 8,216 99
Glacier	4,860 43	4,646 17	4,659 08
Revelstoke	1,696 41	2,099 97	2,075 43
Kootenay	5,766 91	8,058 08	6,920 14
Total	$19,017 15	$22,980 85	$21,871 64

Forest telephones—

Yoho	$124 78	$1,032 58	$694 20
Glacier	.....	.....	.....
Revelstoke	60 00	109 85	48 75
Kootenay	200 10	59 95	105 69
Total	$384 88	$1,202 38	$848 64

Fires—

			Jan. 31
Yoho	$ 298 40	$16,138 00	$ 46 04
Glacier	1,324 76	1,107 95	69 51
Revelstoke	9,409 58	10,288 04	74 41
Kootenay	1,801 79	43,937 73	9 00
Total	$12,834 53	$71,471 72	$198 96

Fires in National parks of Canada situated in British Columbia 1918-1927

Year	Cost of extinguishing
1918-19	$ 186 04
1919-20	636 65
1920-21	2,269 55
1921-22	450 75
1922-23	2,460 19
1923-24	1,549 67
1924-25	622 61
1925-26	12,834 53
1926-27	71,471 72
1927-28	198 96
	$ 92,680 67

5. Yes.

POPULATION OF CANADA

Mr. KELLNER:

1. What is the present population of Canada?
2. How many now resident in Canada were born in Canada?
3. How many resident in Canada are British born?
4. How many resident in Canada are foreign born?

Mr. MALCOLM:

1. Estimate as of June 1, 1927—9,519,000. Latest census (1921)—8,788,483.
2. 6,832,747 (1921 census).
3. 1,065,454 (1921 census).
4. 890,282 (1921 census).

DISPOSAL OF PUBLIC PROPERTY

Mr. TUMMON:

1. Is there a salvage department maintained by the government for the disposal of government owned machinery, equipment and such like?
2. If so, under what department of the government are said salvage operations carried on, and who is in charge of the same?
3. Is the equipment and machinery offered for sale in each case by public tender?
4. What publicity is given the advertisements?
5. If not offered for sale by public tender, how is disposal made?

Mr. RINFRET:

1. Yes.
2. Government contracts supervision committee; L. R. LaFléche, secretary, L. H. Beer, salvage officer.

3 and 4. Unless required by another department of the government, invitations to tender are sent to all persons and firms known or thought to be interested and (or) by (a) public notices (b) advertisements in the press.

5. See answer to 3 and 4.

STEAMSHIP HOCHELAGA

Mr. WARD:

1. Is there a contract between the Department of Trade and Commerce and the Hochelaga Shipping and Towing Company, Limited, for the operation of the ss. Hochelaga between Charlottetown, Prince Edward Island, and Pictou, Nova Scotia?

2. When does the contract expire?
3. What are the terms of the original contract?
4. Who is the manager of Hochelaga Shipping and Towing Company, Limited?
5. What are the passenger fares charged?
6. Has the Hochelaga been under charter or contract to any other department of the government during the past three years?

Mr. RINFRET:

1. Yes.

2. November 30, 1928.

3. The original contract, dated July 21, 1924, provided for a regular daily service, except Sundays between Pictou and Charlottetown, from June 1 until October 31 in each year, from 1924 to 1928 inclusive; subsidy to be payable at the rate of $5,000 for each full month's service, or such proportion thereof as may have been earned. On March 22, 1927, a supplementary contract was signed, extending all the provisions of the aforesaid contract, to cover the months of May and November in each of the years 1927 and 1928; subsidy to be payable at the rate of $5,000 per month for each of the said months. The contract contains the usual provisions in regard to the carriage of mails, approval of freight and passenger rates by the minister, etc., as are common to all subsidized service contracts.

4. John Simon, Esq., Halifax, N.S.

5. Hochelaga Shipping & Towing Company, Limited. Passenger fares 1928

One way fare	$3
Return	5
Commercial	2
Automobiles, small	5
Automobiles, large	6
Automobiles, extra large	7
Meals	1

6. Yes. Department of National Revenue (preventive service) period 1st April to 15th May, 1927.

TECHNICAL EDUCATION

Mr. MANION:

1. How many schools in the province of Ontario receive financial aid under the Technical Education Act of 1919?

2. How many schools in each of the other provinces receive grants under this act?

3. Does the government contemplate the withdrawal of financial support now provided under the Technical Education Act of 1919?

Mr. LAPOINTE:

1. Answered by No. 2.

2. Number of municipalities conducting day classes in Canada and receiving grants under the Technical Education Act: British Columbia, 15; Alberta, 3; Saskatchewan, 3; Manitoba, 5; Ontario, 32; Quebec, 10; New Brunswick, 8; Nova Scotia, 1; P.E. Island, 1.; Number of municipalities conducting evening classes in Canada and receiving grants under the Technical Education Act: British Columbia, 39; Alberta, 9; Saskatchewan, 2; Manitoba, 1; Ontario, 57; Quebec, 21; New Brunswick, 8; Nova Scotia, 24; P. E. Island, 9.

3. The act does not terminate until March 31, 1929.

Note: As there is no uniform definition of the word "school" and the provincial statistics are based on different conceptions of what constitutes a school, the number of municipalities conducting day and evening classes, and receiving grants under the act, and not the number of schools, is reported to the Department of Labour.

CUSTOMS INQUIRY

Mr. CHURCH:

1. What were the remuneration, living expenses and other allowances received by each of the commissioners in the recent customs inquiry, and to whom paid?

2. What was paid to counsel engaged in the case by the government in respect of remuneration, living expenses and other allowances?

Mr. ROBB:

1.

	Living allowance	Travelling and other expenses
Hon. J. T. Brown	$8,600 00	$1,436 00
Hon. E. Roy	7,650 00	1,342 62
Hon. W. H. Wright	7,600 00	898 73
Sir François Lemieux		1,032 13*

*Including expenses of secretary.

2.

	Fees	Living allowance	Travelling and other expenses
Hon. N. W. Rowell	$44,060 00	$3,230 00	$3,140 84
R. L. Calder	21,038 00	3,375 00	1,138 32
G. C. Lindsay	8,685 71	3,885 00	1,056 66
R. B. Law	10,142 85	4,085 00	888 59
W. F. O'Connor	7,400 00	270 00	141 41

MR. ALBERT ELLIOTT

Mr. MacNUTT:

1. Is Albert Elliott of River John, Pictou county, in the employ of the federal government?
2. If so, what is his position?
3. By whom was he recommended?
4. What other applicants were there, if any, for this position?
5. Was it made by the civil service, and, if so, when and how were applications called for the same?
6. How much to date has been paid Elliott for his services?
7. At what rate is he being paid?
8. What part of his duties, if any, are performed in the county of Colchester?
9. What expenses, if any, have been allowed Mr. Elliott for services performed in Colchester county?
10. What seizures, if any, have been made by Mr. Elliott since his appointment?
11. What previous qualifications, if any, did Mr. Elliott have for this position?

Mr. EULER:

1. Yes.

2. Special customs-excise enforcement officer.

3. Chief, customs-excise preventive service.

4. No record of any for this position up to time of Mr. Elliott's appointment.

5. No. Appointment made by the Honourable the Minister of National Revenue. Vide subsection 4, of section 2, of the Department of National Revenue Act and of the statutory adoption of the provisions of votes 352 and 540 of the estimates for the fiscal year ending March 31, 1928.

6. Salary—$1,050; expenses—$26.20.

7. $1,200 per annum.

8. Officers in the preventive service are a mobile force and are apopinted for the whole province and not for any particular county. Mr. Elliott's duties at times take him into Cumberland, Colchester and Pictou counties.

9. See answer to question No. 6. No record is kept of expenses incurred in any particular county.

10. Two excise seizures.

Note: General reports from divisional chief state very little smuggling along shore in vicinity of Tatamagouche during past season.

11. No previous experience as law enforcement officer; chosen principally on account of his character and knowledge of the district.

TOURISTS

Mr. ROBINSON:

What sort of control, if any, is the Department of Immigration exercising to ascertain that any individual entering Canada as a tourist has returned home after the period of time he may have stated when passing through the hands of the immigration officials on arrival?

Mr. FORKE: Control in any doubtful case is exercised under the provisions of section 13 of the Immigration Act which provides that an officer may require a deposit of money as a guarantee that any person admitted to Canada as belonging to any of the non-immigrant classes shall leave Canada within the time agreed upon at the time of entry. In view of the tremendous volume of tourist or non-immigrant passenger traffic it would be impossible to ascertain that every person of this class left Canada, e.g., during the fiscal year which ended on the 31st of March, 1927, approximately five million people entered Canada at Niagara Falls and 8,826,220 entered Canada at Windsor.

RAILWAY AND PEACE RIVER LANDS

Mr. NEILL:

1. Is it the intention of the government to bring in a bill this session enabling them to negotiate with the province of British Columbia for the transfer to that province of the railway and Peace River lands?
2. Is it the intention of the government to negotiate an agreement with the province of British Columbia for the return of these lands to the province on the basis of equity suggested in Commissioner Martin's report?

Mr. STEWART:

1. It has been found that legislation is not necessary.

2. It is the intention of the government to carry on negotiations with the province of British Columbia during the recess with a view to the transfer to the province of British Columbia the ownership and control of the said railway and Peace River lands.

QUESTION PASSED AS ORDER FOR RETURN

WOOL AND MUTTON IMPORTS AND EXPORTS

Mr. McGIBBON:

1. What were the quantities and values of the imports and exports, also duty collected on (a) raw wool and worsted tops of wool; (b) sheep skins; (c) mutton and lamb; (d) manufactured or partially manufactured products of wool, not including raw wool or worsted tops, for each year ending March 31, 1923, 1924, 1925, 1926 and 1927?
2. What was the total of the above-mentioned imports and exports for the said five years?

Mr. MALCOLM: I table the return.

Question as Order for Return

1. Imports:

Fiscal years ended March 31	(a) Raw Wool, Worsted Tops, Noils and Garnetted Wool Waste			(b) Sheep Skins			(c) Mutton and Lamb			(d) Wool Mfrs. excluding Raw Wool, etc., shown in Column (a)		
	Quantity	Value	Duty	Quantity	Value	Duty	Quantity	Value	Duty	Quantity	Value	Duty
	Pounds	$	$ cts.	Pounds	$	$ cts.	Pounds	$	$ cts.		$	$ cts.
1923...	27,568,702	9,604,713	654 52	2,129,224	350,200	None	1,460,130	261,382	42,785 68		36,129,668	9,153,226 72
1924...	28,045,421	11,341,189	76 50	3,436,713	722,551	"	1,561,528	271,100	46,845 84	Not	35,977,179	8,392,640 57
1925...	20,430,983	10,947,487	281 00	3,519,105	1,038,908	"	1,301,637	221,596	38,079 38	avail-	36,667,416	8,480,043 84
1926...	30,010,785	9,766,742	2 00	3,205,099	1,065,052	"	1,382,657	269,145	36,431 11	able	36,269,440	8,436,183 42
1927...	24,751,703	10,311,807	517 67	3,117,524	885,574	"	1,721,453	298,813	34,878 34		40,263,946	9,463,858 33

Exports, Canadian produce

Fiscal Years ended March 31	(a) Raw Wool		(b) Sheep Hides and Skins		(c) Mutton and Lamb		(d) Wool Manufactures	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Pounds	$	Pounds	$	Pounds	$		$
1923	8,667,409	2,363,931	5,141,100	659,620	3,610,100	847,233		391,503
1924	6,009,079	1,947,234	2,509,200	417,434	1,716,100	403,860	Not	407,533
1925	5,625,265	2,434,524	2,529,400	637,141	1,167,200	233,646	available	548,075
1926	6,514,767	2,342,887	1,870,500	456,518	2,480,600	593,475		512,958
1927	5,233,981	1,538,660	2,695,500	653,785	1,286,600	292,240		283,508

Exports, Foreign produce

1923	1,098,693	310,687	397,100	75,100	2,000	458		242,520
1924	999,272	410,504	3,800	1,122	4,500	514	Not	306,317
1925	818,408	449,652	16,200	2,152	6,200	975	available	203,550
1926	156,779	73,233	25,500	8,315	100	1,800		193,228
1927	119,134	45,210	40,200	12,138	56	322		169,762

2.

Fiscal Years ended March 31	Imports		Exports Canadian Produce	Exports Foreign Produce
	Total of—Raw wool, Worsted Tops, Noils, Garnetted waste, Wool manufactures, Sheep skins, Mutton and lamb		Total of—Raw wool, Wool manufactures, Sheep skins, Mutton and lamb	Total of—Raw wool, Wool manufactures, Sheep skins, Mutton and lamb
	Value	Duty	Value	Value
	$	$ cts.	$	$
1923	46,345,963	9,196,666 52	4,262,287	628,765
1924	48,312,019	8,439,562 91	3,176,061	718,457
1925	48,875,407	8,518,404 22	3,853,386	656,329
1926	47,370,379	8,472,616 53	3,905,838	276,576
1927	51,760,140	9,499,254 34	2,568,193	227,432

Total of Each Category for Five Fiscal Years (1923–1927) combined

—	Imports			Exports (Canadian)		Exports (Foreign)	
	Quantity	Value	Duty	Quantity	Value	Quantity	Value
	Pounds	$	$ cts.	Pounds	$	Pounds	$
Raw wool, tops, noils, waste	120,807,594	51,971,938	1,531 69	32,050,501	10,627,236	3,192,286	1,289,286
Wool manufactures	.....	185,307,649	43,925,952 48	.....	2,143,577	.....	1,115,377
Sheep hides and skins	15,407,665	4,062,285	.....	14,745,700	2,624,498	482,800	98,827
Mutton and lamb	7,427,405	1,322,036	199,020 35	10,260,600	2,370,454	12,856	4,069

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—LAVOIE ACCIDENT INQUEST

Mr. FAFARD:

For a copy of the report of the inquest held at Anse-à-Giles station in connection with the accident to Mr. Chs. Eugene Lavoie which took place on the national railways, on the 10th of February, last.

ALBERTA RAILWAYS

Mr. D. M. KENNEDY (Peace River) moved:

For a copy of all letters, telegrams, correspondence, reports and other documents passing between the Department of Railways and Canals and the Alberta government, and the Canadian National Railways and the Canadian Pacific Railway, with reference to the purchase of the railways of Alberta, by the Canadian National Railways, or by the Canadian Pacific Railway, or by the Canadian National and the Canadian Pacific Railways jointly.

Hon. CHARLES DUNNING (Minister of Railways and Canals): The other day I asked that this stand until I could see my hon. friend regarding it. I have not had an opportunity of doing so yet. There is some question in my mind as to what in the way of correspondence my hon. friend wants, and if he would let the motion stand to-day I might have an opportunity of seeing him about it.

Motion stands.

UNITED STATES COAL IN WINNIPEG

Mr. D. M. KENNEDY (Peace River) moved:

For a copy of the report made by the investigators to the Minister of Customs, with regard to the alleged dumping of American coal into the Winnipeg market.

Hon. W. D. EULER (Minister of National Revenue): The information asked for by the hon. member was obtained by the investigators of the department on the understanding that the same would be treated as confidential. For that reason it would be impossible to give the information. I have however no objection to showing him the information privately.

Mr. KENNEDY: Why has an investigation of this kind to be held under those conditions? It is public business.

Mr. EULER: It would be impossible to get the information except with the assistance of the exporters in another country.

Mr. KENNEDY: All right. I will drop the motion.

Motion withdrawn.

TOBACCO GROWING INDUSTRY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I would ask the Minister of Agriculture (Mr. Motherwell) when we may expect the report to be brought down of the commission that was appointed to investigate tobacco conditions in western Ontario.

Hon. W. R. MOTHERWELL (Minister of Agriculture): The report is now in course of preparation, but it has not come to hand yet.

YUKON QUARTZ MINING ACT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 196, to amend the Yukon Quartz Mining Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Annual royalty payable to the crown.

Mr. STEWART (Edmonton): For regulations I propose to take part of the Ontario statute governing the method by which the computation shall take place for the collection of royalties. We found some little difficulty in applying the provisions of the Ontario law to the Yukon, but since this bill was printed and brought down, I have now a complete set of regulations modelled almost exactly on those contained in the Ontario act, with some very slight changes to make them applicable to the Yukon and also to the three prairie provinces and the Northwest Territories, where I intend to apply this system of the collection of royalties rather than the old system which is now in vogue. I would have no objection to taking the bill out of committee and embodying these regulations in the bill, if that is thought wise by the committee, so that instead of it being left to the minister and the department to make the regulations, they will be a part of the statute. I just wanted to point out to the committee that our difficulty was in making the regulations that are contained in the Ontario act applicable to our conditions. I am prepared now to report progress, so that these regulations may be embodied in the bill.

Mr. BENNETT: And the bill will be reprinted?

Mr. STEWART (Edmonton): Yes.

Progress reported.

CANADA GRAIN ACT AMENDMENT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved the second reading of Bill No. 188, to amend the Canada Grain Act.

Motion agreed to, bill read the second time, and referred to the select standing committee on agriculture and colonization.

QUEBEC HARBOUR COMMISSION

LOAN OF $8,500,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Quebec in an amount not exceeding $8,500,000 to carry on the construction of terminal facilities, upon approval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Mr. EDWARDS (Frontenac): How much has been advanced by way of loan to the harbour commissioners up to date?

Mr. CARDIN: Up to the present time we have advanced $14,669,995.

Mr. EDWARDS (Frontenac): May I ask further, in what year and on what terms was that loan granted as regards repayment, and in what amounts was it advanced?

Mr. CARDIN: Previous to 1912, $4,125,000 had been advanced to the old commission. Since that time $13,500,000 has been authorized, of which, as I said a moment ago, $10,515,800 had been advanced. The total amount authorized is $17,625,000, of which we have advanced $14,669,000. In exchange for these advances the harbour commissioners hand over their debentures to the Department of Finance. I regret that I am not in a position to give my hon. friend the details that he requires as to the redemption of these debentures, but I hope to do so when the bill is in committee.

Mr. BOYS: In what year was the first advance made?

Mr. CARDIN: I think it was as far back as 1880.

Mr. BOYS: As I understand, interest at the rate of 5 per cent is to be paid on these advances. How much interest has been paid from 1880 down to the present time?

[Mr. C. A. Stewart.]

Mr. CARDIN: On loans prior to 1888 it has been paid $932,721 in interest; on loans subsequent to 1888, $217,000 odd—or a total of $1,150,000.

Mr. BOYS: What would be the total amount of interest for that period calculated at 5 per cent?

Mr. CARDIN: It would be five or six million dollars for all the loans.

Mr. BOYS: What is the policy of the department not only in regard to this commission but others when interest is not paid; is the failure to pay winked at, or is any serious attempt made to recover the arrears?

Mr. CARDIN: The Quebec harbour commissioners have always contended that the lack of facilities made it impossible for the port to earn sufficient money to meet the interest on the loans made. Up to last year owing to the prohibitive freight rates they were deprived of very important traffic as they were getting no grain shipments over the Transcontinental, although the railway had been built with the view of exporting grain through the port of Quebec. Last year the rates were reduced, and the commissioners expect that they will now be in a position to earn more revenue, and that when the facilities are completed they will be able to meet their obligations. Of this proposed loan of $8,500,000, a little over $2,000,000 is required to increase the storage capacity of the elevator; its present capacity is two million bushels, and this is inadequate. It has been represented that unless additional facilities are provided the port cannot get the benefit of the grain traffic over the Transcontinental which is expected to develop as a result of the reduction of rates.

Mr. BOYS: I suppose similar representations have been made every time they needed a loan—the prospects were wonderful and they had to have the money. On these representations, although the probability of getting any return is apparently nil, yet year after year moneys are advanced. I am not singling out this particular harbour, but I have to refer to it as it is the only one now before us. Is it the policy of the department to go on making these huge advances without any prospect of getting the interest paid? Does the minister think there is any probability of the interest being paid in the next twenty-five years? If so, on what does he base his opinion? I think we ought also to have some further information of the nature of the program that warrants this loan so that we may know what is to be done with the money.

Mr. CARDIN: I am certainly of the opinion that we will get some interest on the money we are advancing. We have already expended a large amount of money on the port of Quebec in developing what is known as Wolfe's Cove terminal, but we can expect no revenue on that expenditure unless we vote the necessary money to complete those facilities. But although the facilities are not complete, business has been increasing. In 1923, the elevator handled a little over five million bushels of grain, as against nearly ten million bushels in 1927, despite the fact that the rates on the Transcontinental railway were prohibitive until the recent reduction. Since the lower rates have been in force the elevator has been filled to capacity.

Mr. BENNETT: That is only a couple of million bushels.

Mr. CARDIN: Yes. People interested in the grain trade complain that unless we increase the capacity of the elevator and provide further facilities they will not be in a position to take advantage of the reduced freight rates over the Transcontinental. I am free to admit that there should be a limit to the advances made to any port—

Mr. BOYS: What is the limit?

Mr. CARDIN: —but we ought to take into consideration the development of our trade and the greater revenue that will follow. I think there is ample justification for this advance in order to give the harbour commissioners an opportunity to complete the facilities of the port and earn the revenue to be expected therefrom in the near future.

Mr. EDWARDS (Frontenac): Am I right in saying that having regard to the loans already made and the amount now asked for, with the arrears of interest there will be about thirty million dollars involved? And would not this sum be equivalent to about a dollar a bushel on the grain that has been handled?

Mr. CARDIN: The total amount authorized at present is $17,000,000, and we are asking for $8,500,000 more.

Mr. EDWARDS (Frontenac): Taking the $17,000,000 with the $8,500,000 we have $25,500,000, and adding $5,000,000 odd of arrears, that brings it to $30,000,000 odd.

Mr. CARDIN: As regards the unpaid interest, I may say that for several years the commissioners have been making a claim against the Department of Immigration. The port of Quebec is receiving all the immigrants—

Some hon. MEMBERS: Oh, oh.

Mr. CARDIN: This is a very serious matter.

Mr. STEVENS: That is an old ghost.

Mr. CARDIN: The port of Quebec, I say, has been receiving all immigrants. The steamers bringing these people to Canada stop at Quebec where the immigrants land, and this requires the use of a very important part of the harbour. No allowance is made to the harbour commission for the use of its wharves and sheds and they are unable on account of the immigration to afford the facilities they would like to give to various companies and firms. As I say, they are not receiving a cent, and they have a claim against the department running up to—

Mr. STEVENS: Thirty million dollars?

Mr. CARDIN: Oh no, about $2,500,000. They have also a claim against certain other departments using the present facilities at Quebec, which could be taken advantage of by trading vessels. That claim probably will come before the house some day for consideration. When therefore you set off their claim against the interest due by the harbour commissioners, I do not think the position of the port of Quebec is so bad. I do not think it is bad, taking into consideration their claims against the departments.

Mr. BOYS: What were the revenues last year and, say, the previous year? While on this subject I have this observation to make: If this spirit of generosity were evident in the administration of all departments, we might not feel as we do; but some of us are getting a little bit tired voting large sums of money when we cannot get a copper in our own counties which are asking for three or four thousand dollars. There is no money at all for ordinary purposes. So far as I am concerned, no money has been spent in many years in the constituency I represent; yet these large sums seem to pass without any struggle. The minister is to be congratulated on being able to stand in his place and wear that smile, expecting to get the money voted on the strength of the argument he has presented. Imagine where he would land if he were to appear before a committee of financiers and endeavour to justify his request for $8,500,000 in this matter after what he has said in the house. I suppose the test after all is revenue. We have heard about the prospects, but if we could ascertain what the revenue was last year and for the last five years, and had some intimation as to any increase that might be expected, we could

form some idea as to whether or not there is any possibility within the next twenty-five years of the arrears of interest being paid, or even half paid.

Mr. CARDIN: I can sympathize with my hon. friend in the statement that it is not always easy to get small amounts for our own constituencies. There are certain things in my own constituency which I cannot get from the Minister of Finance. I am in a better position to speak of the port of Quebec, inasmuch as I am not personally interested in it. The revenues of the port in the following years have been:

1923	$407,116 31
1924	568,627 77
1925	568,533 25
1926	678,882 06
1927	702,310 01

Mr. BENNETT: Gross?

Mr. CARDIN: Yes.

Mr. SPENCE: What are the expenses?

Mr. BOYS: Perhaps the minister could give us the net revenue for the years mentioned.

Mr. CARDIN: I can give the expenses:

1923	$379,826 37
1924	397,078 18
1925	404,670 36
1926	595,272 89
1927	631,539 73

Mr. EDWARDS (Frontenac): They are going up.

Mr. CARDIN: The expenses, it is true, are going up. As regards the prospective revenue it is rather difficult to suggest any amount, because we do not know what business the port is going to do. As I have said, however, we have the representations of the people who are supposed to know, the people in the grain trade. They are very urgent in their request that the expenditure be made. I may add that the shipping federation of Canada has made strong representations even to the Prime Minister that these facilities be provided: in their view, in the light of their experience, these facilities are absolutely necessary to the proper development of the port of Quebec. Now we must get our information somewhere, and the people who ought to know are those who are interested in the trade. It is on these representations—

Mr. BOYS: If they paid the piper they would not be so keen.

Mr. CARDIN: —we are asking parliament to vote this. As regards the general financial position of the harbour commission, I would point out to the committee that other harbours in Canada which are in a prosperous condition to-day were not a few years ago so fortunately situated. They were given the facilities necessary for the traffic going through those ports, and consequently they improved; and I think it will be the same in connection with the Quebec harbour, when we shall have completed the facilities required for the handling of the trade.

Mr. IRVINE: I would ask the minister to speak a little louder, and at the same time to state as clearly as possible exactly on what ground he asks for this amount.

Mr. CARDIN: I regret that my voice did not reach my hon. friend; I was afraid I was speaking too loud for those near me. It has been represented to the commission and to the department that the present facilities in the port of Quebec make it impossible to take advantage of the reduced rates for the moving of grain on the Transcontinental, Limited, as these facilities are, it is impossible to take care of any development in trade in that port. It is pointed out to us that if we want to develop the port and to get the business which we might expect, as well as to facilitate the export of grain through Quebec, we must add to the facilities that now exist. I was saying that we have to rely on someone for information, and, I ask, who is in a better position to advise either the commission or the government as to the desirability of making new advances to the port of Quebec if it is not the shipping federation of Canada, the people who are supposed to know something about shipping and about the necessity for developing the port? Who should know better than they or better than the people actually engaged in the grain trade? Not long ago a committee was appointed by the senate to consider the movement of grain and the development of ports, and that body reported that the development of the port of Quebec was absolutely necessary. I believe a similar report was made by the grain commission. It is true that up to the present time the operation of the port has not been very profitable or very promising, but this is due to the fact that the facilities are absolutely inadequate. That is not only my opinion or the opinion of the commissioners; it is supported by the shipping federation and by the people trading in grain. We are only bringing this matter before parliament in compliance with the requests and representations of people who are supposed to know something about it.

Mr. GARLAND (Bow River): The minister is very vague, and perhaps necessarily so, as to just what facilities are lacking. He

might help the committee by reading one of the reports to which he has referred, because frankly I cannot see wherein the facilities are lacking.

Mr. CARDIN: The following letter was written by Mr. Smith, then general manager of the Canadian Co-operative Wheat Producers, Limited, of Winnipeg, under date of October 19, 1927:

I am quite satisfied that to make Quebec a suitable export grain port, you would be forced to increase your present elevator facilities. It is to be remembered your present elevator capacity has to take care of quite a large domestic trade, so that probably only one million bushel capacity is available for export shipment.

This is, of course, quite inadequate, particularly if you ever hope to very materially increase the shipments of grain. With only a million bushel space available, you immediately limit the number of grades a large shipper can send to Quebec, and, as a consequence, your export shipments are curtailed on account of the fact that you only get wheat shipments of one or two grades and in that way miss the steady flow which would naturally result if all types of wheat could be stored at Quebec.

I would therefore strongly recommend to the commissioners at the port of Quebec to increase their present grain elevator capacity by an additional two million bushels.

I am entirely in sympathy with every movement made by the Quebec authorities to develop their port for grain shipments, and believe by the continuance of the efforts already expended you will meet with more success in the near future.

Mr. BENNETT: Was that in reply to another communication?

Mr. CARDIN: No. Then we have the report of the Royal Grain Inquiry Commission of January, 1925:

The situation at Quebec is virtually that of Montreal, with the additional advantage of a longer season. There does not seem to be any reason why the port of Quebec should not share with Montreal a part of the advantages of the St. Lawrence route. Montreal has developed wide business connections with the grain trade so that the traffic is accustomed to move through this port.

It is open to Quebec to do the same thing; no physical obstacles lie in the way of the inauguration of an extensive grain export trade. Indeed, as the capacity of the port of Montreal begins to be taxed at the peak of the movement, a part of the traffic might with advantage move to Quebec. Quebec also enjoys a more favourable insurance rate and is 180 miles nearer to Liverpool than is Montreal.

The report of the special committee of the senate appointed to inquire into the conditions responsible for the routing of large portions of Canadian export grain via American instead of Canadian ports contains the following words:

—that rates be granted upon export grain over the Canadian National railways to Quebec, Montreal, Halifax, St. John and Vancouver, such as would develop trade through the above ports.

As a corollary to the recommendation in paragraph one, that necessary elevator accommodation should be provided by the Dominion government at Canadian ports.

Recently the chief commissioner of the Board of Railway Commissioners, when the board was studying rates, said:

To enable any seaport to handle traffic of this nature (export grain) much outlay must be made, peculiarly and solely adapted to such business. And unless a harbour is equipped for such purpose, it is futile to expect the trade to flow that way.

Commissioner Oliver said:

If sufficient transfer storage, such as exists at Fort William, were provided at Quebec, grain could be moved forward all-rail to that storage at all seasons. During the period of closed navigation it could go into storage (as it now does at Fort William and Port Arthur) to await the opening of navigation on the short ocean haul; and if in storage there, it could be readily pushed forward to St. John and Halifax as required to give return cargo to vessels bringing merchandise to those ports.

I think these opinions are of some importance and are deserving of consideration both by the committee and by the government.

Mr. CHAPLIN: About a year ago I understand that some of the grain pool people in the west built new elevators at Buffalo. Why does not the government make arrangements with the wheat pool to build elevators at Quebec, if that is a good place, instead of at Buffalo?

Mr. CARDIN: I am not authorized to answer for the pool in that regard.

Mr. CHAPLIN: The minister is answering for the government.

Mr. CARDIN: If we properly develop the facilities of the port of Quebec in regard to wharves and sheds it will be a greater inducement to the pool to build an elevator there. Where would be the advantage to the pool in building an elevator at Quebec when they are not sure of obtaining the proper wharves and berthing space for the ships?

Mr. CAHAN: What is the present rate from Fort William to Quebec over the National Transcontinental Railway?

Mr. CARDIN: I am afraid I have not that information, but I will give it to my hon. friend when the bill is under consideration in committee.

Mr. CAMPBELL: I think it is something over eleven cents a bushel.

Mr. CARDIN: I believe it is eleven cents, if I am not mistaken.

Mr. IRVINE: I believe that two or three years ago—the minister will correct me if I am wrong—we voted $5,000,000 for this very purpose, on substantially the same grounds as those urged by the minister to-day. I do not want it to be assumed that I am opposing improvements in the harbour of Quebec. I want to see that harbour improved. I want it to have all the facilities required for the business which comes its way, but I think we ought to know what improvement will be effected in the financial position of the commission by this vote. I should like to know what increase in the income of the commission was made possible by the expenditure of the $5,000,000 already referred to, in order that we may be able to see whether by the expenditure of $8,000,000 more it will ever be possible for the commission to emerge from this burden of debt. If it is not going to be possible for the commission to do that I think it would be better business to write off the whole thing, because we are only going to saddle it with an impossible proposition. Therefore I should like to know exactly what improvement resulted from the expenditure of the $5,000,000 voted previously, and how much was thereby added to the income of the commission.

Mr. CARDIN: The money expended up to date out of the $5,000,000 voted in 1925 has not yet bettered the financial position of the port of Quebec for the reason that the works undertaken with that money are not yet completed and therefore cannot be used. We will need a part of the money we are asking for to-day to bring them to completion. The money expended so far has been devoted to the construction of wharves and also to dredging. The wharves, however, are not completed, and since we are not in a position to use the new facilities that are being provided there cannot be any betterment in the financial position of the commission. We cannot expect that until the projected works are finished. Eighteen cribs, I think, have been sunk, but the cement work has not been placed on the top of these cribs because two years must elapse before the cribs are solidly sunk in the bed of the river.

Mr. IRVINE: May I ask the minister if the entire $5,000,000 was expended in building wharves?

Mr. CARDIN: No.

Mr. IRVINE: Does the minister think the present loan will complete the facilities that the commission deems necessary—

[Mr. Campbell.]

Mr. CARDIN: Yes.

Mr. IRVINE: —to make a first class port of Quebec?

Mr. CARDIN: This money will not only complete the facilities which the commissioners had in mind when they sought assistance in 1925, but will also provide for the extension of the present facilities. Of the sum of $8,500,000 the amount required to complete the facilities we had in mind when we came before the house in 1925, is $5,000,000—that is to say Wolfe's cove terminal—but $2,500,000 is needed to increase the storage capacity of the present elevator and to build the necessary wharves to make use of that increased capacity. So with the present vote all the facilities required for the port of Quebec, according to the representations made to us, will be completed. This amount covers the whole of the improvements, and as I have said the program will extend over a period of five years from now.

Mr. BOYS: Apparently the minister has been prompted in the introduction of this resolution by representations made to him by persons who, as he says, ought to know and whose views in that connection should be regarded. He points out that the shipping interests and those engaged in the grain business have made the recomendations which have had weight with him and have influenced him to introduce this resolution. I think I am making a fair statement of what the minister said in that connection a moment or two ago, and I observe that he nods his head in approval. But I would ask the minister if he has not heard of representations made by those engaged in the grain and shipping interests in regard to the requirements of the port of Collingwood, in the county of Simcoe, and if so whether he is likely, when the matter is to be dealt with by council, to meet these requests, for the same reasons and with the same generosity that characterizes his action in the present instance?

Mr. CARDIN: Personally I would have no hesitation in acceding to the request of my hon. friend. I would point out, however, that representations of the same character have been made to us by the people of St. John, N.B., and of Halifax, and we are meeting them in the same way as in the case of Quebec. I regret very sincerely not to be able to give the answer my hon. friend would like with regard to the port to which he has referred. It so happens that the port of Collingwood does not come under my jurisdiction but under that of the Minister of Public Works, who is more generous than I am.

Mr. BOYS: Will the minister set his sympathetic will at work then when the matter is before council, and see that the same considerations which prompted him to give sympathetic treatment to the port of Quebec will be given due weight in the case of the port of Collingwood?

Mr. CARDIN: Yes.

Mr. MILLAR: It may be quite proper to expend this amount of money on the port of Quebec, but I think that in past years certain anomalies have occurred in connection with our efforts to build up that port. Those who recall the speeches that were made at the time of the construction of the National Transcontinental railway will observe that the purpose of building this railway was to enable freight to be carried through an all Canadian channel to the port of Quebec. I think that for a short time the rate on grain was 6 cents a bushel from Armstrong, near Fort William, to the port of Quebec. Shortly afterwards, however, it was raised to approximately 21 cents. We expended an enormous sum of money in the building of a railway which could be equipped with trains drawing heavy cars to carry grain to the port of Quebec, and a rate was fixed that was absolutely prohibitive. The result is that the grass was allowed to grow up around the rails of this great railway. We are asked now to spend more money on the port of Quebec. I think it might be well to ascertain from the minister how much grain has been handled through the elevators of the ports which have a capacity of 2,000,000 bushels. That capacity ought to be filled several times if the amount of grain were being carried there that was originally contemplated.

Mr. LAPOINTE: There is an improvement since the new rates came into force.

Mr. MILLAR: If my memory serves me aright the rate is now between 11 and 12 cents.

Mr. LAPOINTE: Eleven cents.

Mr. MILLAR: I cannot imagine very much grain going that way except after the close of navigation. I believe the rate to Montreal from Fort William is about 9 cents or less, and I am afraid that grain will continue to go to Montreal in spite of the expenditure at Quebec. It is utterly useless to spend money upon any port such as Quebec in order to attract grain and other freight if some barrier exists which prevents that freight getting there. But if the rate were reduced to eight or nine cents I can well imagine that Quebec would become an important grain port. We have frequently made mistakes in trying to attract trade under conditions that were unfavourable. A lot of money has been spent at Halifax, and some hon. gentlemen opposite get quite angry when one suggests that it is going to be difficult to make of Halifax a great grain port. We have also expended a considerable amount of money in providing facilities for the handling of grain at Prince Rupert but the efforts to attract trade to that port have not been very profitable.

Mr. BENNETT: It is better now.

Mr. MILLAR: It may be a little better now. It would be wise for us to make sure that the freight is going there, or that other conditions are favourable so that the grain can go there, before the money is expended on this harbour. Could the minister give us the quantity of grain which passed through the port of Quebec last year?

Mr. CARDIN: Exactly 9,773,370 bushels, and in 1923 the quantity of grain handled there was only 5,600,000 bushels, so that between 1923 and 1927 there has been increase of nearly 4,000,000 bushels.

Mr. MILLAR: Could the minister give the percentage of that grain that passed into Quebec by rail route?

Mr. CARDIN: Unfortunately I cannot.

Mr. MILLAR: What percentage of that is export grain?

Mr. MALCOLM: I think I can enlighten the hon. member on his question. The increase in the two sets of figures quoted by my colleague will represent the quantity that has come by rail since the low rate went into effect.

Mr. RYCKMAN: I have been interested in the earnest appeal of the minister for the harbour of Quebec. I recall the request in 1922 or 1923 for a loan of $1,500,000. It was supported, as I remember it, by the present Minister of Justice (Mr. Lapointe). It was opposed by the Progressive party. The statement was made that the port of Quebec was over-equipped; that they had facilities that the port had not yet grown up to. One plea made was: We require money to buy paint in order to preserve the equipment that was already there, that had been built in advance of the times. There was strong opposition and it was understood that this loan of $1,500,000 was to be cut to $750,000 and that the applicants would be satisfied if that amount were given. But towards the end of the session the government became gay

and hilarious in spending and the result was that the whole amount of $1,500,000 was given.

It was stated in gossip—I do not know whether it was true or not—that out of that sum, $70,000 was for lawyers' fees. At all events it was distinctly admitted that Quebec had built larger than the accommodation required; that the traffic had not grown up to the accommodation provided, but it was said they required this money to preserve what they had already built. If this were my case, I would think it a splendid opportunity to save a few millions of dollars for the country. Everyone knows that the basic difficulty with Quebec as a port of shipment for grain is that the railways prefer to carry to and ship from Montreal, and until that situation has changed it will be idle for this government to spend money in this way. I want to ask the minister if it was not claimed in 1922 or 1923, whichever the year was—and in any event it was the year when the $1,500,000 was given—that Quebec had built larger harbour facilities than were required and that the money was needed amongst other things to preserve what had been constructed. I am sure there are some Progressive members present who will recollect what took place at that time. It was felt then, as it is felt now, that the government was altogether too generous with Quebec or with any other applicant who, with no merit in the claim, asked that government money should be voted for such a purpose as this. I am opposed to the grant and I do not think it should be given. I do not believe Quebec will suffer if it is not given. If I thought Quebec would suffer, my mind would be changed immediately. This government can quite well afford to keep this money and come back with a proposal next year or later when it is shown that the movement of grain is towards Quebec and not towards Montreal.

Mr. CHAPLIN: I want to call the attention of the committee to what was said in June, 1925, when the present minister was asking the house to vote $5,000,000 for the improvement of the elevator and wharves at Quebec. On page 3889 of Hansard of that year, Mr. Caldwell, a former member for a New Brunswick seat, asked the minister this question:

> Mr. Caldwell: Could the minister tell us what amount of grain the present facilities at Quebec could handle yearly if used to their full capacity?
>
> Mr. Cardin: I am told it is forty million bushels.

That is a revelation in regard to what the minister says to-day. He tells us now that there have been 10,000,000 bushels of grain shipped through Quebec, so that at the present time that port has four times the capacity it is using, and yet he is asking us for another $8,000,000.

Mr. CARDIN: Although I am not sufficiently expert in elevator matters to speak authoritatively upon the subject, it seems to me that there is a great difference between handling grain day by day or week by week and what we call the storage capacity. What the commissioners seem to be more concerned about at the present time is larger storage capacity at Quebec during the winter season, so as to take care of a greater quantity of grain to be reshipped through St. John, New Brunswick, or to be ready for shipment when navigation opens. If you have a capacity of only 2,000,000 bushels in the elevator at Quebec, you cannot expect that shippers of grain will be in a position to deal very much with that port. They cannot store more than 2,000,000 bushels there, which is the full capacity of the elevator. It may be that with an elevator having a capacity of 2,000,000 bushels, we can handle a larger quantity of grain than we have handled in the past.

Mr. STEVENS: I am rather interested in the minister's last argument. I cannot believe that he seriously advances that argument in support of the contention that that will in any way help the revenues of the harbour commissioners of Quebec so that they may be able to pay any modicum of interest on the loans advanced. Let us examine the matter for a minute. The minister suggests that we should increase the capacity of the elevator at Quebec so that grain may be stored there and later forwarded to St. John or Halifax. In the first place the minister argued half an hour ago, and laboured the point, that it was not until they got the rates down this year that they could get grain to Quebec at all. Surely the minister is not going to suggest that this grain from Quebec to St. John is going to be carried free. It certainly is going to pay a heavy freight rate. If the grain is stored all winter or part of the winter in Quebec and then sent on to St. John, it is going to pay the additional rate from Quebec to St. John. How in the name of common sense can the minister expect to move grain through Quebec and on to St. John in that way? Let us take another supposition. Does the minister expect to earn, out of the storage of grain in Quebec, sufficient even to make a showing upon the interest that is going to be charged against it? What are the figures? I am speaking from

memory and am subject to correction, because I am not at all certain of the exactness of my figures, but I think that the normal charge for storage of grain is one cent per bushel per month. Suppose the minister doubles his present bushel capacity of two million bushels; the maximum number of months during which the port would be closed would be five, and he would not expect to carry that grain more than four months, let us say; that would amount to four cents a bushel on two million bushels. It is very easy to figure out what that would amount to; and that is assuming that the elevator was full to capacity, and that there were no difficulties about the different grades of grain. I do not wish to be offensive, but as a matter of fact it is sheer nonsense to suggest that you are going to earn by the storage of grain in Quebec any sum of money that will be commensurate with the needs of the harbour board of that port.

I want to make it perfectly clear that I am out for the development of all the ports of Canada, whether on the Atlantic, the Pacific or the great lakes, where their development can be shown to be a reasonable proposition. I am going to use the port of Vancouver as an illustration. I have under my hand two reports. I sent to the parliamentary library, where certainly all the reports should be available, but all I could get was two, the reports for 1923 and 1924. I am going to show what the port of Vancouver has done in the way of paying interest, and this record has been characteristic of the whole history of the port ever since money was spent there. They set aside, in 1923, $168,000 in the sinking fund, to provide for the retirement of government bonds which were given for advances. They set aside $424,000 for interest during construction of the Ballantyne pier, and they paid to the Dominion government all the interest due on bonds issued, amounting to $145,000.

I take the next year, 1924, and I find that they set aside a reserve for depreciation of $69,000. They paid interest on debentures chargeable to construction amounting to $422,000, and they paid sinking fund reserve amounting to $226,000.

Mr. WHITE (London): What is the total investment?

Mr. STEVENS: The investment would run from five to seven million dollars. But let me finish my point. The minister talks about a young port. Why, this port of Quebec is hoary-headed. It is three hundred years old. Surely that is a reasonable time for a port to develop. Quebec is the oldest and the most renowned port, historically, in the whole Dominion of Canada, and to talk about needing time to develop its facilities before it can start to pay is sheer nonsense. The facts are these, and my hon. friend the gallant member from Quebec South and his illustrious colleague the Minister of Justice, who I have no doubt will jump to the defence of the port of Quebec shortly—

Mr. LAPOINTE: Oh, no.

Mr. POWER: You have not said anything yet.

Mr. STEVENS: The port of Quebec has never attempted to pay any interest on the advances that have been made to it. It has never given that matter a serious thought. To pay the interest has never entered into the caclulations of the board, and furthermore, this talk about the Minister of Immigration being indebted to the Minister of Marine because immigrants land at Quebec is nonsense, because the people of Quebec are delighted to have these people land there.

Mr. POWER: They don't stay more than half an hour.

Mr. STEVENS: Perhaps my hon. friend gets a good deal of comfort, then, out of the fact that the new Duchess ships of the Canadian Pacific line are going to Montreal, so Quebec will not be bothered with that traffic.

Mr. POWER: Till they run aground.

Mr. STEVENS: My hon. friend will have to fight that out with the Minister of Marine. The fact is that these new Duchess ships are going to the port of Montreal.

As to the amount of grain handled, there is an elevator with two million bushels capacity at the port of Quebec. I have in my hand a report of the harbour board of Vancouver, showing that in the year 1924 there passed through that port 53,000,000 bushels. And what facilities did they have to handle that 53,000,000 bushels? Only one elevator with a capacity of 1,250,000 bushels —less capacity than the port of Quebec has to-day—and yet they handled 53,000,000 bushels. It is true that the present minister, or at all events, that under the aegis of the present minister, the superintendent who accomplished that remarkable feat was fired. They discharged him out of hand. That is the way they recognized the efficiency of the superintendent. However, that is by the way. The point I am making is that with one elevator with a capacity of 1,250,000 bushels they handled 53,240,000 bushels. The

port of Quebec, with an elevator having a capacity of 2,000,000 bushels, handles 10,000,000 bushels, and the minister coolly informs us that the port is congested and requires an additional 2,000,000 bushels capacity.

Mr. VENIOT: One port is open all the year, and the other for only seven months.

Mr. STEVENS: Let us make allowance for that. The Postmaster General with that subtlety of mind of his developed by his long political training suggests that one port is open for twelve months and the other for only seven months. That was in my mind.

Mr. VENIOT: But it did not come out until it was pushed out.

Mr. STEVENS: I know that my hon. friends from Quebec and Montreal never like us to rub in the fact that these ports are closed for five months of the year, but let us make the necessary allowance in our calculation for that. Take seven-twelfths of 53,000,000 bushels, and you have a capacity—

Mr. VENIOT: Not at all. The hon. gentleman is again unfair. At the port of Vancouver it is a monthly, weekly, and daily in-and-out business, whereas at Quebec it is a system of storage during five months, and there is not the same frequency of in-and-out handling of grain at Quebec as there is at Vancouver. That is where my hon. friend is unfair.

Mr. STEVENS: There is nothing in the argument my hon. friend advances, for this reason, that for seven months of the year the port of Quebec has as ready access to the sea as any other port in Canada.

Mr. VENIOT: Not at all.

Mr. STEVENS: I will leave that to my friends from the port of Quebec to decide. Certainly I shall not argue that they have not complete access to the sea during seven months; just the contrary, and I think I have the support of my hon. friends from the port of Quebec in that statement. If we take seven-twelfths of 53,000,000 bushels, we shall have the figure that the port of Quebec would handle at same ratio, which would be a little over 30,000,000 bushels. The point I am making is this. Here we have Quebec, with 2,000,000 bushels capacity, handling only 10,000,000 bushels. I have no objection to giving them more capacity, none whatever, if they are going to handle grain through that port and export it over the high seas, but if they will use their present equipment to capacity, or anything near to capacity, they will find that, instead of making this lamentable showing, they will have some revenue over expenses for the purpose of paying the interest on capital. I will give the revenue for the port of Quebec from 1923 to 1927:

Year	Gross Revenue	Expenses	Net Revenue
1923	$400,000	$379,000	$ 21,000
1924	568,000	397,000	171,000
1925	568,000	486,000	82,000
1926	678,000	595,000	83,000
1927	702,000	631,000	71,000

That is where the trouble is. Even with the present facilities the port is not properly managed, or the business is not there to permit the earning of sufficient revenue to pay even a modicum of the interest due.

Mr. EDWARDS (Frontenac): How do the receipts and expenditures compare with those of the port of Vancouver?

Mr. STEVENS: I will give my hon. friend the comparison in a minute. At 5 per cent on the amount invested in the harbour the commissioners would require $850,000 to pay the interest, and last year they had a surplus of $71,000. Now, surely we are looking at this as a business proposition, and I ask: Is it wise for us to spend an additional $8,500,000 on the port until some evidence is forthcoming that there is a possibility of making it pay?

My hon. friend from Frontenac asked for the figures of the port of Vancouver. In 1923—of course, these figures have grown enormously in the last few years—the operating revenue was $725,000, and the operating expenditure $362,000. This suggests another method of comparison. Here is a harbour commission operating with a revenue of $725,000 and an expenditure of $362,000 leaving a surplus of $363,000, or about a 50 per cent ratio; whereas we have in the port of Quebec an operating revenue of $702,000—approximately the same as the revenue of the port of Vancouver—with an operating expenditure of $631,000. I ask the minister to address himself to the harbour commissioners at Quebec in these terms: "Bring down your operating charges and expenditures and thus demonstrate to parliament that you are going to operate this port as a business concern, so there will be some possibility of earning sufficient to take care of your interest. Then parliament will be only too glad to vote any sum that may be required for the development of your port." But the history of the last fifty years shows clearly that there has been no effort whatsoever on the part of the commissioners or those in control of the port of Quebec to make it pay.

This is not a case of drawing invidious comparisons between one section of the country and the other. Take the port of Montreal. For the last forty years that port has paid

its interest, and in recent years I believe it has set aside a sinking fund for retiring its bonded indebtedness. It is carrying out its obligations to the people of Canada, and is a well-managed institution. And by the way, even at that there was ample room for rather extravagant expenditures, which I will not for the moment bring into question.

Mr. MILLAR: If I may interrupt the hon. gentleman? I believe the record that he has given of the port of Vancouver's operations is correct. But is not this the situation: the record reached at the port of Vancouver was in consequence of a great pressure of grain, which was handled by a very efficient superintendent with small handling facilities—a record that perhaps has not been equalled by any other port in the world.

Mr. STEVENS: That may be for that particular year. Let me take the year 1924, to which my hon. friend refers. In that year the expenditures on operation were just slightly under one million dollars, and the earnings were $1,870,000, and out of the surplus they paid some $400,000 in interest and set aside $226,000 to sinking fund. Again we have an operating ratio of slightly over 50 per cent. When we come before parliament and show management of that kind, I think the harbour commissioners are waranted in asking for support; but when in 1922, 1925 and 1928 we come before parliament and show no progress whatsoever in the differential between operating revenue and operating cost, then I say it is time for the government to be asked to inform the Quebec harbour commissioners, firmly but kindly, that they must produce a better record before they can expect further advances.

Another argument the minister puts forward is this: Give us this money and let us build the facilities so we can earn revenue. I again submit these two reports—and there are similar ones but I cannot get them. I find that these results were achieved by the harbour commissioners for Vancouver while the main facilities, the Ballantyne pier and No. 2 elevator, were under construction at a cost of six million dollars. Yet the commissioners paid each year some $400,000 interest during that construction. I submit to the Minister of Justice, to the Minister of Marine and Fisheries and to the cabinet as a whole that this matter ought to be taken seriously. It is no longer possible to bluff us by saying: If you rise in parliament and express your views on this proposal you will be branded as opposed to the development of the port of Quebec. We are not opposed to its development, but we are opposed to the methods of handling the business there; and we have a right to criticize those methods. Personally I do not feel inclined to oppose the bill, in fact I feel very much to the contrary, but I would not be doing my duty if I calmly voted for this loan of $8,500,000 in face of the record that has been placed before parliament on this and other occasions.

Mr. LAVIGUEUR: Mr. Chairman, on every occasion when we have come before parliament to ask for assistance in developing the port of Quebec we have been told that it is a great national port and should be developed, but the official opposition has always objected that we should first arrange to get lower grain rates on the Transcontinental railway, and then parliament would be well disposed to vote the money required for this development. Last year we succeeded in obtaining from the railway commission favourable grain rates to the port of Quebec, thus placing it in a position to compete with the other ports of this country. It has been generally recognized that the money so far advanced for the development of the port of Quebec has been well spent not only in the interests of the province and district of Quebec but of Canada as a whole. We are now before parliament asking for an additional sum to continue these works so as to increase the capacity of the grain elevators, which is something that all competent people have admitted for years to be necessary in order to handle properly whatever traffic may go to Quebec. I am greatly surprised, after the arguments that have been advanced in this house for ten or fifteen years to show the necessity for the development of the port of Quebec, that the opposition should offer objection to the undertaking. Surely hon. gentlemen opposite are not serious when they contend that this money is not needed. They cannot be serious when they pretend that the harbour commission of Quebec has not paid interest on its loan. I admit that a part of the interest has not been paid. But, on the other hand, what has the city of Quebec done to justify the expenditure of money to provide improvements necessary for the development of the port? The city of Quebec handed over to the federal government property worth over $5,000,000. What was that for? It was handed over so that the city of Quebec might be given the necessary facilities for its development. This is known to every hon. member of this house and throughout the country. We have a written agreement from the federal government whereby the government under-

takes to do certain works in Quebec to develop that port, in consideration of the property handed over to the federal authorities. When, therefore, hon. members opposite suggest that the commission has not paid interest on the money advanced by the federal government, I say they are not serious, for they overlook the great sacrifice which the citizens of Quebec have made in return for the improvements which they are given. This was recognized by the leader of the Conservative party, Sir Robert Borden himself, who is on record as stating that neither money nor effort should be spared to develop that port. I desire to quote from the first volume of Hansard of the first session of 1919, page 293, what Sir Robert Borden had to say on the subject. As leader of the government at that time, referring to the necessity of our obtaining western traffic, he said:

> Having regard to the probable enormous development of western traffic to this city and its wonderful possibility by reason of the situation which I have described and seeing also the necessity of providing adequately for future development, the government thought it desirable to possess an extensive waterfront on the St. Lawrence. With this view we have acquired three miles of the best waterfront in Quebec extending from Sillery to Cap Diamond; and portions of the waterfront from the Cap Diamond to the Champlain market have also been secured. This magnificent waterfront will give to the government and to the harbour commission the opportunity of almost unlimited development of port and terminal facilities; and I hope you will agree that in thus looking forward to the possibilities of the future the government have taken no unwise course. In adopting this policy, we feel that we are acting not in the interest of Quebec alone but in the interest of all Canada, for Canada as a whole is concerned in the provision of modern and effective facilities necessary for the outflow and inflow of commerce at all great ports.

Those are the words of the leader of the government of that day who recognized that the port of Quebec had to be developed at all costs. It is nothing new to members from Quebec to see such strong opposition when we come before parliament asking, not for charity or for any favours, but that we be given what is our due. We vote millions of money for the development of the harbour of Toronto and other ports as well, and no opposition is offered when reasonable explanations are given for these expenditures. But every time we come before parliament asking for money for the port or the city of Quebec, there is always this opposition, as though we were asking for charity. Once more I say we are not asking for charity, because in return for what we receive we have surrendered to the government more than any other city of Canada has given.

[Mr. Lavigueur.]

Mr. BRADY: I rise to protest against what I consider, in view of the facts we have before us, a very unnecessary expenditure involving a vast sum of money, particularly under conditions that do not by any means substantiate the claims that are being made therefor. I happen to have a few facts which I should like to present to the committee and particularly to the members of the prairie provinces regarding precisely the relationship of the port of Quebec to the prairies. We find that the prairie grain area extends about 900 miles west of Winnipeg; that is to say that grain shipped from west of Winnipeg to Fort William is hauled over 1,250 miles. The average haul of grain reaching Fort William is approximately 800 miles. Taking the several grain railway points some 400 miles west of Winnipeg as the centre of grain production, the average length of haul to Quebec would be 1,750 miles, which is double the length of haul from Winnipeg to Fort William. We know there are three routes by which grain moves from the western provinces; one is by lake and canal, the second is by lake and rail and the third all-rail, which is the way I believe grain would come from the prairies to the port of Quebec. I find that the Board of Railway Commissioners have said that the lake and canal route is fundamentally cheaper and better than the all-rail route; in fact they say the all-rail route is practically ignored as compared with the other two routes. The evidence given by both railways was that their respective western equipments and organizations were fully employed only during one-third of the year while the grain movement was greatest between harvest and the close of navigation on the lakes, and that during the remainder of the year two-thirds of their equipment was idle and their organizations disrupted for lack of traffic. Moreover, we find that the development of this port to such an extent seems to be contrary to the development of our waterways about which we have heard so much, this session, and I fail to see how this great expenditure at Quebec is in agreement with the data which we have received with regard to the hauling of grain.

We are all great advocates of the development of Canadian ports; that is a fundamental principle to which I think we will all agree, and just here I would like to refer to perhaps the newest port on the Pacific coast. We have heard about Vancouver, which is a splendid port and a city with a great future, but the port of Prince Rupert is conceded to be a second Portsmouth. During all seasons of the year, by day and by night, vessels can enter that harbour from two directions, from the north of the Queen

Charlotte Islands or from the south by Cape St. James. There are no tides to interfere with the movement of vessels; there are no fogs to hamper shipping, and along the inner harbour for a distance of eight miles the depth of water is not less than forty feet along the waterfront. The future of the Pacific coast is assured; the great developments in shipping will be on the Pacific, and what is this government doing to promote the great oriental trade which must be developed by either Canada or the United States? The number of vessels entering Prince Rupert has increased since the elevator was built, and we must attribute to the Alberta wheat pool the movement of grain to that port, they have recognized its strategic position and have increased the movement of grain in that direction. Up until last week I think twenty-eight ocean going vessels called at that port, and while I do not know the amount of grain which will go through it this year, I presume it will be in the neighbourhood of 10,000,000 bushels. Last year, which was the first year grain was shipped through Prince Rupert, about 6,000,000 bushels passed through that port. So I would point out that this huge expenditure at Quebec, when all the facts are opposed to it, cannot be in the public interest and certainly is not for the well being of Canada at large. Therefore I do protest against such a large amount of money being spent upon a harbour which during 1926, exported only 3,095,334 bushels of grain, while the port of Montreal exported 74,660,253 bushels during the same period. I can hardly believe the object of this expenditure is to take trade away from Montreal; for I do not believe the exportation of grain from Quebec will be greatly increased by building immense terminals at that port. Even if two elevators are constructed there I do not believe the volume of grain passing through Quebec will be greatly increased.

Mr. EVANS: It is said that the purpose for which this motion is brought before the house at this time is to facilitate the shipping of western grain to the markets of the world, and since I have been in this parliament it has been said repeatedly that these great expenditures on the ports of eastern Canada have been made for the benefit of the western farmer. It seems to me that there is no doubt that the port of Quebec has been discriminated against, and during the last few years it has come out several times in this house that this discrimination has been practised by a combination of shipping companies and by the insurance companies. To such an extent has this been the case that demurrage has been charged for the time taken by a boat to go from Montreal to Quebec to load grain.

Too many of these expenditures are made on the excuse that they are for the benefit of the western farmers; the new elevator at Halifax is another sample of that sort of thing, and it is all charged up against the grain trade. In my opinion, unless Quebec can be shown as a point where package freight will be loaded to the extent to which this improvement will be needed, this expenditure should not be made. I do not believe Quebec will ever be a very great port with regard to the shipment of grain. In the west a good many years ago the Saskatchewan Co-operative Elevator Company found it necessary to construct a large terminal at Buffalo. The grain landed at Buffalo is within ten or twelve hours of a port that is open all the year round. At ports such as New York and Boston bargains can be made and transportation secured at the very lowest price. We have found out during the last twenty years, when the Transcontinental has been in use, that the port of Quebec is not a grain port. I think this tremendous sum of money which the house is asked to vote for the port of Quebec is unwarranted and unnecessary. I wish to protest against it and I do so for the reason that the facilities already existing at Quebec have never been used to their fullest capacity, and this is particularly the case in regard to grain. When this expenditure is shown to be necessary I am sure the country will make the necessary appropriation, but at present I am opposed to it and cannot do less than vote against the resolution.

Mr. CAMPBELL: When a vote of $5,000,000 for the purpose of increasing the facilities at the port of Quebec was proposed in 1925 the group in this corner of the house strenuously opposed it. We pointed out in substance that every facility should be provided for developing trade through that port, but the existing facilities should be fully taken advantage of before further expenditures were made. It is true that since that time the discrimination in freight rates against the port of Quebec have been removed. That, perhaps, is the argument used by the Minister of Marine and Fisheries to-day in asking that a further sum of money be voted to increase the facilities of that port. To that extent I am with the minister. I believe there is an opportunity now of developing a considerable amount of trade through that port. I do not agree that the rate of 11 cents a bushel from

Armstrong to Quebec is an entirely prohibitive one. It is true that it is higher than the usual rate paid on the lakes; but in the early spring and summer, when the full movement of grain is on and there is a lack of competition amongst the vessels moving the grain, the grain rates on the lakes have frequently been higher than 11 cents a bushel. In fact, on one occasion, I think it was in 1922, we paid an average rate of 14 cents on the lakes during the whole season, three cents higher than the present rate to Quebec. Now that the rate to that port has been reduced to 11 cents I believe it will set a maximum for lake and rail traffic. I believe the steamship companies will keep their rates down to 11 cents, so that the reduced rate to Quebec has had a very good effect in that respect. I believe that at certain times in the year, particularly after the lake ports close in the fall, a considerable amount of grain will move forward to Quebec. In addition to that I am of the opinion that there will be opportunities of developing the cattle trade, provided that our cattle do not continue to go to the United States as they do at present. I think we shall develop not only a cattle trade, but traffic in other lines, to the port of Quebec. We in this group kept consistently hammering at the rate question for four or five years until something was finally accomplished. We can hardly be accused therefore of trying to divert the shipment of our own products to foreign ports. It has been proved conclusively that our grain deteriorates in quality when it passes through United States ports. If one will read the report of Professor Rutherford, which is attached as an appendix to the report of the Royal Grain Commission of 1923, it will be found that he points out, as the result of his investigations in the old country, that grain carrying a Canadian grade certificate and arriving in the old country from United States ports has a lower grade than Canadian certified grain shipped from Canadian ports. It shows conclusively that although this grain carries a Canadian grade certificate it is mixed when it passes in transit through the United States, a fact which is seriously affecting the marketing of our grain to-day. Professor Rutherford also points out that in the case of grain arriving in the old country from Vancouver the Canadian grade certificate is accepted due to the fact that there is no mixing at the port in question, or there was none at the time. Therefore it is to our interests to see that every bushel of grain possible is carried through Canadian ports, and I am prepared to go a long way to assist the government in bringing about that condition of affairs.

[Mr. Campbell.]

I am sorry that we have not a little more information on this matter. In view of the fact that $5,000,000 was spent on Quebec only three years ago it is hardly reasonable to expect the house to vote this large amount of extra money now. On the other hand I think that if we could be assured that these facilities were really necessary and that there was going to be sufficient trade at Quebec in a few years to take advantage of them, no objection to the vote would be raised in this part of the house. I suggest that the minister send this resolution to a committee. If that were done there could be called before the committee members of the harbour commission of the port of Quebec, members of the wheat pool, representatives of shipping companies and other interests and the whole matter could be thoroughly investigated. I am sure that we are fair enough not to offer any opposition to the vote provided that the necessity of these facilities is fully demonstrated. But with the information at present in our possession I am not convinced that this expenditure is necessary, and in view of the fact that the port of Quebec has not been paying even interest on its bonds, it is unreasonable to expect this house to vote such a very large sum of money without at least having before it some further information. I am not one of those who hold the Quebec harbour commission responsible for the condition of affairs in the past, because we have been lending the commission money on the one hand to provide facilities, and on the other hand deliberately preventing trade from going to that port. That is the condition of affairs that has existed in the past, due to the prohibitive rates that have existed on the Transcontinental.

The minister of Marine and Fisheries made a statement some little time ago, which was reported in the press, to the effect that if the insurance companies did not cease to discriminate against the ports of Quebec and Montreal, he proposed to see that a Canadian Lloyd's was established. I congratulate the minister upon making that statement, and I hope the matter will not be allowed to remain there. It is something that some of us in this section of the house have been suggesting for many years—not that there should be a Canadian Lloyd's in its entirety, I do not agree with that; but that a large insurance corporation, centralized we shall say at Montreal, as it likely would be, would be of very considerable assistance. I do not believe a profit-making institution, existing purely to pay dividends, would bring any large measure of relief. What we have in the past suggested to the government is that they build up an organization similar to what

exists within the Canadian National Railways to-day, an institution that would insure cargoes from all our Canadian ports, collect the regular rate of marine insurance and refund at the end of the year all the money left in the treasury. This institution should be in the hands of capable business men who would see that it was efficiently managed and operated on a cold-blooded business basis, and if the money on hand at the end of the year over and above operating expenses were refunded to the shippers of all those goods, I believe we would then eliminate all the discrimination against Canadian ports. That is where a good deal of the trouble exists to-day, and I suggest to the minister that he consider the establishment of some such organization.

There is no doubt in my mind that shipments from Quebec should carry a very much lower rate of insurance than shipments from Montreal. I have been assured that at least two-thirds of the risk between Montreal and Liverpool is based on the risk in the St. Lawrence river alone, so that the insurance rate from Quebec ought to be relatively smaller than that from Montreal. Under present conditions, however, we are not likely to have a lower rate, for the simple reason that not merely Lloyds but any organization we might build up here would very likely have its headquarters in Montreal, and it is hardly reasonable to expect that a business organization of that kind would do otherwise than endeavour, so far as possible, to assist shipments from their own port. This is the particular business of the government, and if the government really want to assist the movement of traffic to Quebec, I earnestly suggest to the minister that he take the matter into consideration and try to build up an organization along that line. This is not a new experiment; it is done already by the Canadian National Railways and by the Canadian Government Merchant Marine. The minister knows, as does every member of the house, that millions of dollars have been saved to the Canadian National Railways and the Canadian Government Merchant Marine by that system of handling their own insurance.

Mr. SPENCE: I do not intend to detain the committee at length, as this question has already had a full and free discussion. I agree with the hon. member for Mackenzie (Mr. Campbell) that the bill should be referred to some committee so that the matter may be thoroughly investigated and the interested parties brought together. In 1925 an amount of $5,000,000 was voted for the port of Quebec, and as the situation stands to-day I do not feel that we are justified in voting this additional sum. In 1925 a friend of mine told me—and I am not taking this for the absolute truth, although it was given to me as such—that the moss was growing on the wharves and that on all the piers you could write your name in the dust that had been lying there for years.

Mr. LAVIGUEUR: Where did that report come from?

Mr. SPENCE: That was the information I got from a particular friend of mine in the city of Quebec, and one who is just as much a friend of that city as is my hon. friend.

Mr. LAVIGUEUR: He cannot be a very good friend of the city of Quebec.

Mr. SPENCE: Surely no one would support an expenditure that was unjustifiable, and the robbing of the treasury in order to sink money in a mudhole like that. The minister said that he sank eighteen cribs. He sank more than that; he sank $18,000,000. Everyone knows that I am always pleased to support justifiable expenditure in any part of the Dominion, because you cannot make money unless you are prepared to spend money; personally I am always ready to spend a dollar if I can see a possible return of a dollar and a quarter. This should be the attitude of the government, but they should not spend money simply at the request of any individual. It is unfortunate that Quebec cannot become a grain port owing to the fact that it has access to the sea for only seven months of the year. Moreover there is some mismanagement. Those of us who are in business like to see revenues increasing with expenditures, but in this case the expenditure is increasing out of proportion to the revenue. The expenditure, which in 1923 was $379,000, increased to $631,000 in 1927, or within only $71,000 of the revenue. Where is this money going to? What makes up the expenditure? Is it all for wages and overhead, or what? Perhaps the minister can justify it.

Then we have another bubble that is bursting. Every year we have demands from Quebec against the government in regard to the accommodation of immigrants in that port. If there is any justification for that claim, let us settle it and wipe it off the slate. Let us give Quebec a square deal, but do not let us sink $8,500,000 into that port if the expenditure is unjustifiable. As I have said, I think the better plan would be, as the hon. member for Mackenzie suggests, to appoint a committee to investigate the matter, because I think the government will receive support from all sides of the house if it is shown that

the expenditure is justified. Personally I will support it if I can be convinced that it is a proper expenditure.

Mr. SPENCER: One trouble about the port of Quebec, as with the port of Halifax, seems to be its geographical situation. We cannot supply grain traffic to a port which is so situated that it cannot be a grain port. Unfortunately in matters of trade we sometimes try to go against natural economic conditions, and this seems to be a case of that kind. The minister said that the port of Quebec had certain claims against the Department of Immigration. What are those claims? If they are for rent, what is the amount? What is the capacity of the immigration shed at that port? What rent does he think the Immigration department should pay to the port of Quebec? We were told in 1925 by the minister himself that there were elevator facilities at Quebec capable of handling 40,000,000 bushels of grain per season. This year, however, he comes back and asks parliament for a larger amount in order to build additions to the elevator, although last year they handled only 10,000,000 bushels.

Mr. SHORT: First I want to take exception to the remark just made about Halifax being geographically isolated. We have heard the story time and time again from our friends from the west that Nova Scotia is geographically unsuited for the shipment of grain and other shipments from the west. She was not geographically unsuited during the great war when we had to depend upon the port of Halifax for shipments overseas; but when the question is one of shipment of our own commodities in time of peace they tell us that geographically we are unfavourably situated. I am not opposed to this vote for the port of Quebec if it can be justified, but in 1925 we were told that they required $5,000,000 to equip that port so that it could be made suitable for grain shipments. Now they come along two or three years afterwards asking for $8,500,000 in addition to the $5,000,000 appropriation of 1925. We in the maritimes are prepared to support the vote if we are assured that the expenditures are justified. That is all we desire to know, but we want a stop put in this house to the talk about Nova Scotia being geographically unsuited for ocean traffic. We think Nova Scotia should be given a square deal the same as any other province.

Mr. CARMICHAEL: When the $5,000,000 loan which has been referred to several times was voted in 1925, the minister made it quite plain, as recorded in Hansard of June 4, 1925, that that appropriation was to carry out a five-year program. At page 3887 of the Hansard of that date, the question was asked by the hon. member for Macleod:

Mr. Coote: How much of this construction is contemplated this year?

Mr. Cardin: It is very hard to say, but the execution of the whole program will certainly take five years.

Mr. Caldwell: What will the whole program cost?

Mr. Cardin: Five million dollars.

Mr. Caldwell: Is it estimated that this $5,000,000 will complete the whole five year program?

Mr. Cardin: Yes.

I recall, too, that in the year 1925, on June 4th, some of us were suspicious that a federal election was not very far off, and we were right. A federal election came on in the fall of 1925. Is the minister not just a little premature in asking for $8,500,000 at this time? There will not likely be another federal election this year, and it seems to me that the minister is a couple of years ahead of time at least. Surely, according to what the minister told us in 1925, that $5,000,000 has not all been expended, judiciously expended, at least, and if it has, I wonder if he has carried out the spirit and the letter of the resolution upon which the loan was based. I find that the resolution was introduced on May 28, 1925, and a very important clause of that resolution reads:

That the corporation shall, upon any advances being made, deposit with the Minister of Finance debentures of the corporation equal in par value to the advance so made, repayable within twenty-five years from the date of issue, and bearing interest payable half-yearly at the rate of five per centum per annum.

It goes on to say that these interest charges shall be collected from tolls, and so on. Now the information given to us is that absolutely no interest has been paid by the Quebec harbour commissioners.

Mr. LAPOINTE: That is a mistake. The interest was kept back when the advances were made, exactly as was done in the case of Vancouver, although my hon. friend from Vancouver Centre did not say so.

Mr. STEVENS: What was that?

Mr. LAPOINTE: During the period of construction, when those advances were made by the government, an amount sufficient to cover the interest was kept out of the advance by the Minister of Finance. It is very easy to pay the interest in that way, and that has been done in the case of Vancouver as well as Quebec.

Mr. STEVENS: Except in the items I read, interest was provided out of operating revenue at Vancouver.

Mr. LAPOINTE: Out of construction. That is what the hon. gentleman himself said.

Mr. GEARY: The interest during construction is always made a capital charge.

Mr. CARMICHAEL: The impression we got over here, with our imperfect facilities for hearing, was that no interest had been paid in recent years, and that there was over $8,000,000 of interest outstanding. Now as a business proposition, when anybody goes to get money from a business concern, if he has not paid the interest and generally some of the principal, he is not likely to get another loan, and I do not know that we would be following strictly business principles in this house if we were even to consider making another loan to a corporation that has been unable to pay interest on the loans already made.

Further, in the debate that took place on the loan that was made to Quebec harbour in 1925, the minister stated that the total elevator capacity of Canada for grain was 200,000,000 bushels. That takes in all our storage elevators, at Vancouver, Fort William, Port Arthur, Montreal and Quebec. We had also one built recently at Owen Sound, and I understand there is a movement on foot to build another one at Collingwood, on the Georgian bay. We have at Quebec an elevator with a capacity of 2,000,000 bushels, and the minister stated in 1925 that that 2,000,000 bushel capacity elevator could handle 40,000,000 bushels of grain in a season. I fail to see where there is any great need for increasing the elevator capacity at Quebec, and certainly with the amount of grain handled at the port of Quebec, some 5,000,000 bushels in 1925, and not quite 10,000,000 bushels in any year since, I fail to see where there is any real need for the expenditure of another $8,500,000 for further elevator capacity at Quebec. I do not know whether there are enough of us here to vote down this unnecessary expenditure, but certainly some of us will vote against it.

Mr. SPENCER: I would ask the minister to give me a reply to my question: what rent does he think the Immigration department should pay to the port of Quebec?

Mr. CARDIN: I cannot satisfy my hon. friend on that point because I have not before me the accounts, but I think the total amount claimed is in the vicinity of $2,000,000. That is what they are claiming from the Department of Immigration for having placed at their disposal facilities for the landing of immigrants at the port of Quebec, wharves and sheds, and so forth, which the commission was prevented from using for other shipping, and that is the reason for their claim against the Department of Immigration. I am not in a position to say what would be the proper charge, but I can say that the port of Montreal would not be prepared to provide the necessary facilities for the landing of immigrants at that port, and they would refuse to do it because it is not a paying proposition. In fact, nothing has been paid by the Department of Immigration, and it is using facilities which could be devoted to the shipping interests of the port.

Mr. EDWARDS (Frontenac): What about Halifax and St. John?

Mr. CARDIN: It is the same thing.

Mr. EDWARDS (Frontenac): Are they paying anything on account of immigration?

Mr. CARDIN: No. The port of Halifax was formerly under the control of the Canadian National Railways, and St. John has made no claim.

Mr. LAPOINTE: They were not losing any money. The government has spent $19,000,000 on the port of St. John without getting any revenue.

Mr. EDWARDS (Frontenac): They are asking for a loan.

Mr. LAPOINTE: Yes, because they formed a commission last year in accordance with the Duncan report.

Mr. CARDIN: I may not have given the proper information, or I may have been misunderstood, in regard to the interest. The interest on the loan of $5,000,000 in 1925 was kept back by the Department of Finance, so practically it has been paid. When I said that the interest had not been paid I was speaking of the interest on the previous advances to the port.

Mr. McGIBBON: How much was the interest on the previous advances?

Mr. CARDIN: It runs to several million dollars.

Mr. McGIBBON: That is very indefinite. Is it two, four or six million?

Mr. STEVENS: Over five million.

Mr. MILLAR: What other large Canadian ports have failed to pay interest on advances?

Mr. CARDIN: The port of Vancouver and the port of Montreal are paying interest; they are the only two. The port of St. John was the property of the city, and works were erected there by the government through the Public Works Department.

Mr. MILLAR: Has Toronto paid any interest on its advances?

Mr. CARDIN: No. The port of Toronto is controlled by the city, and the money has been spent through the Department of Public Works.

An hon. MEMBER: How much?

Mr. LAPOINTE: It amounts to $10,490,000.

Mr. CANTLEY: Mr. Chairman, I have no objection to this bill going through provided that the port of Quebec pays interest on the loan. The minister refers to the amount owing to the port by the Department of Immigration. Why does he not collect it? If there is any minister in the house from whom it ought to be easy to collect money it is the Minister of Immigration (Mr. Forke). But the port of Quebec is in very good company in not paying interest. As a matter of fact, this government does not pay interest; the Minister of National Revenue (Mr. Euler) has collected money in excess of the amounts due in respect of income tax, and he has retained that money for eight, nine and ten months without paying interest. In fact he still refuses to pay such interest. The sauce that is good for the goose is good for the gander. I do not wonder at the Quebec harbour commissioners declining to pay interest if they think they can get away with it. Then we have the national railways failing to pay interest, and the Canadian Government Merchant Marine. So the minister has fairly good precedents to guide him. I submit that the proposal made by the member for Parkdale (Mr. Spence) has considerable merit. I would also suggest that from the loan there be deducted the amount of overdue interest.

Mr. GARDINER: Were the immigration facilities at the port of Quebec provided by the Department of Immigration or by the harbour commissioners?

Mr. CARDIN: I am not quite sure, but they are at present under the control of the harbour commissioners and have been for some time. The wharf and buildings occupy the best space in the port.

Mr. GARDINER: Did the harbour commissioners erect the buildings in the first place?

Mr. CARDIN: They were built by the Department of Public Works.

Mr. GARDINER: Did the harbour commissioners consent to the building being placed there?

[Mr. Cardin.]

Mr. CARDIN: They could not refuse the use of the wharf and building for immigration purposes.

Mr. LAPOINTE: The immigration facilities were placed there before the harbour commission was formed.

Mr. SHORT: Were those immigration facilities provided out of the five million dollars which was appropriated for the harbour some years ago?

Mr. CARDIN: No, those buildings and wharf formed a part of the property of the old harbour commission.

Mr. SHORT: Then they were charged up to the general expenditures of the Department of Public Works. This being so, what right has the harbour commission to expect the Immigration department to pay for the use of those facilities?

Mr. CARDIN: All the wharves and buildings erected by the Public Works department have come under the control of the harbour commisisoners since the commission was organized. That is practically the case with all the other harbours—after the incorporation of the various harbour commissions the respective properties, which up to that time had been under the control of the department, were transferred to the various harbour commissions and now form part of their assets. That is why the Quebec harbour commissioners are entitled to some revenue from the wharves and buildings used by the Immigration department.

Mr. SHORT: Then I presume that the same thing will apply to the immigration buildings in the port of Halifax—if our harbour does not pay, the harbour commissioners will be able to charge the Immigration department for the use of the buildings erected by the Public Works department?

Mr. CARDIN: The case is absolutely the same.

Mr. SHORT: And I presume we shall receive the same leniency in Nova Scotia that is extended to Quebec; that is, if we are not able to pay our harbour expenses, the government will not expect any interest on the debentures, and we shall be able to charge the Immigration department for the use of the immigration sheds.

Mr. STEVENS: This is the time to present your bills; bring them along.

Mr. BOYS: I understood the minister to inform the committee that the total interest in arrears was a little over five millions dollars.

Mr. CARDIN: I was guessing; I had not the figures before me.

Mr. BOYS: I wondered if I had misunderstood him, because I have in my hand the report of the board of audit made at the instance of the Minister of Finance, bearing date January 16, 1926. I observe that the board was instructed:

To inquire into and report upon the following matters:
1. The financial affairs of the Quebec harbour commissioners.

The board reported as follows:

Unpaid interest on the foregoing loans, calculated to December 31, 1926, $8,830,992.52.

The same report deals with the indebtedness of the harbour as follows:

—resulting in a net debt of $24,546,412.81 as of December 31, 1926.

To that must be added, if this legislation goes through, $8,500,00, making the total debt $33,000,000 odd. If then we add even one year's interest—and we should allow a year and a half—we find the total indebtedness will be $34,650,000. Surely before we are asked to make this loan we should have more information. I do not know what the attitude of the minister will be towards the suggestion that the proposal should go to a special committee for investigation, but I think it would perhaps meet the situation. Speaking for myself, I have every desire to support any expenditure in Quebec that the facts and figures warrant; but there is certainly nothing before the committee at the present time to warrant increasing a debt that is now over thirty-four and a half million dollars by the vote which the minister now seeks from the committee.

Mr. POWER: I do not think my hon. friend's figures are quite correct. He is adding the $8,000,000 which it is proposed to vote, but he is neglecting to deduct the $7,000,000 claim against the government.

Mr. BOYS: We have not heard about that.

Mr. POWER: Let the hon. gentleman read the document which he has before him. The report of the Auditor General gives it.

Mr. BOYS: If I have made any misstatement I am ready and willing to correct it at once. I have quoted the figures from this report. If there is some claim outstanding in connection with the Immigration department I am not making any reference to it.

Mr. POWER: I did not mean that the hon. gentleman had made any misstatement; I said the figures were not quite correct, in that on the very next page the Auditor General himself admits that there is a claim by the harbour commissioners of Quebec of something like $7,000,000.

Mr. BENNETT: He does not admit it; he says the claim has been made.

Mr. BOYS: The claim is $1,300,000 odd and there is a further claim of $2,000,000; and the interest amounts to $3,500,000 odd.

Mr. POWER: It amounts in all to about $7,000,000.

Mr. BOYS: That is correct. It has been outstanding for years without any effort being made to enforce it.

Mr. POWER: There was some question as to how this account arose and who built the immigration sheds. The sheds themselves were built by the Department of Public Works, and therefore by the parliament of Canada, but the wharves on which these sheds were erected were built by the harbour commission. Permission was asked from the commission to erect these sheds and I happen to have in my hand the annual report of the harbour commission in this regard. I will read the following extract from it:

On application permission has been given to the Department of Agriculture to erect immigration buildings on the Louise embankment, or on the breakwater, or on both, with the understanding that the terms for the occupation of the ground will be settled amicably between the government and the commissioners. The site chosen has been the breakwater—

And so forth. Apparently this question has never been settled. As long as I can remember I have heard the claim put forward by the people of Quebec and by public bodies in that province that the Dominion government owed for this. There is a recommendation on the point from the audit board, and I understand that the Department of Marine and Fisheries has always recognized the claim. The audit board recommends that this claim be settled in some way in order that we may arrive at some satisfactory figure, showing just what the port of Quebec does owe the Dominion government, and thus straighten out the matter. In justice to both parties some arrangement should be made to settle the question. I may tell the committee however that to my knowledge the present state of affairs is due to no laxity on the part of the port of Quebec in endeavouring to enforce its claims, because on all possible occasions it has written to the government and forwarded memorials to the different departments in an effort to receive payment. But the commission has received nothing. Every year the annual report of the Quebec harbour commissioners—which

report must be made to the Department of Marine and Fisheries—includes certain sums payable by the Dominion government to the commission.

Mr. EDWARDS (Frontenac): Can the hon. member give us the ground of these claims which are due, or alleged to be due, to the harbour commission, totalling $7,000,000?

Mr. POWER: I have not all the figures; I have some of them.

Mr. EDWARDS (Frontenac): I thought the hon. gentleman had a statement giving that information?

Mr. POWER: The claim is based partly on the rental for the ground and partly on the services rendered to the Department of Marine and Fisheries in the wintering of boats at the wharves belonging to the harbour commission. The Solicitor General has handed me the following statement:

Claims against the Dominion Government		Accrued interest
Department of Public Works	$ 755,209 04	$ 182,620 03
Department of Interior	351,437 32	382,361 30
Department of Marine and Fisheries	314 25	192 54
Department of Naval Service	1,475 00	619 56
Department of Militia and Defence	38 75	16 20
Department of Immigration	2,613,716 00	3,029,070 14
Intercolonial railway	2,637 00	964 05
Commissioners of National Transcontinental railway	2,253 96	823 86
	$3,727,081 32	$3,596,667 68
	3,596,667 68	
Total of claims and accrued interest	$7,323,749 00	

Mr. BENNETT: My difficulty is with respect to the $3,000,000 accrued interest. It is larger than the principal.

Mr. STEVENS: Compounded for twenty years.

Mr. POWER: I presume that the interest on the loan is compounded too.

Mr. BENNETT: The report does not show whether it is compounded or not and I thought the hon. gentleman would be able to say. This accrued interest of $3,000,000 strikes me as a very large sum; it must be at compound interest. I asked the Minister of Finance whether the $8,000,000 was also compounded, but he was not in a position to say positively.

Mr. ROBB: I think they are both compounded.

Mr. EDWARDS (Frontenac): I confess I am very much alarmed on behalf of the Minister of Immigration (Mr. Forke). If the Minister of Immigration is to have deducted from his appropriation this year this charge of over $2,000,000—

An hon. MEMBER: Seven millions.

Mr. EDWARDS (Frontenac): Seven millions. If he is to have deducted from his appropriation this year that considerable sum, I fear the Dominion of Canada will suffer seriously by the hampering of the hon. gentleman's magnificient efforts to induce immigrants to come to Canada. This is a very serious matter for the minister and I am perturbed to see with what placidity and equanimity he receives these startling figures affecting his department. I should be very sorry indeed to see his wonderful efforts along immigration lines curtailed by millions; most assuredly it would be a calamity to the Dominion. Really I think we are entitled, before this matter goes through, to receive more information than so far has been given us. Probably that will apply to other votes of a similar character. It is all very well to say that $8,500,000 is being asked to provide increased facilities, but that is a very wide term which may mean much or nothing. I think the house should be provided with more details in connection with these expenditures, and I have thought so for some time. Since hearing of this accrued interest and of the demands made upon the various departments of the government by the harbour commissioners I am more convinced of that than ever before. Apparently some of these matters date back fifteen or twenty years, and I wonder who has been handling the business of the harbour commission, to allow these departments to get into debt to this extent. Apparently there has not been a very good business man at the head of the commission, or they would not permit other departments to get into their debt to these amounts. I think we should have more details on the items given us by the hon. member for Quebec, who told us the amounts owing by the Department of Public Works, the Department of the Interior and so on; I think we are entitled to that information.

Mr. BOYS: I would like to read just a reference to the gross earnings and gross expenses for the years 1924, 1925 and 1926. In each case the gross earnings are given as 100 per cent, and the gross expenses for 1924 appear as 69.83 per cent; for 1925 as 85.25 per cent and for 1926 as 87.68 per cent. There is more than a page and a half of this return devoted to the results of operations from 1924 to 1926 inclusive. This is certainly most illuminating, and I am going to venture to read it unless I can secure consent to place it on Hansard.

Some hon. MEMBERS: Read it.

Mr. BOYS: I do not want to delay the house or to tax my voice if I can secure consent, but otherwise I will read it.

Some hon. MEMBERS: Read it.

Mr. BOYS: It will be difficult to digest it all as I read it.

Mr. CARDIN: There is no objection to filing it.

Mr. BOYS: It is nearly six o'clock, and I presume it will appear in Hansard to-morrow so that hon. members will be able to read it. That being so, I will hand it in and it can be incorporated as part of my remarks.

Results from operations 1924-1926 inclusive:

The published reports of the Quebec harbour commissioners for the years ended 31st December, 1924, 1925 and 1926, give the following information:

	1924	1925	1926
Gross earnings	$ 568,627 77	$ 568,533 25	$ 678,882 06
Gross expenses	397,078 18	484,670 36	595,272 89
Surplus	$ 171,549 59	$ 83,862 89	$ 83,609 17
From which should be deducted overcharges to capital accounts, claims against governmental departments, etc	280,836 52	187,312 88	211,787 64
Deficit before interest on government advances	$ 109,286 93	$ 103,449 99	$ 128,178 47
Add annual interest due the Dominion government.	460,743 45	489,802 20	494,741 17
Deficit before charging depreciation	$ 570,030 38	$ 593,252 19	$ 622,919 64

Assuming that the claims against various governmental departments can be fairly considered as earnings, the results portrayed above would be affected as follows:

	1924	1925	1926
Annual deficit (as shown above)	$ 570,030 38	$ 593,252 19	$ 622,919 64
Less claims against governmental departments	116,981 00	97,306 00	113,785 00
Annual deficits before charging depreciation	$ 453,049 38	$ 495,946 19	$ 509,134 64
If interest on the claims against the government be considered as earnings; the above deficits would be reduced by	138,894 00	144,743 05	149,608 35
Annual deficits before charging depreciation	$ 314,155 38	$ 351,203 14	$ 359,526 29

Examination of the published reports clearly shows the expenses to have increased steadily and out of proportion to the earnings during the three years; this fact is set out in the following percentages:

	1924 per cent	1925 per cent	1926 per cent
Gross earnings	100	100	100
Gross expenses	69.83	85.25	87.68

The accounts examined by us provided no explanation for these variations, due largely to the suspension some years ago of cost accounts.

The figures submitted above clearly demonstrate that, even allowing for a reasonable increase in traffic at the port of Quebec, the gross earnings will not be sufficient in any year to pay the operating expenses and interest on government loans; and as no provision has been made for depreciation, it may be forecasted that the annual cost of repairs and renewals will increase considerably in the future.

It will be noticed that the annual deficit for three years, excluding claims against departments of the government and interest thereon—neither of which have been paid by any of the departments—but including interest on government allowances, averaged $600,000.

Mr. BENNETT: I suggest that the government should endeavour to adjust these claims before we proceed further with this resolution. In my opinion the harbour commission of Quebec have a correct and proper claim against the other departments of the government if their wharves have been used by those departments and if they have not been paid for such use. That is my personal opinion as a lawyer, because it is quite clear that the space thus utilized cost the harbour commission money upon which they have been paying interest. That is quite clear from the report which has been tabled here. The question now is as to the fair allowance for

the use of that space and the interest which should be allowed for the non-payment of these rentals by the government departments. There is the further point that it is unfair to ask the harbour commission to pay interest if we do not allow them interest if they are entitled to anything. We all want to be fair, and in my judgment this matter should be adjusted without delay, because we are carrying $8,800,000 arrears of interest against the harbour commission of Quebec, against which they say they have a set-off amounting to many millions of dollars. I do suggest to the Minister of Finance and to the various departments affected that this matter be adjusted without further delay, and the whole debenture debt of the harbour commission reorganized in some way. This might be done as my hon. friend from Centre Vancouver has suggested, by issuing new debentures indicating the amount of the indebtedness as of January 1, 1928. There is nothing more conducive to this very condition than to continue this sort of thing, which is not right or proper. If the facilities which cost the Quebec harbour commission a large amount of money have been used by another department without payment, the commission have been deprived of that space which might or might not have been used by someone else, and they are entitled to receive a reasonable rental.

Here is another difficulty which I think the government might also consider. This is a large sum of money and, when I saw this resolution on the order paper I proceeded to make certain inquiries. We are asked to grant $8,500,000 to the harbour commissioners, and this amount represents 50 per cent of the money which has been expended there so far. That must be borne in mind. Now I find that the large liners are being constructed in such a way as will permit them to go to Montreal, and we are spending roughly $1,500,000 a year to make it possible to navigate from Montreal to Quebec. For instance, the new ships Laurentic and Megantic, together with the new Duchess ships of the Canadian Pacific line, are going to Montreal. I only learned that last week, in consequence of inquiries which I made after I saw this resolution on the order paper. I understand that additional beam has been provided so that the depth of water required will be somewhat less than was formely the case, and the large liners, including the Duchess of Athol and the Duchess of Bedford, as well as the Laurentic and Megantic, ships of roughly 20,000 tons register, all go to Montreal. Under these circumstances, might it not be desirable for the minister to reconsider this resolution, first to give effect to the very proper claims of the Quebec harbour commissioners for such sums as may represent a just and proper rental for the use of their facilities by the various departments of the government? In that regard this is no different from railway companies, which have inter-departmental charges. When one department uses the telegraph system, for instance, although it may have a frank, a charge is made for that particular service. The same applies to other branches of industry; the manufacturing end of a concern makes a charge against the administrative end if it uses part of the manufactured material of that concern, and this is exactly the same principle. The harbour commissioners have only one thing to sell; they sell space, and if that space is used by some of the departments of the government a fair rental should be paid.

Then I submit to the minister that in view of the sums which we are compelled to pay annually to maintain and extend the channel between Montreal and Quebec, and having regard to the fact that these large ships now proceed to Montreal, it is desirable to reconsider the whole situation as to whether or not at this moment it is desirable to contemplate such a large expenditure. This is a national port; I need hardly say that this is not a Quebec port in the general sense of that term. This is a national port and is the concern of every part of Canada, perhaps more especially western Canada because the facilities with respect to grain are the facilities from which it is expected a very large revenue will be obtained if those facilities are used by the public to their full extent. I look at the harbour of St. John, for instance, and I find that last year that harbour handled 25,000,000 bushels of grain, with an elevator capacity of only 2,100,000 bushels. They have a capacity of 1,600,000 bushels at one point and 500,000 bushels at another, and with this total capacity of 2,100,000 bushels they were able to handle 25,000,000 bushels of grain. It did occur to me that with facilities at Quebec capable of handling 2,000,000 bushels, the proper course to pursue at the moment, having regard to the commitments which have been made, would be to ascertain whether or not it would be possible in the seven months of the year during which navigation is possible, to increase the turnover of grain from 8,000,000 or 9,000,000 bushels to possibly 15,000,000 or 16,000,000 bushels. This struck me as a fair suggestion to submit to the minister, because everyone who lives in any

part of Canada other than Montreal, Quebec or the eastern provinces is vitally interested in the success of these ports. To the extent to which they are loaded with unnecessary debt it becomes an increasing burden upon the shippers, because the tolls charged must be sufficient to pay the interest upon the investment. Under those circumstances would it be unfair to suggest to the minister, seeing that it is six o'clock, that between now and the time his resolution is next in committee he settle and determine, if possible, the two propositions to which I have directed attention, namely, the claims of the government in respect to the portions of the piers that have been used by various departments as outlined by my hon. friend for Quebec South (Mr. Power) and that referred to in the report of the audit board; and secondly, whether having regard to all the circumstances a less ambitious program might not be possible and a lesser sum appropriated for the purpose at this time. It does appear to me, having regard to what has taken place, that fifty per cent of the possible expenditure is entirely too large a sum to ask for until we have proved by concrete effort what may be accomplished in connection with the movement of grain from the western provinces through the elevators at the city of Quebec.

Mr. ROBB: The statements which have been made by the hon. leader of the opposition will render it much easier for the Minister of Finance when he comes before parliament, as he intends to do, to clean up these outstanding accounts. Indeed, when we provided in the preparation of the budget this year for the writing down, as hon. members will recall, of some $16,000,000 odd that might be classed similar to this in accounts for soldier land settlement, and for advances to settlers for seed grain in western Canada, we had in mind that these old standing accounts with the harbour commission of Quebec should be cleaned up. While much has been said to-day as to the total amount owed by the harbour board of Quebec, it must be kept in mind that the total advances made by the Dominion amount not to $24,000,000 but to $14,000,000 odd.

Mr. BENNETT: Exactly.

Mr. ROBB: It is true that the unpaid interest has been compounded to something over $8,000,000.

Mr. STEVENS: Is the minister quite certain of that?

Mr. ROBB: If it is not compounded in the one case it is not in the other, and both accounts are on the same basis. And then it must be remembered that they have an overdraft in the bank amounting to some $747,000 odd. But coming back to the question of expenditure, the Dominion of Canada has advanced the sum of $14,000,000 to provide facilities at the port of Quebec where large liners call. If we did not make provision for the accommodation there of these large steamships their passengers would probably go to New York, Boston, or some other port in the United States, because they would not go by vessel to Montreal. My hon. friend will agree that most of the first class passengers disembark at Quebec and take the train there to their destination. We must keep in mind that we are bringing business to our Canadian railways, and it is not all Canadian business. I recall coming home on a vessel last year that was loaded down, every berth occupied, and on the whole ship there were not one hundred Canadians; most of the passengers were on their way to the middle west and other parts of the United States. That represents the business we are getting through the great port of Quebec. If you compare the $14,000,000 we have invested in Quebec with the money spent on inland ports by the Department of Public Works, I think the comparison will not be disadvantageous to the port of Quebec. My hon. friends might very well allow the resolution to go through, and then the bill to be founded on it can be introduced.

The CHAIRMAN: Shall the resolution carry?

Mr. CHAPLIN: No, it is six o'clock.

Progress reported.

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

Thursday, April 19, 1928

The house met at three o'clock.

JUDGES' SALARIES

FIRST REPORT OF SPECIAL COMMITTEE

Mr. J. T. THORSON (Winnipeg South Centre) presented the first report of the special committee appointed to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada, as follows:

Your committee recommend that they be given leave to print their proceedings and any evidence taken by the committee to the extent of five hundred copies in English and two hundred and fifty copies in French, and that standing order 64 be suspended in relation thereto.

Your committee also recommend that they be given leave to sit while the house is in session.

On motion of Mr. Thorson the report was concurred in.

GENEVA OPIUM CONVENTION

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate informing this house that the senate doth unite with the House of Commons in approving the opium convention signed at Geneva on the 19th day of February, 1925, after the second opium conference, and which was signed on behalf of Canada by the Canadian representative duly authorized to that effect.

NATIONAL RAILWAYS AND SHIPPING

CHANGE IN MEMBERSHIP OF COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move:

That the name of Mr. H. A. Stewart (Leeds) be substituted for that of Sir Henry Drayton on the committee on national railways and shipping.

Motion agreed to.

COPYRIGHT ACT AMENDMENT

On the order:

First reading of bill to amend and make operative certain provisions of the Copyright Act.—Mr. Ladner.

Mr. L. J. LADNER (Vancouver South): This bill standing in my name, Mr. Speaker, is one which had its origin in the bill of the hon. senior member for Ottawa (Mr. Chevrier), which was introduced on April 1, 1924. As a result of the introduction of that bill and of a further bill dealing with the same subject in 1925, the subject was referred to a special committee, which prepared a report, comprising some three hundred pages, which I have in my hand. The committee went exhaustively into this question, in which the Canadian Authors' Association, the radio people, the theatrical people, and a number of other people in Canada are interested. The committee's report did not seem to find universal approval, and in 1926 I became sponsor for bill No. 3, which was practically a copy of the bill originally introduced by the senior member for Ottawa. Following its introduction, conferences took place between the interested parties, the Canadian Authors' Association, publishers and printers, theatrical and radio people, and as a result a modification of the clauses which were in controversy was agreed to, so that finally the only clause remaining which was a matter of controversy was one relating to licenses by which printers and publishers have certain rights in regard to reproducing works in Canada against the wishes of the authors of these works.

In 1927, by Bill No. 45, the subject was again introduced into parliament, but through the exigencies of parliamentary business and procedure, that measure was never carried through to completion, and now this bill stands on the order paper in my name for presentation to parliament this year.

I wish to explain that I understand from a statement which the hon. Secretary of State (Mr. Rinfret) made to the house the other day, that it is not the intention of the government to introduce a measure relative to the Copyright Act this session. I believe also that a convention is being held in Rome at which it is hoped by most of us, and indeed it is likely, a representative of Canada will be present. That convention has to deal with matters in connection with the Berne convention, of which Canada along with thirty-five other nations is a member, and as a result of international rearrangements regarding copyright which may be made at that convention, I am hoping that the government will see its way clear to introduce a measure providing a remedy that will satisfy the claims of the authors, as well as certain other remedies which certainly ought to be provided by parliament. I shall not enter into details at this stage because they are well known to the government. As I have reason to believe that the government will, following this convention in Rome, introduce a measure to remedy the situation, and perhaps considerably revise the Copyright Act, I ask leave to withdraw this bill.

Bill withdrawn.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LEAGUE OF NATIONS—CANADIAN STAFF

Mr. CANTLEY:

1. Who represents Canada in the League of Nations, Geneva?
2. What is his position and duties?
3. What official staff does Canada maintain in connection with the league?
4. Who constitute the staff: (a) what are the duties of each; (b) what salary does each receive?
5. What is the total expenditure made by or on behalf of Canada in connection with the league, for the fiscal year 1926-27?
6. What has been the total expenditure made by Canada in connection with the league from inception up to December 31, 1927?

Mr. MACKENZIE KING:

1. W. A. Riddell.

2. Canadian advisory officer, charged with furthering Canadian interests in connection with the League of Nations, including representation at conferences and meetings of league organizations.

3. Three members.

4. Name—Duties—Salary.

W. A. Riddell, Canadian advisory officer, $6,000.

Miss M. Clark, secretary, $1,500.

Miss E. McLennan, stenographer, $1,200.

5. $181,119.54.

6. $1,610,223.36.

INDIAN INDUSTRIAL SCHOOL, RED DEER

Mr. SPEAKMAN:

1. Has the government leased or rented that property known as the Indian industrial school, situate near Red Deer, in the province of Alberta?

2. If so, to what party or parties?

3. For what period?

4. What annual rental is paid?

5. For what purpose is the property to be used?

6. What acreage is involved?

7. Are the lessees exempt from municipal and school taxation?

Mr. FORKE:

1. Yes.

2. Reverend Roderick A. Macdonell of Red Deer, in trust for the Scottish Immigrant Aid Society.

3. March 1, 1923, to April 30, 1928; in 1926 an arrangement was made to renew the lease for a further five years from April 30, 1928—and thereafter subject to termination by either party on one year's notice.

4. Nominal rental, one dollar per year.

5. For depot and training centre for immigrants from Great Britain.

6. 1,116.

7. The lessee agreed to pay all taxes, rates and assessments which may be levied against the land. The government is not aware of any exemption granted to the lessee by the municipal or provincial authorities.

CANADIAN NATIONAL RAILWAYS—RAIL AND RIVER COAL COMPANY

Mr. SMITH (Cumberland):

1. Does the Canadian National Railways or any of its subsidiaries own a controlling interest or any stock in the Rail and River Coal Company, situate in the United States of America?

2. Does the Canadian National Railways or any of its subsidiaries own stock in any coal companies in the United States of America; if so, state: (a) names and location of companies; (b) extent of interest or holdings?

Mr. DUNNING:

1. The entire capital stock of Rail and River Coal Company was owned by the Grand Trunk Railway Company, which company now forms part of the Canadian National system.

2. None other than company mentioned in answer No. 1.

GOLDBROOK—UPPER MIDDLE RIVER MAIL CONTRACT

Mr. JOHNSTONE:

1. Who is the present contractor for conveying the mails between Goldbrook and Upper Middle River, in Victoria county, Cape Breton?

2. How long has he had the contract and what is his salary?

3. Who was the previous contractor and when did his contract expire?

4. What was his salary?

Mr. VENIOT:

1. D. A. McRae.

2. Since 1st July, 1927, $150 per annum.

3. Alex. J. Grant & Don D. McDonald, sureties to J. N. McRae (deceased). Contract expired on 30th June, 1927.

4. $93.60 per annum.

CANADIAN FARM LOANS

Mr. BENOIT:

1. Has the government appointed, according to article 3, chapter 66 of the revised statutes, a commission to handle Canadian farm loans?

2. If not, will one be appointed soon?

Mr. ROBB:

1. No.

2. This matter will call for attention on the part of the government as soon as the provinces which intend to participate in the plan are heard from.

OHSWEKEN POSTMASTERSHIP

Mr. SMOKE:

1. Who is the present postmaster at Ohsweken, Ontario?

2. When was he appointed and upon whose recommendation?

3. Was Mr. J. S. Johnson, former postmaster of Ohsweken, Ontario, dismissed?

4. If so, was an investigation held, and what were the reasons for his dismissal?

Mr. VENIOT:

1. Clifford Styres, OAS.

2. 11th April, 1928. On recommendation of government candidate for constituency.

3. Yes.

4. Dismissal was authorized on representations from the Department of Indian Affairs.

INDIAN SCHOOLS—TEACHERS' SALARIES

Mr. BRADY:

1. Is it the intention of the Department of Indian Affairs to increase the salaries of teachers now in their employ?
2. If so, what will be the rate of increase and on what date will the increase become effective?
3. On what basis are the salaries paid to teachers in Indian schools fixed?

Mr. STEWART (Edmonton):

1. No general increase.
2. Answered by No. 1.
3. Qualifications, experience and nature of duties.

QUESTION PASSED AS ORDER FOR RETURN

INDIAN AGENTS—NOVA SCOTIA

Mr. CANTLEY:

1. Who is the agent for the Department of Indian Affairs in the province of Nova Scotia?
2. What are his duties and remuneration?
3. Referring in each case to the Indians of Pictou county, Nova Scotia, who is the agent for that department in that county?
4. Who is the medical officer?
5. What are his duties?
6. What was paid him by way of salary for the years 1925-26-27?
7. What was paid him by way of expenses for the years 1925-26-27?
8. What was paid him for medicines or supplies during the years 1925-26-27?
9. What was the total amount spent on or on behalf of said Indians during the years of 1921-22-23-24-25-26-27?

FEDERAL DISTRICT COMMISSION

IMPROVEMENT AND BEAUTIFICATION OF OTTAWA

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Federal District Commission Act, 1927, be amended to provide,

1. That the period for the payment of the annual grant to the Federal District Commission at present fixed at sixteen years from the first day of April, 1927, be extended to thirty years from the first day of April, 1928, the said annual payment to be reduced to the sum of $200,000.

2. That the Minister of Finance may provide for the purposes of the commission by the sale or other disposition of securities of the commission, guaranteed as hereinafter provided, an amount or amounts not to exceed in the aggregate $3,000,000, or he may, with the approval of the governor in council, pay to the commission, out of the consolidated revenue fund, such sum or sums, not exceeding $3,000,000, as may be required for said purposes, or may make such provision partly in one way and partly in the other. The governor in council may authorize the guarantee of the payment of principal of and interest on any such securities, the proceeds to be deposited to the credit of the Minister of Finance in trust for the commission and released by the minister in his discretion for the purposes of the act.

3. That the Minister of Finance may provide out of the consolidated revenue fund such sums as may be required to pay interest on the said securities and also such sums as are required for the purpose of establishing a sinking fund or for retiring the said securities by annual instalments.

4. That the provisions of the Expropriation Act instead of the Railway Act shall be made applicable to expropriation proceedings of the commission.

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

Motion agreed to.

ST. LAWRENCE WATERWAY

DEVELOPMENT OF WATERPOWER AND IMPROVEMENT OF NAVIGATION

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, at page 1946 of Hansard the Prime Minister (Mr. Mackenzie King) in moving the adjournment of the debate on the St. Lawrence waterway until the papers were tabled, assured the house, in reply to the hon. member for Fort William (Mr. Manion), that the debate would be resumed, notwithstanding any obstacles in the rules, when the papers were tabled. May I ask if this arrangement will be carried out? After consulting the whips as to the convenience of members, could a day, or part of a day, be set aside for resuming the debate?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I did not quite catch my hon. friend's remarks. Did he say that I promised a day would be named for the discussion of this matter? I do not think I ever made such a statement. I did say that the rules of the house would be followed, and I remember my hon. friend saying that he hoped the fact that the debate was being adjourned would not preclude some further discussion before the close of the session. I think that is all that was said. I certainly did not intimate that a day would be set apart for the purpose.

Hon. R. J. MANION (Fort William): I think the Prime Minister is partly right. On the occasion referred to he did not say that a day would or would not be named, but when I asked him if there would be an opportunity for further discussion after the papers

were tabled, his reply was that there would be. I pressed my question, but he did not give any further answer.

Mr. MACKENZIE KING: I think I intimated that opportunities for discussion are always open to members and that I stand by; but I did not say the government would fix a day for the discussion of this particular subject, because I think that would be going rather too far having regard to other measures of equal importance that await consideration.

Mr. CHURCH: Let me quote from Hansard, page 1946:

Mr. Manion: Just before the Prime Minister concludes, after these papers are tabled, if the house so wishes I suppose there will be an opportunity for further discussion?
Mr. Mackenzie King: The members of the house always have that privilege.
Mr. Manion: Perhaps there might be some obstacle in the way, so I presume it is understood that if the house so desires there may be a further discussion on the papers.
Motion (Mr. Mackenzie King) agreed to and debate adjourned.

There was a definite promise that this debate would be resumed when the papers were tabled.

COMMITTEES OF THE HOUSE

INADEQUACY OF ACCOMMODATION

Hon. H. H. STEVENS (Vancouver Centre): I desire to bring to the attention of Your Honour the inadequancy of accommodation for committees of the house. I am speaking now more particularly in regard to the committee on railways and shipping, of which I happen to be a member. That committee is occupied with the consideration of very important matters, which involves bringing to Ottawa a number of officials of the Canadian National Railway system with their staff and files, and their time is exceedingly valuable. This morning we were told that the committee would have to meet in a room away off in a corner of the house. Through the courtesy of the government whip (Mr. Casgrain), we turned out the members of the illustrious party opposite from one of their smoking rooms, and we secured very fair accommodation, for which we were grateful. But I submit that an important committee of this character should not be driven from pillar to post for a meeting place. I assume the answer will be that several committees are meeting. No doubt this is the case, but I think we should set up a system so that when a committee has a certain task to perform which it is clearly understood will extend over many days, a room will be set aside for its use. We have held our last three meetings in different rooms, and we only know of the change of meeting place at the last moment, so that necessarily there is considerable confusion in members finding where the committee is sitting. I submit this condition of affairs should be remedied by the proper officers of the house.

Mr. SPEAKER: I thank the hon. gentleman for his remarks. I find from various quarters that already this building is inadequate with respect to the rooms available for committees and for members.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: I shall confer with the hon. Minister of Public Works on the matter.

HUDSON BAY

AERIAL SURVEY OF HUDSON STRAIT

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): I want to ask the Minister of Marine and Fisheries when we may expect the report he promised on the results of the aerial surveys in Hudson strait.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I shall be in a position to table that report to-morrow.

CHICAGO DRAINAGE CANAL

On the orders of the day:

Mr. G. R. GEARY (South Toronto): May I ask the Minister of the Interior whether he is yet ready to table the correspondence with the United States in regard to the Chicago drainage canal?

Hon. CHARLES STEWART (Minister of the Interior): Yes, but I find there is an arrangement with the government of the United States in regard to the tabling of the report. I shall ask the permission of the house—in fact I may do so now—to table the report immediately after eight o'clock, when I should like to make a brief statement on the matter.

QUEBEC HARBOUR COMMISSION

LOAN OF $8,500,000 FOR TERMINAL FACILITIES

The house resumed, from April 18, consideration in committee of the following proposed resolution. — Mr. Cardin. — Mr. Johnston in the chair:

That it is expedient to authorize a loan to the harbour commissioners of Quebec in an amount not exceeding $8,500,000 to carry on

the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Mr. GARLAND (Bow River): Some few years ago this house had before it a vote of a similar character. At that time the amount asked for was $5,000,000 and the minister in response to queries stated that the $5,000,000 was to cover a five-year program. Moreover, he said that this was all that would be required for that program. According to his statement, that five-year program will not have reached its conclusion until 1930; yet we find the government coming back to the house again this year and asking for $8,500,000 more. At that time it was demonstrated to the satisfaction of the committee that the facilities at Quebec were ample for the business then being transacted—absolutely ample. A considerable opposition from this corner of the house, and some from my friends to the right, has arisen on the ground of the non-necessity for this expenditure, and the suggestion has been made that the item might be laid over until such time as the traffic flow into Quebec will have shown a sufficient increase in volume to justify the additional facilities asked for. These facilities at the time of the previous vote were not required, but it was explained by the Minister of Justice (Mr. Lapointe) as well as by the Minister of Marine (Mr. Cardin) that if they were provided the business would go to the port. It was also indicated that within a short time it was expected that the grain rate from Armstrong to Quebec would be reduced. Now that grain rate has been reduced; it has been cut almost in two. Yet the total increase has been but 5,000,000 bushels. At that time about 5,000,000 bushels went through the port, and the total last year was about 10,000,000. According to the minister's own admission also the capacity of the elevator will not be reached until 40,000,000 bushels per season passes through the port.

I have visited the port and have seen the docks down there and I must compliment Quebec and this government on the excellent facilities they have provided for cattle. I do not think that an hon. member opposite will allege for a moment that there is any further space required for cattle storage. The question arose yesterday regarding deep sea vessels, liners and so forth, and there was some half-hearted interjection to the effect that the amount of money asked for was required to make it possible for more of these larger vessels to dock. I do not know why that statement should have been made. I myself have inspected one of the largest liners afloat, the Empress of Scotland, which was docked at Quebec; and we all know that many of the other great transatlantic liners dock there frequently.

Frankly I am not prepared at this moment definitely to oppose this vote. If forced to do so I will vote against this resolution, unless the government is prepared to allow the bill which will follow to go before a committee where we can get information from the engineers, examine the blue prints, and have a full demonstration of the requirements of the port, together with proof of the prospects of an increased volume of business. The request is not an unreasonable one. I admit it is not original; the hon. member for Mackenzie (Mr. Campbell) made it yesterday, and it was supported by the hon. member for Parkdale (Mr. Spence). The minister will find that most hon. members on this side of the house will be perfectly willing to pass this resolution if he will agree to send the bill to a committee for further examination. It is perfectly absurd to expect us to let the matter go through at this stage when we take into consideration the weak response the minister has so far been able to make to the request for information as to the necessity for this vote. His explanation has been so futile as to convince me that until we have further information this house would not be justified in passing the resolution. If the minister desires to have the resolution go through, let him undertake to send the bill to a committee. Not only would he be wise in doing so, but he would be showing confidence in his own view of the matter. He would be saying to the house, virtually, "We have nothing to hide; this matter is open and aboveboard. The facilities are needed and we are prepared to prove it." But he has not yet proved his case. Indeed, I do not think the government can prove it in this house, and all we ask is that we be given an opportunity to get the facts. We have a right to ask this before we are urged to vote this enormous sum of money, at least two years before the program of 1925 is completed.

Mr. LAPOINTE: It was not my intention to speak at this stage, expecting to make, on the second reading of the bill, any remarks I have to offer. But there have been such extraordinary statements in the course of the discussion that I think I owe it to those I represent in this parliament to say something now. In the first place, this amount which is

asked for in connection with Quebec harbour comprises two items. One is to complete the Wolfe's cove harbour development, started after the appropriations of 1925. This item would be $5,310,000. The second item is for new grain and other facilities on the Louise docks—that is, the old harbour. It amounts to $2,840,000. There are also debentures issued to the public amounting to $350,000 which fall due in 1928 and 1929, and these must be met. These are the items which make up the amount of $8,500,000.

Mr. GARLAND (Bow River): May I ask the hon. gentleman a question?

Mr. LAPOINTE: I would prefer to finish my statement.

Mr. GARLAND (Bow River): I want to get this clearly in my mind. Is the wharf at Wolfe's cove the same wharf for which $2,800,000 was voted in 1925?

Mr. LAPOINTE: In 1925 we voted $5,000,000.

Mr. GARLAND (Bow River): But of that amount $2,800,000 was for one wharf. Is this the same wharf?

Mr. LAPOINTE: The whole $5,000,000 was for the improvement of Wolfe's cove. I am going to show my hon. friend the work which has been done, if he will allow me to proceed with my explanation.

The reasons given to the house in 1925 were that the old harbour was not sufficient for the traffic which was using the port of Quebec. Obviously the new works, which are not completed, cannot be utilized at present, and there were then and still are seven deep-water berths provided with shed accommodation in that harbour. Three of these berths were used and are being used by ships which carry immigrants, and these berths cannot be rented or leased to shipping companies; they must be available all the time for ships carrying passengers and immigrants. One of these sheds has been burned since 1925, and part of the money which is asked for is to provide for the reconstruction of that shed. Last year only two berths were available for passenger and immigrant traffic, and many ships were detained through lack of accommodation. Two other berths are used for ordinary cargoes such as lumber, cement, asbestos and so on, as well as for cattle. Facilities to take care of that traffic have been built in recent years, and obviously those two berths cannot be used for passengers or immigrants. One berth, number four, is rented to the Canadian Pacific Steamship Company, while two other berths are used for grain and for oil bunkers; these are used to their full capacity. One berth is rented to one of the shipping companies; I do not know whether it is the Cunard or another line. Those are the only berths available, and as I have already said three of them are used for the immigrant and passenger traffic.

A few moments ago my hon. friend from Quebec South (Mr. Power) handed me a telegram from the secretary-treasurer of the harbour board indicating what space is used for the immigrant traffic. It is as follows:

> Total frontage Quebec for ocean vessels 8,150 lineal feet not including coasting berths. Frontage taken up by immigrants, passenger boats at berths 18, 26, 28 and 29, 3,300 lineal feet, or 40 per cent.

That is the reason why the shipping federation petitioned the government, stating that additional facilities were required there. The president of the Canadian Pacific Railway Company and the head of the Canadian National Railways both endorsed the demands then made upon the government for the extension of the harbour, as being a work which was absolutely necessary.

What has been done? At the time the last vote was passed much opposition was manifested, really more than the bill deserved. The works at Wolfe's Cove were started immediately afterwards, during the navigation season of 1925, and they have progressed satisfactorily during the years 1926 and 1927. Sixteen cribs, having a total length of 2,666 feet, are now sunk in position and filled with stone, and the concrete superstructure on top of these cribs was to have been started early in this year. It is expected that by the close of navigation this year this wharf surface will be completed. The remaining cribs for a length of 1,634 feet, to complete the 4,300 feet of wharf, must be sunk in 1928, as one year must elapse after they are sunk to allow the concrete wall to be erected thereon. The present application for a vote of $5,310,000, which is a necessary complement to the first application, includes the construction of the necessary facilities and equipment without which the wharves cannot be utilized by the shipping interests. When the wharf is completed the facilities to be erected thereon such as sheds, railway tracks, elevators and so forth, are all works which can and must be executed at the same time in order to have these facilities ready for operation with the least possible delay. Some of my hon. friends opposite were asking yesterday why the previous vote of $5,000,000 had not produced any revenue as yet. It cannot produce any revenue until the work is completed; it is easy to see that. Shipping companies have made application for space in the new har-

bour, as soon as the work is completed. The works which have been begun with the vote of $5,000,000 cannot remain as they are; they must be completed.

The second item is for enlarging the grain elevator and for some other works which are necessary in the old harbour. In 1925, when the question of the shipment of grain through the port of Quebec was discussed in this house, hon. gentlemen opposite of the Progressive group took the position that it was absurd to provide for that movement, because a prohibitive rate was in force on the Transcontinental Railway, and that railway was not serving the purpose for which it was built. I admitted at that time that the claim was sound in many respects. I admit that my hon. friend from Mackenzie (Mr. Campbell) has been a consistent advocate of the use of the port of Quebec for the shipment of grain. He argued that the rates should be decreased; that it was of vital importance and even a necessity that the port of Quebec should be used for the shipment of grain. Well, I promised at that time that I would use all my energy for the purpose of trying to reach that desirable goal. I think we have succeeded. Much work has been done, and finally we were pleased to have the railway board of Canada decide that the rate had to be decreased. It was decreased and is now 11 cents and as a result, as I said yesterday, the harbour commissioners report that the elevator has been filled since the reduced rate went into force. But those who wish to see the desired goal reached, state that it will be useless to have the rate decreased unless the facilities in the port are also extended. That statement is made in the report of the Royal Commission on Grain. That was not urged by the people of Quebec; that was not the statement of the hon. member for Quebec South (Mr. Power) or of the hon. member for Quebec West (Mr. Parent) or of myself. The Royal Commission on Grain said that the storage and elevator facilities in the port of Quebec should be largely extended. My hon. friend the Minister of Marine and Fisheries (Mr. Cardin) read a letter yesterday from a man who is deeply interested in the grain trade, Mr. Smith—I think he is one of the officers of the pool—saying that these improvements are necessary, and that shippers cannot take full advantage of the reduced rate unless the needed facilities are provided.

One hon. member who spoke yesterday said that the west is not asking for these improvements and facilities and that they will be a charge upon that part of Canada. Well, I do not think that is a fair argument. As I said, all those bodies which have urged these improvements are not animated by a local point of view. The commission referred to, for example, was appointed to study the problems in connection with the grain trade and they suggested that this work be done. Furthermore, I have in my hand a petition signed by members and senators representing western constituencies, dated September 26, 1920, and addressed to Sir Robert Borden, then Prime Minister of Canada. No Quebec name appears on that petition. I am not a signatory of it. I did not know at the time that such a petition had been drawn up and signed. But in that petition the very improvements which we are proposing to-day were asked for and suggested by these western members and senators. I will read only the last portion of the petition to the following effect:

> That it make such arrangements that the marine insurance rates from Canadian seaports shall be the same as from New York, and that sufficient additional grain storage be built at Quebec, Halifax and St. John to handle the business in Canadian grain which, we believe, it will be possible to win back from New York, if these suggestions are adopted.

These are the final words of the petition that was signed and addressed to Sir Robert Borden in 1920 not by the Quebec members but by the western members of the House of Commons and of the senate.

Now the trouble we are experiencing is due to the fact that the work is being done under a commission. But we are not responsible for that. The present commission system now in force in regard to the harbour of Quebec was instituted in 1913. Somebody said yesterday: Surely the commissioners must have been lacking in competence to have allowed matters to go on as they did. I think I need only mention the names of those who have been at the head of the board to show that those men did their best. Certainly they were men who enjoyed the confidence not only of the community of Quebec but of Canada as a whole. My hon. friends opposite will remember Sir William Price. Surely that man stood high in the estimation of the people of Canada and his memory has been held in general esteem since his death. Sir William Price was a former chairman of the Quebec harbour board. He is one of those who were responsible for the starting of the work at Quebec, and he always claimed that it was impossible for the commission to take interest because the best part of the harbour is used for government purposes and in the national interest. Then we had

Senator L'Esperance. He is one of the able members of the senate who has been president of the harbour commission. Ask Senator L'Esperance about these improvements. He devoted his time and his energy to carrying out the works projected for the harbour. We have had the late General Sir David Watson, who distinguished himself in the war. He was a president of the Quebec harbour commission and a first class man. I may say that the present president of the Quebec harbour commission, the Hon. Mr. Power, possesses the confidence of all the citizens of the district irrespective of politics, and is doing his best in the interests of the harbour. But as I said 40 per cent of the best part of the harbour is used for national interests and is absolutely unproductive as far as the work of the board is concerned. The commission have tried to remedy that condition, just as their predecessors did. They claim that the most important of the facilities at Quebec harbour are for passengers and for immigrants. The commissioners sought to bring about a remedy and they passed a by-law with that object in view, but every by-law which the board passes has to be accepted by the government. The commission are not as free in that respect as any other financial institution would be. They adopted a by-law to impose a charge of a dollar per head upon every person using the port of Quebec or landing there. There is nothing extraordinary in that. It is done in other ports, not in Canada, but in the ports of other countries. The port of Cherbourg is one of the important ports of France, and it has been built up and developed in that way. I have disembarked and embarked at the port of Cherbourg and I have been charged a tax for doing so. But the government has always taken the position that it would hurt immigration to Canada if such a charge were to be imposed. The claim has been made also that the steamship companies would have to pay the toll and incorporate it in their passenger rates. But successive governments and departments of immigration at Ottawa have always held that we should abstain from such a course in order to encourage immigration. Very well, I do not object to that, but it makes the facilities at Quebec public works in the interest of the country at large. How could you expect interest to be paid when you prevent the commission from collecting the only revenue which they really could collect? I heard my hon. friend the Minister of Marine and Fisheries say yesterday that the port of Montreal does not want the immigrant traffic. I know it does not. Every commodity that comes into the port of Montreal pays a duty for using the advantages of the port. They prefer there packages, cases and barrels of freight, to enter the port and so they derive an important revenue. Immigrants do not pay anything and, as I have said, the best part of the port of Quebec is used for that purpose. It may be that the system of commissions and making advances is not the ideal one though it has been thought better to let prominent business men in various communities which are interested, manage the affairs of their respective ports. The Duncan report recommended that it would be a good thing for Halifax and St. John if they also had commissions which they did not have before. The system was again ratified by parliament when last year we adopted legislation for the purpose of putting both Halifax and St. John under the control of commissions. These two ports will now be coming to parliament asking for advances; it is the only way by which they can do their work, and there is no way of avoiding it.

Mr. BENNETT: I think the Duncan report contemplated making these ports national ports, not necessarily through commissions.

Mr. LAPOINTE: Statutory ports through commissions exactly as in the case of Quebec.

Mr. BENNETT: The report did not put the matter in quite that way.

Mr. LAPOINTE: But it is exactly the same thing.

Mr. BENNETT: I quite agree that public money was to be spent on those ports. There is no doubt about that.

Mr. LAPOINTE: We are asked to pay interest. Other ports in Canada have been developed and some of them have not the benefit of being under commissions, but nobody is asking them to pay interest on the money which has been spent on them. It will be seen by the public accounts that the government has spent $19,218,417 on the port of St. John.

Mr. CARDIN: It is $21,000,000.

Mr. LAPOINTE: Nobody is claiming that they should pay interest on that amount. In the port of Halifax $17,080,049 has been spent by this country and nobody has yet asked that they should pay interest on that sum, or that we should not look at Halifax until they pay the interest. As regards Fort William my hon. friend is not anxious to offer the government interest on the sums which have been expended there. We have spent an amount of $15,000,000 on that port.

Mr. MANION: Fort William and Port Arthur.

Mr. LAPOINTE: Yes. But when the question is one of Quebec, we are told that $14,000,000 has been spent in Quebec; that interest amounting to $8,000,000 is owing on that, and that we should not do anything for Quebec until that is settled.

Mr. MANION: In Fort William and Port Arthur we handle, I should say, twenty times the quantity of freight that is handled in Quebec. They constitute a national port.

Mr. LAPOINTE: That does not detract at all from my argument.

Mr. BENNETT: The only point that was made was that in case of Quebec there were outstanding obligations, being promises to pay by the commission with interest, whereas in the other cases moneys were expended by appropriations of parliament.

Mr. LAPOINTE: I know that. I am endeavouring to explain why such is the case. It is because we are under a commission and the others are not.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: If we had no commission and the money had been spent, as has been the case in other ports, we would not be asked to pay a cent of interest.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: Does my hon. friend think that should be a reason for preventing necessary work from being carried on? I say it is not.

Mr. BLACK (Halifax): With regard to the expenditure of $17,000,000 at Halifax, I would point out that that was for the completion or partial completion of the terminals of a system of railways extending over the whole Dominion. It was not a government expenditure for such purposes as that now proposed for Quebec. It was for the construction of terminals to complete the railway system and to enable that system to carry on its business economically and profitably.

Mr. LAPOINTE: Exactly the same as the work we are asking for in Quebec. My hon. friends from Toronto were rather critical yesterday, but I never heard the hon. member for East Toronto offer to pay interest on the sums which we spent on the inland port of Toronto.

[Mr. Lapointe.]

Mr. RYCKMAN: Will the Minister of Justice be just? For every dollar that the government has spent on the port of Toronto, the city of Toronto has spent five dollars. Has Quebec done that?

Mr. LAPOINTE: That is another proposition altogether. I merely say that we have spent $10,000,000 on the port of Toronto and nobody is paying interest on that sum—

Mr. RYCKMAN: And Toronto has spent $50,000,000.

Mr. LAPOINTE: —and some of that has been for works in improving the site in Toronto, works which are not of much use as regards shipping. Other works are being constructed in Canada and nobody is offering to pay interest on them. The hon. member for Lincoln (Mr. Chaplin) yesterday was one whose voice was loudest as against this nefarious resolution on the order paper. There is a public work called the Welland canal, which goes through St. Catharines, and so far as I am aware nobody is paying interest on that. My hon. friend said yesterday: Why should the grain growers of the west not come to Quebec and build an elevator there as they have done at Buffalo? Is he asking them to go and build the Welland canal because it is, after all, for the shipment of grain that the Welland canal is being built? We are pleased to vote money for the Hudson Bay railway and for the port at Fort Churchill, but I must tell my hon. friends that some of us do not think that Fort Churchill is a better port than Quebec and we do not expect interest to be paid immediately on the expenditure which will be made in Fort Churchill. Nevertheless we are voting the money because we think that national works must not be considered only from the point of view of locality, and that we must see a little further than our own constituency. I do not blame any particular government for the amounts which have been expended. My colleague the Solicitor General (Mr. Cannon) reminds me that we are going to spend money to experiment on the carrying of coal from Alberta to Ontario. We do not expect any interest on that amount but we are voting it because we think it is in the national interest.

We have only a few ports in Canada and I claim that we should equip them properly and that parliament should be rather generous in that regard. What do the United States people do? Some hon. gentlemen are always pleased to quote the example of the United States and so I took the trouble to ask for a statement from that country in that regard.

This was prepared at Washington and I see that to this date the congress of the United States has voted appropriations amounting to $661,613,501.75 for works in United States harbours. The figures in round numbers are as follows:

Boston	$28,000,000
Providence, R.I.	23,000,000

I shall not quote the figure for the port of New York, where, of course, the expenditure is tremendous. In other ports, the expenditure has been as follows:

Philadelphia	$54,000,000
Wilmington, Delaware	6,900,000
Washington, D.C.	4,000,000
Norfolk, Virginia	15,000,000
Wilmington, North Carolina.	10,000,000
Charleston, South Carolina.	10,000,000
Savannah, Georgia	25,000,000
Jacksonville, Florida	23,000,000
Montgomery, Alabama	3,000,000
Mobile, Alabama	15,000,000
New Orleans, Louisana	32,000,000
Galveston, Texas	60,000,000
Duluth, Minnesota	16,000,000
Milwaukee, Wisconsin	27,000,000
Chicago, Illinois	15,000,000
Detroit, Michigan	57,000,000
Buffalo, New York	43,000,000

Before my friends of the pool built an elevator at Buffalo, the government of the United States had spent $43,000,000 on Buffalo harbour. To continue:

Los Angeles, California	$13,000,000
San Francisco, California (1st)	19,000,000
San Francisco, California (2nd)	317,000
Portland, Oregon	36,000,000
Seattle, Washington	10,000,000
Juneau, Alaska	1,000,000
Honolulu, Hawaii	7,000,000
Porto Rico	3,000,000

So I think I may fairly claim that we have a good deal yet to do before our own ports, which are greater ports than most of those I have mentioned, are equipped in the manner congress has provided for American ports. I need not dwell upon the importance of the St. Lawrence route because I think everybody recognizes its importance. I think it will also be recognized that the St. Lawrence ports must be equipped in the most modern way if they are to be in a position to compete with our friends to the south in the matter of shipping.

At the London congress of 1923, held under the auspices of the International Association of Navigation Congresses, Mr. L. H. Saville, chief engineer of the admiralty, made a very important report from which I wish to quote, as follows:

> The percentage number of vessels of 30 feet draught and over is at present very small, but it is on the increase, and there is little doubt that when the Suez canal is deepened to 40 feet, the percentage number above 30 feet draught will be greatly increased, and first class ports would do well to afford a depth in their approach channels not much inferior to that of the Suez canal.

He adds:

> A first class passenger harbour serving the Atlantic trade will require to provide depth in the neighbourhood of 40 feet at low water.

Sir, only the harbour of Quebec on the St. Lawrence can supply such a depth of 40 feet, and at the very works for which this money is requested, the depth at low water is and will continue to be 40 feet.

One more word and I conclude. When other public works have been undertaken—I am referring especially to some of recent date—it has been stated that both of the two historic parties were pledged to the work. Now if there is a work to which both the two historic parties are pledged, it is the development of the port of Quebec. As I have already indicated, Sir William Price and others who opposed me politically in the district of Quebec claimed, and with some reason, that they originated the harbour works at Quebec. At the last general election I had the privilege of hearing the then leader of the Conservative party, Mr. Meighen, in addressing a huge meeting in Quebec which received great publicity all over Canada, say in almost his first words that the port of Quebec would be completed by those who had commenced the work, namely, the Conservative party. Well, we are pledged to it, too, and as far as I am concerned, I am not only going to see that this pledge coming from us is redeemed, but we are also going to redeem on behalf of my hon. friends opposite the pledge they made in that regard. True, Mr. Meighen said that it would be completed by the Conservative party, but really we should have to wait too long for that, so I hope my friends opposite will help me to redeem the pledges which both parties have made.

My friends angularly opposite said yesterday that at the last general election they opposed the loan to Quebec harbour which was made in 1925. That is quite true. It did not hurt us very much, for we were successful anyhow. But let me say to my hon. friends that I could quote not only newspaper editorials but pamphlets and circulars, saying that we of the province of Quebec and the district of Quebec had sold the east to the west on many occasions, that we had always been ready to vote any amount of money that was needed for the west, that we had always accepted legislation for the benefit of the west, but never for the benefit of the east. That is what we were charged wtih in our own district, and it was said that when it came to a

national public work of interest to the whole of Canada, our friends from the west, for the upbuilding of which we had been quite willing to expend whatever was necessary, were the very first to try and prevent the Quebec district from getting the public works which it required. I answered at that time that it was quite true that our friends from the west did not help us, but that probably in the years that were to come, with better information, they would amend their views in that respect. I was pleased that the tone was a little better yesterday, and that my hon. friend from Mackenzie (Mr. Campbell) almost supported the resolution. Of course, he suggested a committee, which I do not like very much. Why should this bill be given different treatment from any other bill? We are taking the responsibility for this legislation, and we are prepared to give all the information which is needed. I quite realize that those who oppose the legislation would try to put obstacles in the way of its passing, but surely my hon. friend from Mackenzie, who has been advocating the shipment of grain through the port of Quebec, will help us to provide the necessary harbour facilities for shipments through that port.

Mr. CAMPBELL: If the minister wants my assistance, all he has to do is to accept my suggestion and send this resolution to a committee of the house, where, if the information we desire and which the minister assures us will be forthcoming is presented, I shall have no difficulty in supporting the measure.

Mr. LAPOINTE: Why should not my hon. friend accept my suggestion, rather than force me to accept his? He did not ask for a committee on the Hudson Bay railway, in which he was so deeply interested.

Mr. CAMPBELL: May I remind the minister that the vote for the Hudson Bay railway was contingent upon receiving political support from western Canada, and not on the merits of the issue at all?

Mr. LAPOINTE: Oh, I see. May I tell my hon. friend that it is not so with the vote for Quebec harbour? It is quite independent of the support of the hon. gentleman. We are asking that this work be done in the national interest of Canada, quite independent of the support which is given to this government in the district of Quebec and the province of Quebec, and thank God we are given good support there. We have more than sixty of them.

[Mr. Lapointe.]

Mr. STEVENS: The hon. minister has certainly made a most excellent defence of the position he has taken, but he has failed utterly to face—

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: My hon. friends opposite will not even wait until I complete my sentence. I say that he has failed utterly to face this fact, that the port to which he is referring is operated under a system of administration adopted by this parliament, namely the harbour commission system. In his recital he reviewed the other ports of Canada which until very recently had been administered by the Department of Public Works or the Department of Marine and Fisheries. But he left out of his calculation entirely the ports that are under a similar form of administration to this, namely, a board of harbour commissioners. We are not complaining—and I insist upon this fact being established—we are not complaining about spending capital money on the port of Quebec. That is not our position at all. Our position is that the works which have been created as a result of the money spent there in the past are not showing a reasonable return to this country. We have no assurance from the Minister of Justice or from the Minister of Marine that this additional expenditure of $8,500,000 will bring any better results. That is our complaint. We are asking for information to demonstrate the soundness of the proposal, and no information is vouchsafed.

Now let me call the attention of the committee, not to a report prepared by some opposition critic of Quebec, but to a report made to the government by its own auditors, and which was placed on Hansard last night. It will be found at page 2157. The report deals with the years 1924, 1925 and 1926. I will take the last year, the figures for the other years being somewhat similar. The administration of this port shows that the gross earnings for 1926 were in round figures, $678,000, and the gross expenses $595,000, leaving a surplus of $83,000. The auditors say:

> From which should be deducted overcharges to capital accounts, claims against government departments, etc. of $211,787.64.
>
> Overcharges
>
> Leaving a deficit before interest on government advances of $128,178.47.
>
> Add annual interest due the Dominion government, $494,741.17.
>
> Deficit before charging depreciation, $622,-919.64.

Then they take off all of the claims made by the port of Quebec against government

departments, leaving a net deficit of $359,000 odd. These are not my figures; they are the figures of the auditors, appointed by the government, who prepared the report. Therefore, any complaint or quarrel must be with the auditors. But this is what I want to specially stress for the consideration of hon. members. The auditors continue:

Examination of the published reports clearly shows the expenses to have increased steadily and out of proportion to the earnings during the three years:—

I pause there. These government auditors present a statement that the expenses have increased steadily and out of proportion to the earnings during the last three years. In view of this I submit to the government that before another $8,500,000 is placed in the hands of the commission some explanation of the statement ought to be vouchsafed to parliament. Then we have the auditors making this further statement:

The accounts examined by us provided no explanation for these variations—

That is, variations in earnings.

—due largely to the suspension some years ago of cost accounts.

Here is another point. The commission comes before this parliament and asks for this additional $8,500,000. The board of audit tells us that the commission has suspended cost accounts, and that the absence of these cost accounts makes it impossible for the board to properly audit the books. Then let me draw attention to this further statement by the auditors:

The gross earnings will not be sufficient in any year to pay the operating expenses and interest on government loans.

Again, I ask, are we to loan another $8,500,000 in face of the statement that the gross earnings will not be sufficient to meet the operating expenses and interest on government loans? We have to determine whether we are going to keep the port of Quebec as a place for the expenditure of public money without any expectation of the interest being paid; or whether the port is to be administered under the aegis of a board of harbour commissioners. If the latter, we have a right to demand that it shall pay interest on its indebtedness to the crown. The report continues:

It may be forecasted that the annual cost of repairs and renewals will increase considerably in the future.

And again:

It will be noticed that the annual deficit for three years, excluding claims against departments of the government and interest thereon —neither of which have been paid by any of the departments—but including interest on government allowances, averaged $600,000.

On excluding these claims, $359,000 last year. Now, it is not a question whether we are going to advance money for the development of the port of Quebec. We have already advanced large sums of money, on which interest is not being paid by the harbour board. The evidence of the auditors shows that this harbour board is not attempting to pay interest on its indebtedness.

A moment ago I said that the Minister of Justice had failed to cite two other harbours that were organized on exactly the same basis as the port of Quebec. I am going to show what the port of Vancouver did last year.

Mr. LAPOINTE: We know Vancouver is a splendid port. This is simply for publicity.

Mr. STEVENS: All right, I am going to make a request to the government in a few minutes. But let me first give these facts. Last year Vancouver harbour commissioners paid $681,000 in interest to the government and put aside a reserve for depreciation of $180,000 and for sinking fund of $200,000, or in all $1,061,000. In addition, they had built up a reserve for depreciation of $416,000 and for sinking fund of $800,000. In other words, the reserve now is $1,200,000. Now I say to the government—no, I say to parliament: If it is to be the practice to spend public moneys, as the minister argued at such length and with such vociferousness, without expecting a dollar of interest in return, then the port of Vancouver should be relieved from payment of interest to the exchequer. Why should Vancouver or Montreal be required to pay interest on the advances made to them if other ports are to be allowed to escape payment? Vancouver, Montreal, Quebec, Chicoutimi, St. John and Halifax have asked that their ports be placed under a board of harbour commissioners so that local interests may be taken care of and the port conducted in harmony with the wishes of the people. If the government would put up the capital expenditure, each port authority undertook to pay interest and provide a sinking fund for redemption of loans. We are criticizing this proposed loan because there is no evidence that the Quebec Harbour Commissioners are making the slightest effort to pay the interest on their indebtedness.

Now, I come to what the Minister of Justice and his colleague the Minister of Marine referred to, the claim against the Immigration Department. I agree with my leader (Mr. Bennett) that there is

every evidence that there is fair ground for compensation for the use of the harbour. The suggestion was made by my leader yesterday and I repeat it now, that a careful accounting be made by the audit board or by some competent authority to ascertain what the claim amounts to, with compound interest if you like, and that this be written off the total sum owed by the port of Quebec; the remainder to be funded, as part of the funded debt of the country, against the harbour of Quebec, whatever it may be—eight or ten millions. Let us start at that point, and let the harbour board of Quebec undertake to pay its interest and provide a sinking fund. But I may be asked: After this is done are you going to vote this $8,500,000? Let me call the attention of the committee to this fact: three years ago we voted $5,000,000 for the port of Quebec, and parliament was told that this was for a period of five years. We are now faced with another demand, within three years, for $8,500,000 more. Now I submit that this $8,500,000—granting that we are given an explanation of these points to which I have referred—should be cut down to a reasonable amount. So far as I can see there is no justification, in any information that we have had, for the voting of $8,500,000, and I suggest therefore that it be reduced to a reasonable sum. Moreover we are entitled to a clear demonstration as to what it is to be used for, together with some indication of how the harbour board intends to pay the interest and sinking fund in connection with it. Either that, or we should abandon entirely the practice of making loans to the port of Quebec and let the matter be placed under the Minister of Marine and the Minister of Public Works, having all the accounts and the administration submitted to parliament.

I am not sure that I am correct in what I am about to suggest, but I fancy that the accounts of the harbour commission of Quebec are not included in the public accounts presented to parliament. I think I am right in that; the minister indicates that I am. Now, what are we doing? In the face of this record to which I have referred, and in view of the criticism—because it is criticism—of the auditors appointed by the government, we are asked to vote another $8,500,000, the expenditure of not one dollar of which we are going to be allowed to scrutinize. No member of this house can call it in question. The minister cited expenditures at Halifax, Saint John, Fort William, Toronto and other places; but in every instance, so far as these are concerned, every dollar is subject to scrutiny by parliament. In every instance the names of the persons to whom the money was paid have been reported in the public accounts. But in the case of the port of Quebec not one single dollar is submitted to the scrutiny of parliament, nor is any information given as to how it is spent. Under the circumstances I resent the suggestion of the Minister of Justice and others, that in offering these criticisms we are opposing the port of Quebec as such. We are simply opposing the method by which the money is appropriated and expended. There is much more that might be said on the subject, but—

An hon. MEMBER: That is enough.

Mr. STEVENS: Yes; some of my hon. friends do not like to hear these criticisms, but parliament must face the facts; and I submit again to the minister and to the government that we should adopt one course or the other. If the money is to be spent without any control on the part of parliament, we have a right to demand a return on these investments. If, on the other hand, no interest is to be paid and no accounting made, then we should no longer vote money on that basis, but bring the matter under the control of parliament and under the scrutiny of the public accounts committee.

Mr. DUNNING: I have just a word or two to say on what I regard as the practical aspect of the problem before the committee, and not so much with reference to the remarks made by my hon. friend (Mr. Stevens) who has just sat down. I may observe, however, that as he was speaking I wondered what sort of speech he would have made had his party been successful in the last election and his then leader appeared in the house to carry out the pledge which he gave so specifically when speaking in Quebec during that election.

After all, the point is a practical one. We have the ancient port of Quebec, and we have spent as a country each year millions of dollars to facilitate the carrying of trade past Quebec to ports further up the river. That is a situation which does not obtain in relation to any other of the ports of Canada. In no other case can it be said that the government is spending millions, but for the expenditure of which the trade of a particular port would be much greater than it is. But it is a fact, with respect to the St. Lawrence river, that the millions which we expend—

Mr. LAPOINTE: Thirty millions.

Mr. DUNNING: Thirty millions. I say, it is a fact that the millions we spend above

Quebec have the effect of creating, at least in large part, the problem which has risen in connection with the financing of that port. My hon. friend says that no interest is paid. Why is no interest paid? Because sufficient use is not made of the facilities which have been provided, to enable a sufficient revenue to be earned.

Mr. CHAPLIN: It does not pay, then?

Mr. DUNNING: It is merely a question of getting sufficient business through the port of Quebec in order to enable the fees charged to pay the expenses and interest on the money advanced.

Mr. CHAPLIN: It does not pay now, and you propose to spend another $8,000,000.

Mr. DUNNING: My hon. friend interrupts. I venture to say that if we had started with Vancouver—a great natural port though it is—on the basis of advances instead of on the basis on which it was instituted, that port would not in all probability have evolved so quickly to the favourable position which it now occupies. But for many years public expenditures were made in the ports of Vancouver, Halifax and St. John, and subsequently the commission form of administration was instituted under very favourable terms.

The suggestions I have to make have to do purely with the question of enlarging the use made of the port of Quebec and, by enlarging its scope of usefulness, the probability of its being able to pay interest on advances made. Manifestly, from the information which has been placed before the house, the present accommodation at the docks and slips is not sufficient to care for a very much increased trade. It is admittedly necessary to complete the plans which were formed a few years ago for the development at Wolfe's cove, and to which my hon. friend opposite, through the mouth of his leader, is absolutely and completely committed. The promise to complete that work was just as definite on the part of my hon. friends opposite as on the part of leaders on this side of the house.

Mr. McGIBBON: Not necessarily along these lines.

Mr. DUNNING: Since that time a change has taken place. The rate on grain from Armstrong to Quebec has been reduced to a point which has created a grain loading and a grain storage business at Quebec. I do know a little about the grain business, and in my opinion the best way to build up the port of Quebec, from the point of view of revenue, is to provide adequate facilities for the winter storage of grain at that point. I am satisfied that if there were adequate facilities for the winter storage of grain at Quebec the tendency, after the close of navigation on the great lakes, would be increasingly to ship all-rail on the new rate to that port. In fact, it is demonstrated by what has taken place since the new rate came into effect.

Mr. STEVENS: Will the minister permit a question? He knows the grain business thoroughly. Out of what does a grain elevator make its chief revenue—from grain passing through the elevator or from grain stored in the elevator?

Mr. DUNNING: That depends entirely upon the location of the elevator and the class of business it is doing. At Vancouver the great earnings of the grain elevators come from the handling charges for putting the grain through the elevators. On the other hand an elevator located at Fort William, as the deskmate of my hon. friend can tell him, derives a large revenue from the charge for winter storage.

Some hon. MEMBERS: No, no.

Mr. DUNNING: I have had the privilege of operating these elevators, and I think I know from whence the earnings came. With respect to an elevator located at Fort William, its most valuable earnings are from winter storage, and the aim of every elevator company at such points is to fill up their elevators for the winter as soon as possible after the close of navigation, because there is then a continuous earning at low expense until spring. It is true that during the period of open navigation every effort is made by the same institution to handle as much grain as possible, but the earning from winter storage is undoubtedly a very profitable source of revenue for any elevator located upon waters which are not navigable during a certain period of the year.

Mr. STEVENS: I quite agree with the minister there, but that was not my question. Take a grain elevator at Fort William, if you like; from what does that elevator obtain its chief source of revenue—from grain passing through the elevator or from the winter storage of grain?

Some hon. MEMBERS: Neither.

Some hon. MEMBERS: From mixing.

Mr. DUNNING: Some of my friends behind me would answer that question in a way which would not exactly touch the point. Again I would say that it depends upon the elevator, even at Fort William. If it is an elevator with a fast handling capacity and

a limited amount of storage it will make money out of the handling of grain; if on the other hand it has a large tank storage capacity, it will make money through the storage of grain in the winter. Some of the elevators with which I have had something to do had a tank storage capacity of 10,000,000 bushels. It depends on the nature of the business, and studying the port of Quebec from that point of view I am honestly of the opinion that there are great possibilities, not so much in connection with the fast handling of grain through elevators but in storage for the winter months of grain brought forward by rail during the closed periods of navigation on the lake under the new rail rates which went into effect a year ago. I say that because even with the limited storage capacity available at present the western grain pools have used the port of Quebec to a very considerable extent during the past winter.

Mr. BENNETT: Nine million bushels.

Mr. DUNNING: That is the figure. Why is that; what is the attraction to the owner of the grain in getting a substantial portion of his holdings as far as Quebec? The answer is very plain: A great many of our largest ocean liners turn at Quebec, and these liners carry parcels of grain back to Europe. They are not cargo boats, but almost every one of them loads a proportion of grain, which is practically a ballast cargo. Unquestionably in this way there is an oportunity to have grain moved economically, and indeed at lower rates than prevail at other times on the north Atlantic. In my opinion—and I speak merely as a practical grain man who has had something to do with the business in a rather large way—there are great possibilities in the accommodation of the cheapest kind of grain storage at the port of Quebec in order to enable those interested in the grain business to utilize the low rate which now exists and to accumulate their grain at that point near the seaboard for export as soon as the season opens in the spring.

I have only one other word to say, and that is with reference to the statement of the hon. member for Mackenzie (Mr. Campbell). I understood him to say, with reference to the Hudson Bay route, that it was in the nature of a political bribe to the people of the west. If I am unfair in my understanding of what he said I hope he will correct me now. I want to contradict that statement; I only hope my hon. friend was not bribed by it; because I would consider the price altogether too high.

[Mr. Dunning.]

Mr. CAHAN: I do not profess to have the experience with regard to the storage of grain which is possessed by the Minister of Railways, but from such knowledge as I have of the operations of the port of Montreal I think I can say that the earnings of that port are larger during the summer months, when grain is being transhipped, than during the winter months when the elevators are used for storage purposes. I think there is no doubt about that.

Mr. DUNNING: I wish my hon. friend would repeat that statement; I did not catch it.

Mr. CAHAN: I think the earnings per month of the elevators in the port of Montreal are larger during those months when the port is open to navigation than when these elevators are used simply for storage purposes. My hon. friend shakes his head. I will have the figures looked up, and we will have an opportunity to discuss that question later. I wish the minister had refreshed his memory before making such a positive statement as he has made.

Mr. DUNNING: I would not argue that in connection with the port of Montreal they do not have tremendous earnings simply out of the transfer business, but the winter storage in Montreal is clear profit, with no expenses attached to it.

Mr. CAHAN: That is an entirely different issue, and places a different complexion on the statement which I understood the minister to make.

Some reference has been made to Vancouver. I do not think any hon. member of this house who has watched the progress of that port can fail to have a feeling of satisfaction and pride in the way Vancouver has developed. Of course it has the advantage of being on the Pacific coast; it is open during the whole year. Sometimes I think that if Columbus had only discovered the Pacific coast of America before he discovered the Atlantic coast the development on the Pacific coast would have been beyond the reach of our imagination. On our north Atlantic coast, of course, we have severe winters; many of our ports along the St. Lawrence are closed for a considerable part of the year, and the earnings of those ports are seriously diminished as compared with the earnings of the ports on the Pacific coast.

With regard to the port of Quebec, I do not believe any member of this house has any objection to the development of that port in the national interest of Canada. If I felt that we as a party opposed the development

of that great port—and it will be a great port in the future—I would have to dissent absolutely from that view. However, I look upon Quebec as a port which is likely to be open all year within the next ten or fifteen years; I sincerely hope that such developments in the navigation of the St. Lawrence to Quebec may be made as to render it possible to keep that port open for at least ten months of the year. Having that possibility in mind, I believe the members of this house are desirous that this port should have every facility which is required for its future development.

However, there is a difficulty in the way. Personally I do not think the traffic of the port of Quebec, which at present is largely a passenger traffic, can be properly developed if it is anticipated that that port will pay the carrying charges on the money necessarily invested in its development. Therefore personally I am opposed to the commission system as applied to these eastern ports with which I am more or less familiar. The Minister of Justice hardly met the criticism which has been made from this side of the house; at least I put a different interpretation upon that criticism than the one which the minister has placed. If the government had come to the house and asked for an appropriation of so many million dollars, five or eight as the case may be, for the purpose of developing the port of Quebec as a national port, without any subterfuge whatsoever, I feel that his proposal would have met with more general approval. This appropriation is presented as a loan, and that is a mere subterfuge. There is no anticipation that the development of trade and commerce in the port of Quebec, which at present consists largely of immigration and regular passenger services with such additional traffic as comes through it in the way of freight will, within a reasonable term of years, create sufficient revenue to pay the interest upon the advances necessary, or for return of the principal or provide for the depreciation of property in the meantime. That being so, why keep up this subterfuge? Why set forth upon the statute books of Canada that you are making a loan to the harbour commission for which you are receiving its debentures upon which interest is payable annually, when there is no reasonable prospect of the port having sufficient revenue to repay to the government the interest and sinking fund on that loan.

That is the criticism which I make with regard to placing such harbours as Chicoutimi, St. John, and Halifax under commissions which receive loans from the Dominion government and are expected to pay the interest on these loans and sinking funds, plus the depreciation of harbour works, from the receipts obtainable from the traffic entering those ports. I suggest that putting Halifax, for instance, under a commission with the expectation that that commission will be able to tax the trade of Halifax harbour to a sufficient amount to repay the principal and interest of the loans necessary for the development of that port is perfectly futile—nay, it is ridiculous. If that port, placed under a commission, is to be taxed a sufficient amount to repay interest plus the cost of operation and sinking fund for repayment of principal, the tax upon the shipping of that port would be so great as to prevent any trade or commerce entering from the Atlantic. And in the case of the port of St. John, for its commission to assume so large a capital indebtedness is one of the measures which will retard the development of the trade and commerce of the port rather than develop it, because it will necessitate placing such a tax upon the trade directly passing through that port as to preclude the port from fulfilling its functions as a great national outlet and inlet. Therefore I suggest that with regard to certain classes of ports which are really parts of our national transportation system, and which are as necessary to transportation as the railways of the country and without which the railways could not function efficiently, they should be regarded as national ports to be sustained by the national government, and that we should not resort to the trick and subterfuge of making advances or loans for the developments of these ports, when the trade and traffic will not give a revenue sufficient to maintain operations and pay sinking funds and interest thereon.

If the government will examine into these eastern ports along the St. Lawrence which are only open for traffic for a limited season of the year, and if it will look into the trade and traffic passing through Halifax and St. John it will find that it will be absolutely impracticable for these ports to earn sufficient to pay their way. Why then go through the farce of making loans which are really cash advances the repayment of which you may never reasonably expect? That is the measure of criticism which I have to make. The port of Montreal is so far paying the interest upon the advances made. It is having some difficulty in keeping up the sinking fund for the payment in the future of its bonds as they become due; and in the case of that port if you are to tax its trade sufficiently to obtain a return to the country of the principal and

interest, plus the carrying charges of the port, you will soon have to impose such taxation upon the trade passing through Montreal as to preclude it from really ever functioning as a national port of Canada. I do not like to do things by way of pretext or by subterfuge. Personally I do not like following an ancient practice or a practice which has been established by other governments before the present administration, and to offer the procedure formerly followed as a justification for continuing to make these loans.

Mr. LAPOINTE: Perhaps we are the true Conservatives in that respect.

Mr. CAHAN: I have found the province of Quebec to be more Conservative than it receives credit for. My hon. friend who is so critical of precedents at times, is always willing to justify his own conduct by some far-fetched precedent from a Conservative regime.

Mr. LAPOINTE: It is in order that my argument shall have greater influence upon those to whom it is addressed.

Mr. CAHAN: If my hon. friend would address himself to the actual facts and the actual conditions that prevail rather than to devising fallacious arguments to appeal to the intellects on this side, his speeches oftentimes would be more effective than they are.

Mr. LAPOINTE: Hear, hear.

Mr. CAHAN: But to state my case briefly: It goes against the grain, coming as I do from the province of Quebec, to take an adverse stand, but I would point out that never will a single measure come before the house which I regard as justifiable in the interests of the country as a whole, while at the same time calculated to promote the development of these ports of Quebec but it will receive my earnest support. But it goes against the grain to vote for a loan of $8,500,000 when I know it is essentially not a loan, but that some day in some way some offset must be found for that unless the harbour commission of Quebec is to acknowledge itself bankrupt. If that commission is to be maintained as a commission, an appropriation should be made to it annually for providing facilities for the immigration service which is carried on though the port of Quebec and which is essential to the well-being and development of the whole of Canada. In the second place, apart from the freight traffic, if it is desirable that we should develop the passenger traffic at that port as a great inlet and outlet for both national railways, we should consider making a further appropriation in that respect so as to relieve the city of Quebec of the burden of carrying locally the charges for what is really a great national undertaking and one absolutely necessary not only for the development of the commerce of the country but to preserve for all time commercial outlets and inlets for our export and import business.

Further, with regard to that part of the works which may be developed and which are used in the ordinary course by the steamship companies making their headquarters at Quebec, they should pay a reasonable amount as well for these facilities. What I object to is the futility of placing upon Quebec the burden of alone maintaining these great national services out of the taxable traffic which passes through that port. I do not think Quebec can carry that burden alone. The whole matter should be reconsidered. When I am saying that I am not disparaging the city of Quebec. We have, as the Minister of Railways has said, given certain facilities to trade and traffic as far as Montreal. We undoubtedly will in future provide facilities for trade and traffic far beyond Montreal into the interior as this country grows and develops. But Quebec, to my mind, looking to the future, will become a great ocean port which is bound to carry a large part of the trade and traffic of eastern Canada not only during what we now term the summer and autumn season, but throughout at least ten or eleven months of the year. Therefore I am anxious to see this port developed; but I commend to the Minister of Marine and Fisheries and to other hon. gentlemen who represent Quebec in the government that they should consider meeting the problem fairly and fully now, and that they should not year by year place upon the port of Quebec a financial burden in respect of which the trade and traffic of that city alone will never be able to make a sufficient return to meet the obligations of the Harbour Commission.

Mr. CHAPLIN: The Minister of Justice (Mr. Lapointe) was evidently somewhat annoyed at remarks which I made the other day, because he brought up the Welland canal as being on a par with this development at Quebec. First of all I wish to point out to him, although he knows it quite well, that the Welland canal is not under the commission but under parliament. The work is being performed by government engineers and each year the accounts come before the department and we have an opportunity of discussing the estimates in the house. There is a great deal of difference between that method of procedure and a commission coming to par-

liament and asking for a five-year cheque without any regard being had, so far as the house is concerned, to how the money is to be spent, and all we have is an audit that, if any atention were paid to it, might induce members to vote differently from the way they have done in the past. When the question was before parliament in 1925 I never spoke on it at all. I was prepared to sit and listen to the information that was given in regard to the situation. Apparently the fact that I quoted the minister's own statement also annoyed the Minister of Justice. Because I quoted from 1925 the statement of the then and the present minister he did not like it. Was that because it was true? On that occasion I listened to the members who spoke on the subject and I voted on the question because of the arguments brought forward by those who were providing the goods to go through the port. I refer to Mr. Sales, the hon. member for Acadia (Mr. Gardiner), the hon. member for Bow River (Mr. Garland) and others of those who knew. I refer also to the minister who is sitting right in front of me, the present Minister of Immigration (Mr. Forke). I do not recollect that he said anything on the question but I know I voted the way he did. The hon. member for Provencher (Mr. Beaubien) also made a long address. I voted then against the motion while he also voted against it, and I presume he and others will vote against this further advance because this is worse than the last one.

Mr. BEAUBIEN: I have received a good deal of information since that time.

Mr. CHAPLIN: The hon. member may have received something more than information. Perhaps he will give us the information. For the benefit of those who probably did not care to look up what happened several years ago, I want to quote again what was said when the matter came up in 1925. Mr. Caldwell, who was opposing the vote, asked the minister the following question:

Mr. Caldwell: Could the minister tell us what amount of grain the present facilities at Quebec could handle yearly if used to their full capacity?

Those are not, as the Minister of Justice says, the facilities that are being built now or that were being built last year, but the facilities that were in existence in 1925. As regards the facilities that were in existence then, the minister gives this reply:

Mr. Cardin: I am told it is forty million bushels.

That was the capacity then, and what has been the result? Ten million bushels of grain have passed through that port. They have not done more business than that with a forty million bushel capacity and yet they are coming to parliament requesting a larger vote to provide even greater facilities. According to the minister's own statement, the facilities for wheat or other grain are four times as great as they have required.

What is said about the facilities for cattle? They have built large facilities for cattle. With the facilities which were then in existence ten thousand head of cattle could be handled, yet during one year I think the number reached five thousand and the average prior to the present year has not been more than three thousand. Indeed the number went as low as 1,500 head of cattle during one year.

In respect to the Montreal development someone said that by developing Montreal we hurt Quebec. Was it wrong to have developed the port of Montreal? Was the money expended on the port of Montreal money wrongly spent? If the money was properly spent in Montreal, must we now go back and subsidize Quebec to make it as cheap a port as Montreal? If it is cheaper to carry goods to Montreal, that is where they will be carried. I have nothing against the port of Quebec. I want to see all our ports provided with the necessary facilities to carry the traffic that is coming to them, but certainly it has not been demonstrated that Quebec is a cheap port to run, and, of course, the traffic will go where the charges are the lowest.

The minister criticized a remark I made about the western people building an elevator in Buffalo. The remark I made was quite apropos. If those people will go into a port like Buffalo, where grain can be handled cheaper, and will build there an elevator without any cost to the country at all, why should we have to build elevators ourselves in Quebec or any other port if private interests will do it? It must mean that grain can be handled cheaper through Buffalo than through Quebec. The minister told us in 1925 that Quebec had a capacity of forty million bushels, and yet in only one year has it handled ten million bushels; in the other years it has handled only about five million bushels. Therefore, until Quebec is using approximately up to the capacity it has, I do not see why we should spend money to provide further capacity that may never be used.

Mr. MANION: I had no intention of taking part in this discussion because I was not in the house yesterday, and I had not given any particular study to the question, but some of the comparisons which the Minister of Justice made were so malapropos that I just wish to mention one or two of them. He said,

for instance, that something like thirteen or fourteen million dollars had been spent on the harbours of Fort William and Port Arthur, which is really one harbour. But the difference is this. While the port of Quebec handled last year something under ten million bushels, Fort William and Port Arthur handled nearly three hundred million bushels, and while the port of Quebec has had over seventeen million dollars expended on it, which with this eight and one-half millions will make over twenty-five millions, about half that amount has been expended on Fort William and Port Arthur, handling the immense amount of grain they do, as well as general freight.

Mr. LAPOINTE: There are other sources of traffic than grain. Over one hundred thousand immigrants came to Quebec last year, and not one to Fort William.

Mr. MANION: I venture to make the assertion that nearly as many immigrants came through Fort William and Port Arthur as through Quebec, and it must be remembered that these immigrants do not stop at Quebec; they pass through.

Mr. LAPOINTE: But they do not land at Fort William.

Mr. MANION: No, but it does not require an expenditure of twenty-five million dollars to prepare the port of Quebec for the landing of immigrants. I was saying that in spite of the vast amount of grain that is handled at the head of the lakes, making Port Arthur and Fort William the greatest grain-shipping port, I believe, in the world, the expenditure on that port is just about half of what will have been expended on the port of Quebec when the sum mentioned here is expended.

Mr. LAPOINTE: I am not opposed to expenditure at Fort William.

Mr. MANION: Nor am I opposed to expenditures at the port of Quebec so long as the work is really required. The port of Vancouver in 1923 had less than two million bushels elevator capacity, and yet in that year it handled fifty million bushels. It is true that it has not handled so much since then, but with a capacity of two million bushels it handled in one year fifty million bushels.

I think the point made by the hon. member for Lincoln a few minutes ago was sound, and that is that if there is a demand for additional elevator capacity at any port, generally speaking you will find private interests who will be glad to provide the capacity. Nearly all the elevators at the head of the lakes, except one large one, were built by private funds, and I believe that if greater facilities are needed at the port of Quebec, there will be private interests who will be glad to provide them.

I did not rise for the purpose of opposing the expenditure on the port of Quebec because, like anybody else who has visited it, I love the old city of Quebec. I think anyone who has any sentiment in him cannot come away from that city without a real affection for it, but it is the duty of parliament to scrutinize the expenditures that are made at any port and in any part of Canada. Unfortunately, with this harbour commission form of government, we do not get the opportunity of scrutinizing the expenditures at the port. There are many people in the city of Quebec, I believe, who do not think these improvements are necessary. I was there some time ago myself, and while naturally I do not wish to mention names, there were many citizens of Quebec who told me that the expenditures were a long distance ahead of the necessities of the port, and they told me also that the expenditures were made so carelessly that perhaps they were made for other purposes than the building up of the port of Quebec.

Mr. LAPOINTE: I wish these informers would say that to me. I have never met one who would say such a thing.

Mr. MANION: If they did, my hon. friend would not repeat it in the house. I stand by my hon. friend in supporting the expenditure in Quebec, and by the hon. gentleman behind him (Mr. Power), for whom I have always a friendly feeling. I understand that he is supporting this vote just as I would support a vote for any work that I considered necessary at Fort William or Port Arthur, but I think the government would be well advised to allow all these expenditures to be properly investigated by this house, or if not by this house, by some committee of this house, with the right to call before them the commissioners of the port of Quebec, and go thoroughly into the expenditures which are being made in the port. I do not wish to take the attitude of opposing an expenditure like this, but in view of the comparatively small traffic passing through the port of Quebec, as compared with other ports mentioned by the Minister of Justice, I find it difficult to understand why so much money is needed, and much more difficult to understand why we should not have all these expenditures thoroughly scrutinized, whether they are made in the port of Quebec or elsewhere.

Mr. HARRIS: I would not have taken part in this debate had not the Minister of Justice seen fit to refer to the good city of Toronto. He well knows my feelings with regard to the national port of Quebec. I had the honour and privilege of saying a few words in this house on behalf of the city of Quebec when the minister was in his seat, and he was gracious enough to congratulate me afterwards on the good word I had said for Quebec. It is, however, very disappointing to us to see the slow progress which the port of Quebec is making not only in the handling of grain, but also in the handling of live cattle and hay. When the $5,000,000 loan to Quebec harbour was under consideration in 1925, it was stated that a great movement of cattle and of hay and of grain could be expected through the port of Quebec, but the facts adduced as to those movements are not such as to warrant this house in voting another $8,500,000 for the port, and before we go ahead in an experimental way and spend this large amount of money, I think we should be shown what results have been achieved by the expenditure of the $5,000,000 loan voted in 1925. Before asking us to vote this money, you should demonstrate to us that the port of Quebec is developing as fast as you were wont to prophesy it would when in 1925 you obtained a vote of $5,000,000 for the port.

It has been my privilege during the past five years never to miss an opportunity of passing a day in Montreal and two or three weeks in Quebec. The Minister of Justice will admit that Quebec is not going ahead in point of population and industry or as a national port at the same rate as some of our other ports. In regard to port development, I have in mind particularly Montreal; in regard to growth of population and industrial development I am thinking of the city of Toronto. And may I refer to the manner in which the Minister of Justice mentioned the city of Toronto? His heated tone and wild gesture rather amused me, and I did not think he was helping to improve the bonne entente between the two provinces. The hon. member for Charlevoix-Saguenay (Mr. Casgrain), the government whip, interjected something about Scarborough beach. Let me tell the house that not one dollar of the money of this Dominion has ever been spent on protection of the Scarborough beach area. It is not covered by the 1913 agreement. In that area which I have the honour to represent there are 100,000 good Canadian citizens, and they deserve some consideration at the hands of the government. The hon. gentleman's interjection was most inept. I may say that the city of Toronto is standing behind the Toronto harbour commission in paying back the bulk of the loss which has been sustained, in order that the harbour may be developed and that loss in years to come converted into an asset not only for the city of Toronto but for the whole Dominion. As every hon. member knows, it is the duty of the Dominion government to protect the shore line where there are large centres of population. Under the 1913 agreement the Toronto shore line protection work from Woodbine avenue west is being assisted by the Dominion government, but not eastward in the Scarborough area, where, as I said, there is a population of 100,000 To-day the city of Toronto has been generous enough to advance the necessary funds to protect the shore line, and up to the present the Dominion government has not been asked to participate in the cost, although, I repeat, it is the duty of the federal authorities to look after this work. The Minister of Marine and Fisheries will admit that the city of Quebec is very fortunate in that the rock formation resists the ravages of storms much better than the sandy shore line of Toronto.

Now, the Minister of Marine and Fisheries should give us some more details as to what has been done at the port of Quebec during the past three years. What about the shipments of hay, cattle and wheat from the port? What has been the development along the line voiced in this house by many hon. members in 1925—encouraging more and more traffic over the transcontinental line? Let the minister give us facts and figures so that we may vote intelligently on this proposal, and let those facts and figures bear some relationship to the experiment which we undertook in 1925 when we voted $5,000,000 in order that a national port might be developed at Quebec. It might be edifying to hear the hon. member for Rosetown (Mr. Evans) and other of our Progressive friends reiterate some of the statements they made in 1925 in support of the vote to which I have referred, but they are sitting very quiet to-day—there has been an election or two in the intervening years. I was sorry to see the Minister of Justice rise to such great heights of eloquence in an attempt to introduce political issues. Instead of acting as a statesman and giving us information on which we might base an intelligent decision, he told us what we had done years before. Let me tell him that the people of this country are tired of politics; they want to hear sound business arguments. As the matter stands now, I do not feel disposed to vote in favour of the proposed loan. I would urge the government to use a little

common sense and refer the proposal to a committee, for conclusive facts and figures to be submitted. In 1925 we were promised that, given lower freight rates, there would be such a movement of grain through the port of Quebec that the interest and other charges would be fully met. Well, the freight rates have been lowered, and the Minister of Marine and Fisheries has had an opportunity to tell us how the business of the port has developed. Let him now tell us why he is asking for another $8,500,000. Let him base his request on the facts and figures which he must have under his hand at this time.

Mr. CARDIN: Mr. Chairman, I am afraid that whatever facts and figures I might quote to my hon. friend who has just taken his seat (Mr. Harris) they would not satisfy him, and he would ask for still further information before admitting that this request is absolutely justified.

Mr. HARRIS: I should like the hon. minister to base that assertion on facts too.

Mr. CARDIN: There is one point which does not seem to be very clear in the minds of hon. gentlemen opposite. It is the expenditure made out of the vote of $5,000,000 authorized in 1925. As I think I explained at the opening of the discussion, this amount has not been all spent. Work has been started at Wolfe's Cove, the new terminal, but it is not yet completed. About two and a half or three million dollars has been spent in the building of cribs and the dredging necessary for the placing of these cribs, as well as for other materials essential to the completion of the work. The contractors have already sunk sixteen cribs, and the work on the top of the cribs cannot be completed before a certain period has elapsed to permit the proper footing of the cribs. It takes two years before the cribs can be properly sunk, and before you can begin building the concrete superstructure. The work, I say, has been started and cannot be completed before the end of this year. By the end of the summer season of 1928 the work in connection with nearly the whole of the $5,000,000 will have been finished.

There are certain works to be provided for. We have to provide sheds, rails and other facilities on these new wharves which are being constructed, and we come before parliament this year for the reason that we do not wish to run short of money at the end of next year before we can complete the work already started. At the end of the navigation season of 1928, I repeat, certain work I have outlined will be completed. If we have no money available to complete the work at this terminal we shall be exposed to delays, and we decided therefore that it would be preferable to come this year before parliament, before the $5,000,000 has been completely expended, in order to get the necessary funds to carry on profitably.

We have no return to show on the money already expended, for the very good reason given by the Minister of Justice (Mr. Lapointe) and myself yesterday: these works are not completed and therefore cannot be utilized. At the present time the work consists merely in cribs which have been sunk and filled with stone, and a certain amount of dredging has been done. We cannot use the cribs to advantage as they stand. We need the money we are asking for if we are to complete the work, but it will not take the full $8,500,000. The amount necessary to complete the wharves, tracks, sheds and elevator facilities is $5,300,000, and the other sums contributing to the total $8,500,000 are rendered necessary for increased storage capacity in the old section of the port of Quebec. In asking for this money we are supported not only by individuals, by the people of Quebec, but by the shipping federation. We are supported by persons interested in the grain trade, by persons who are supposed to know something about that business. And these persons are to be found not only in the city of Quebec but throughout Canada. What we are asking for has nothing to do with adding to the facilities for disposing of grain in the elevator at Quebec. I stated in 1925 that the present facilities, so far as the elevator is concerned, could handle 40,000,000 bushels of grain, supposing that the 2,000,000 bushel elevator were used all the time. But we are not asking for any increased facilities for disposing of grain; what we want is greater storage capacity.

Mr. GARDINER: How much?

Mr. CARDIN: Double the present storage capacity.

Mr. GARDINER: What is that?

Mr. CARDIN: At present it is 2,000,000 bushels, and we are asking for an additional 2,000,000.

Mr. GARDINER: What is the estimated cost?

Mr. CARDIN: About $1,900,000 for the storage capacity. The balance of the money required is to reconstruct and repair the present wharves in order to permit the advantageous use of this increased storage capacity in the old section of the port of Quebec.

We are also asking for a certain amount, which is included in the $8,500,000, to meet certain debentures due the public. The harbour commission of Quebec owes the public over $1,150,000.

Mr. BENNETT: Are they guaranteed by the Dominion?

Mr. CARDIN: They were given under the old commission, and we have to meet these debentures maturing presently. All these items are included in the $8,500,000, but what is needed to complete the works undertaken in 1925 and 1926 is the sum of $5,300,000. This will complete the program which has been advocated and supported very strongly by the shipping federation, not only at the request of the people of Quebec but because the members of that federation are convinced that it is absolutely necessary that Quebec be developed more extensively in order to take care of the traffic which should go through that port.

When it is said that we have no justification to offer for this vote, may I ask this question: What better proof, what more urgent request could be suggested than the demand of the shipping federation, the Canadian Pacific Railway and the Canadian National Railways, as well as the request of the very people who are interested in the grain trade? Even if this matter were submitted to a committee, no one could bring forward anything which would add strength to our argument, for the reason that no stronger support could be given that argument than it has already received in writing from these various quarters. What would be the use of bringing these people before a committee to repeat orally what they have already stated in writing? What they stated in writing two years ago, in the representations they made to the government, is much stronger than anything that might be said orally if they were called before a committee. These are the people whose word we are taking in coming before parliament and asking for this money.

It is all very well to say that the port of Quebec has not shown the same prosperity or the same financial development as the port of Vancouver, and that Quebec has not been paying interest. But the same criticism could be made against all other public institutions to which we have advanced money in the past. The leader of the opposition (Mr. Bennett) and the hon. member (Mr. Cahan) have said, "Oh, well, the position is different. You have a commission at Quebec, while at St. John, Fort William and Port Arthur there is no commission." Well, this is only an objection to form and procedure. But what is the real meat of the matter? I submit it is the money which is advanced by the government to any corporation or institution. If we are not getting any return from the port of Quebec we are in no worse position than in respect of moneys we have advanced to other ports or public bodies that have been organized in the country. The objection, I say, is a question of form, and I am free to say that I am almost ready to concur in the views expressed by the hon. member for St. Lawrence-St. George. It may be that the present system of handling these affairs through a commisison is not the proper one. I have my doubts on the point and I am ready to take the committee into my confidence to the extent of stating that I am considering another scheme of dealing with the business of all our ports in Canada. I think we have reached the time when it is necessary to make a change in the procedure which has been followed up to the present time, and I am quite willing to consider that matter. However, that is a very large problem; it has many aspects which must be considered, and I am not in a position to say that we should delay the work at Quebec until we are ready to come before the house with a new program which will apply to all our harbour commissions and all our Canadian ports. I think I can say to the committee that before very much of this money which we are asking is spent at Quebec my successor or I will come before parliament with a program which will suggest something to take the place of the organizations we have at present.

The port of Quebec has not been paying interest, but as I said yesterday, and as everyone is bound to admit, the facilities are not complete. That port has been only partly equipped, and while the ports of Vancouver and Montreal are showing good results, those results have been made possible because we have spent the money necessary to equip them perfectly in order to take care of their traffic. Quebec has not been getting the advantage of all the traffic which could go through that port, for the very reason which was mentioned by the hon. member for Mackenzie in 1925 and subsequently. The rates on the Transcontinental railway were prohibitive, and no grain went to Quebec by that road. During the last year the position has been changed; grain is moving in larger quantities, and now that we have removed the obstacle of the high freight rates it is time to remove the obstacle of lack of facilities in the port. What is the use of doing away with the prohibitive

rate on the Transcontinental railway if we do not have the facilities at the port to handle the grain which will come over the railway? We are not trying to provide for one month or for six months; if we are to look upon these problems from a national point of view, as the leader of the opposition said yesterday, we should provide for the future, and we should be ready to take care of the business which may come to that port. The business will come when the facilities are there, and we should not wait to build up these facilities until the trade is waiting to use them; trade will not come under those conditions. Why is the traffic so large at Port Arthur and Fort William? The reason is that the government, through the Department of Public Works, spent $21,000,000 developing those ports, and that is why the elevator companies established their plants in those cities. If we had waited for them to build their elevators before we spent any money on dredging and on docks, to-day there would be no docks, no elevators and no trade there. I am glad that Vancouver is playing such an important role and occupying such a high position in the development of our country; we are all glad of that, but we must remember in making comparisons between Vancouver and Quebec, Montreal and ports in the maritime provinces, that Vancouver is open all year, while the ports in eastern Canada are open for only five or eight months of the year. But because they are open for only a comparatively short period, should we close them altogether; should we refuse them the facilities which are necessary for their operations during the months they are open? We cannot evade the conditions which exist in Canada, we should be prepared to face the situation as it is, and to look at the requirements of the port of Quebec as we have faced all the other public enterprises we have undertaken in Canada.

I am quite willing to agree that there is a difference in the method of dealing with the port of Quebec and the other ports which have been developed through the agency of the Department of Public Works, but it is only a matter of procedure. Let us change the procedure when we have the facts before us; let us adopt another system then, but so far as the advancing of money is concerned and the proper returns upon that money, the port of Quebec can be considered in the same position as was the port of St. John before the harbour commission was incorporated. That is the position now occupied by the port of Toronto and by other ports throughout Canada. We are not getting a return on all the expenditures we are making for the good of the country; we say we should look at these questions from a national point of view, and I was glad to hear those words used by the leader of the opposition yesterday. Let us look upon these questions in that way, and let us make those expenditures in the port of Quebec which are necessary to assist our railways and our trade in general. We should adopt the attitude we took in connection with the branch lines expenditures. We had to admit that for a few years we could not expect any profit from those branch lines, but we knew they would feed the main lines of the railway; we knew they would help to develop the trade of the country; we knew they would build up the prosperity of Canada and we voted the necessary money, although there was no prospect of an immediate and direct return. The position is the same with regard to the port of Quebec, and I think the request is reasonable particularly in view of the fact that it has been established that we need $5,300,000 to complete the construction already begun, the rest of the money being necessary to double the storage capacity of the elevator which is already there.

This request for a loan of $8,500,000 to the port of Quebec will be duplicated shortly when we consider the question of the port of St. John and Halifax. Why are we making expenditures there? We are doing so because we have been told by the Duncan commission as well as by all the representatives of the maritime provinces that something should be done to permit these ports to develop even in advance of the expected trade. It is pointed out in the Duncan report that these are Canada's natural ports duirng the winter season, and they should be given a chance to handle Canadian trade, some of which is being given to American ports at present. We all agree with that; last year we incorporated the harbour commissioners with a view to placing that port on an equal footing with Quebec, Montreal, Vancouver—

Mr. BENNETT: And Chicoutimi.

Mr. CARDIN: Yes, Chicoutimi and other ports, in order to advance the necessary money for their required developments as suggested by the report of the Duncan commission. The same thing applies to the port of Quebec. The case for the port of St. John is no better than the case which has been made for the port of Quebec. Already the government has advanced to St. John the sum of $21,000,000, which has been expended in dredging, building

docks and in other ways looking to the development of that port. Who will reproach the harbour commissioners of St. John because they are not paying interest on that $21,000,000, which has been expended by the Department of Public Works? They will never be in a position to pay interest on that money.

I repeat, Mr. Chairman, that the resolution I am moving is justified under the circumstances, and it should be accepted by the committee because the government are trying to do the best they can to develop our facilities in order to take care of our increasing trade. We want to keep the important position in regard to trade which we occupy to-day among the nations of the world.

Mr. GARDINER: When it has been demonstrated that money asked for the development of facilities in our national ports is really required, no objection to that expenditure has been raised in this quarter of the chamber. But the position in which I find myself to-day is that so far we have received very little information as to the purposes for which the money now asked is to be expended. We have received, for instance, no information from the minister with respect to the tonnage capacity of the port. We do not know whether the tonnage is increasing, and if so to what extent. We have no information whatsoever in that regard. Then again no information has been forthcoming as to how much of the $5,000,000 voted in 1925 has been spent and for what purposes that expenditure has been made. The minister has stated that a certain portion of the money has been spent, but for what works and in what amounts we are left in the dark. If difficulty is experienced in putting the present resolution through the house the fault lies with the minister because of the lack of information with respect to it.

Let us return to the situation with respect to this port as it existed in 1925 when parliament was asked to vote the sum of $5,000,000. I have before me the revised Hansard for that year and I observe that the hon. member for Macleod (Mr. Coote) asked the minister upon what works the sum mentioned would be expended. The minister replied that the first item of the proposed expenditure would be dredging, which would cost $1,500,000. I ask now how much dredging has been done, what the cost has been, and is it completed or only partly completed? We have no information at all in that regard. Then the minister stated that $2,800,000 would be devoted to the building of a new wharf. I ask him to state now how much of that wharf has been completed and what the cost has been up to date. This is another item as to which there is a complete lack of information. The minister on the occasion referred to said there would have to be a reconstruction of tracks on the new wharf at a cost of $125,000. In 1925 we made provision for that work. To-day the minister tells us that out of the vote of $8,500,000 asked for it is intended to provide for tracks on the new wharf. In 1925 the following other items were stated to be provided for by the vote of $5,000,000: Electric light, $3,000; roadways, $65,000; riprap, $70,000; water mains for the water supply on the wharf, $150,000. I suggest that the minister give us some information along the lines indicated. If the information is forthcoming and we are satisfied with it there will be no objection to this vote as far as we are concerned.

Coming to the question of harbour commissions, I quite realize that ports under the care of commissions are somewhat different from ports not managed by commissions. These commissions, of course, are organized for the purpose of making the operation of these ports more efficient. But I would point out that it is highly necessary for parliament to scrutinize closely such expenditures as are proposed here, because the commission is not responsible to parliament. It may be quite true, as the hon. member for St. Lawrence-St. George (Mr. Cahan) suggested, that it would be advisable to do away with the commission for the port of Quebec. The subject is one to which I have as yet given no consideration, but it may be worthy of some attention.

It is presumed that because the grain rate from Armstrong to Quebec has been reduced there is going to be a very much larger traffic in grain through the port of Quebec. In that connection I have been reading what I had to say on the subject in 1925, when I emphasized the importance of obtaining a lower grain rate. If that were done I thought the port might have some chance of proving a success. Well, the grain rate has been reduced; there is a possibility of a large volume of grain flowing through the port, and it is proposed to devote a portion of the proposed loan to an extension of the elevator facilities so as to accommodate an additional 2,000,000 bushels. The minister stated a few minutes ago that the cost of the new elevator would be approximately 95 cents a bushel storage capacity, or $1,950,000 for a 2,000,000 bushel elevator. Now he says he wants that extra accommodation for the storage of grain in winter time. Did the minister ever stop to figure out exactly what that storage capacity

will earn in the winter time? If it is required merely for storage capacity in the winter, too much is being paid for an elevator of that capacity. The rate usually charged for winter storage is one-thirtieth of a cent per day, in other words, one cent for every thirty days a bushel of grain remains in storage. Assuming the capacity is taken up by grain in storage for a full five months, just about sufficient money will be earned in that time to pay 5 per cent interest on the capitalization of these two elevators, no more and no less. So if the elevator is intended merely for winter storage purposes, that does not seem to be to be a very profitable undertaking. If it were a question of storing the grain for a few days until it could be placed on board ship it would be a different proposition, but if the extra elevator is desired simply for winter storage purposes in my opinion it would be impossible for the harbour commission to pay interest on such a basis. That does not take into consideration insurance, depreciation, or other items. Such a proposal, when you examine it very closely, defeats itself. If the minister would just take the committee into his confidence and give us all the information he has with regard to the tonnage going through the port, the increase or decrease, as the case may be, and the possibility of new tonnage; if he would give us all the information that has been asked for by different members of the committee, his resolution might receive a different reception.

Mr. BENNETT: I regret that I have to take issue with certain observations that have been made by the Minister of Marine and Fisheries. It is an error to suppose that the criticism that has been made in connection with this resolution is directed at the city of Quebec. Speaking for myself I am opposed to any attempt to leave the impression that when hon. members, having in mind the public interest, call attention to certain facts, it is because it is Quebec that is being dealt with. The minister I think very wrongly endeavoured to induce the house and the country to believe that.

Mr. CARDIN: I can relieve the mind of my hon. friend in that regard. I had no intention of saying such a thing.

Mr. BENNETT: I know exactly what the minister said; his language is reported in Hansard. I am glad to have the minister realize that no effort is being made to discuss this or any other item of the same character merely because the city happens to be Quebec or Toronto. The same principles that have been advocated with regard to Quebec will be advocated with regard to Toronto or any other city in Canada. The hon. gentleman in his observations was rather led away by figures than by the application of them. He said that the ports of Fort William and Port Arthur would never be able to pay the $20,000,000 odd that had been advanced to them. No money was ever advanced to them—

Mr. RYCKMAN: Nor to Toronto.

Mr. BENNETT: I was just coming to that. No money was advanced to them or to Toronto, because no commission had ever been set up, and we must consider the fundamental fact that expenditures of public money at the head of the lakes were made by parliament under its direction and control, with the public accounts committee inquiring into every dollar thus expended, whether under contract or otherwise. The harbour commissions at St. John and Halifax were also referred to. Those commissions were not sought by the people of the communities themselves; they were placed upon them by the government in consequence of the Duncan report.

Mr. VENIOT: That is not the case with regard to the port of St. John. They asked for it in 1920, and the proposal was defeated. Afterwards they got it by a plebiscite.

Mr. BENNETT: Yes, they asked for it and it was refused. They then took a plebiscite and the majority of the people were in favour of a commission.

Mr. POWER: Is that not asking for it?

Mr. BENNETT: I am just coming to that.

Mr. RALSTON: In regard to Halifax, telegram after telegram was received by me insisting upon the implementing of the Duncan report in its entirety, including the recommendation in reference to a harbour commission.

Mr. BENNETT: That is what I am endeavouring to say.

Mr. RALSTON: My hon. friend said that it was not sought.

Mr. BENNETT: Not sought in that sense.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BENNETT: Mr. Chairman, when we rose for recess the hon. the Postmaster General and the hon. the Minister of National Defence had taken issue with my statement that Halifax and St. John had not come under the provisions of the statute relating to harbour commissions of their own motion, but rather because of the provisions of the Duncan report. What I was endeavouring to present to the house was the fact that these two ports had been recommended by the Duncan commission to be treated as national ports. My own personal view was that it was never intended that they should be dealt with by harbour commissions at all, but rather that they should be treated in the sense in which ports are regarded as national ports, just as the free port of Hamburg is a national port; and the Dominion, I suggest, should make the necessary appropriations for dealing with these harbours and making them national ports in every sense of the term. The mere placing of them under a harbour commission I have never thought to be an implementing of the recommendations of the Duncan report.

In this connection might I suggest to the Minister of Marine and Fisheries that he consider the desirability of utilizing the young engineers of this country who are graduating from the Royal Military College and elsewhere, as is done in the United States. You will find that in the United States the graduates of West Point and Annapolis have been used very extensively in connection with the ports to which reference was made this afternoon by the Minister of Justice. These young engineers have been put in charge of them, have made the recommendations as to the expenditures, and from time to time have secured the necessary appropriations from congress; and in every instance there has been a committee of congress which has dealt with these expenditures and appropriations.

I cannot but think that the Minister of Justice and the Minister of Marine and Fisheries did not desire to leave a wrong impression on the house, but the effect of their observations was to do that very thing. The port of Fort William and Port Arthur never had any money advanced to it—never; neither did the port of Toronto; neither did the other ports that were mentioned this afternoon. What happened was that this parliament, on the initiative of the government of the day, appropriated moneys for the purpose of dredging, building wharves, docks, slips, and so forth, and from time to time these moneys were expended on contracts called for in the ordinary course by the minister whose department was principally concerned, and the public accounts of the country of the succeeding year would indicate how the money was expended. But in the case of these harbour commissions we have no check upon the expenditures at all. When I some years ago made reference to the fact that an audit was desirable, it will be recalled that my friend from Vancouver Centre and myself were able to induce my friend the minister to see the desirability of provision being made for the parliament of Canada exercising some supervision over the accounts, the manner in which they were kept, and the purpose for which the money was expended, through an audit board, and the report of the audit board that was placed on the pages of Hansard yesterday is a report made at the instance of the minister, I take it, in pursuance of the provisions of the Audit Act to which reference was last year made.

There is a clear distinction between those cases in which the harbour commission unquestionably will pay its way and in which sufficient interest will be earned by the fees derived from various sources to meet the interest on the sums of money outstanding, and those cases in which it is quite clear the money will not be earned. The port of Quebec certainly is a case that belongs to the latter category. My hon. friend the Minister of Marine and Fisheries this afternoon pointed out what might be hoped to be earned at Quebec. I can only say to him that if he will appeal to the Minister of Railways, he will tell him that a four million bushel terminal will never in the world make a storage terminal. I appeal to my hon. friend from Acadia and to other hon. gentlemen from that section of the house who spoke this afternoon, whether anything short of a ten million bushel terminal can in any sense be classed as a storage terminal with respect to a port like Quebec. It is for that reason that I pointed out that there is no likelihood by the mere increasing of the elevator capacity in Quebec from two to four million bushels of making it a storage terminal, and the Minister of Railways pointed out that the storage terminal is a money-making terminal. I observe, for instance, that last year the harbour of St. John handled twenty-five million bushels of grain, and yet the total revenue of the port of St. John was only about $257,000. That being so, I do suggest to the minister the desirability of reconsidering the whole situation in the light of the knowledge that has come to the government, in the light of the reduced rates that were made last year. I am not now interested in these matters, but at one time

I was very considerably interested in grain facilities, and knew something about them, and I cannot think that a four million bushel terminal will in any sense assist the government in making the harbour of Quebec a storage terminal. You would have to have at least a ten million bushel capacity for that purpose.

I desire to point out further, in order that there may be no misunderstanding, that if any effort is made to convey grain by rail to the harbour of Quebec for storage in the spring, the facilities will have to be largely in excess of four million bushels. It is not possible during the time navigation is open to convey the grain to Quebec by rail, in competition with bringing it to the head of the lakes by rail and then down to Montreal by water. Considerable grain that has gone to Quebec in the last twelve months went there by water carriage. I mention that because it does apear to me that if the plan for the development of the port is based on the assumption that a four million bushel terminal will in any sense provide storage facilities adequate to the extent of earning interest on the money invested, the assumption is entirely erroneous.

Now, with respect to passenger traffic I am wholly in agreement with the Minister of Justice and the Minister of Marine and Fisheries. I think there is no more beautiful scene in all the American continent than that from the deck of a ship as you approach the harbour of Quebec at sunrise or sundown. I confess that I have never witnessed that impressive sight without considerable emotion. Quebec in my judgment must always remain the deep water summer seaport of this country, and anything that makes efficient and effective provision for taking care of the large ocean liners that enter the port will certainly receive the support and assistance of those who sit to the left of the Speaker. The Louise basin, if my memory serves me right, has now a depth of water of thirty feet, and, as I understand, there is ample docking and berthing space to take care of all the first class liners, to use the words of the minister, that now or in the near future may come to the port of Quebec, for the reasons I gave yesterday as to the movement up the river of ships of 20,000 tons and over. But the United States traffic, the first class passenger traffic which our ships are endeavouring to secure, must come largely to the harbour of Quebec. I recall coming in there on the Empress of Scotland, and 80 per cent of all the passengers were destined to United States ports, some for New York and Boston, and others for Chicago and further west. Everything that can be done by this parliament, having regard to our financial position, should be done to insure a continuance of that traffic to the harbour of Quebec. With respect to the appropriations for further facilities at Wolfe's Cove, this is principally for the construction of piers upon the cribs that have already been put in place, with additional elevator capacity as well, but only to the extent of 2,000,000 bushels. However, for the reasons I have indicated I cannot think that those extra facilities will add materially to the revenues of the port.

There is a universal desire on the part of the members of this house to insure that the passenger traffic should be retained for the harbour of Quebec, and to assist in every possible way the development of the port in the shipment of grain for export. But we do suggest very strongly that there must be something in the administration of the port itself that does not secure the results that have been secured in other ports. The figures before us abundantly prove this, for they disclose a marked difference between the gross and net revenues that does not obtain at our other maritime centres. The minister is right in saying that having regard to the character of the present facilities it is to be expected that the net would be very low as compared with the gross earnings; but the fact is they are so much out of line that in the opinion of those of us who have given some time and attention to the figures there should be a close examination of the accounts to ascertain if it is not possible to prevent a continuance of this condition of affairs. The minister says that he has in mind a plan by which he hopes to be able to alter that condition. This is commendable on his part. But in the meantime we are asked to vote a very large sum of money by way of loan to the commission. May I point out again that if the minister were asking for an appropriation, it would be subject to the power and control of parliament? But since the commission cannot possibly pay its interest, in the light of the report made by the audit board to the minister, and also in the light of what the minister himself says, should it as a matter of business be permitted to expend these moneys, which are nothing more than a direct appropriation out of the public revenue, without our having control directly through our auditors? In other words, to lend to the port of Montreal or the port of Vancouver—ports that are able to meet not only their interest but to take care of sinking fund and depreciation charges and set aside adequate reserves—is a purely domestic

matter; we simply guarantee their securities. But where we have what amounts to a company in default, a company that would be in the hands of a receiver if it were a commercial enterprise, and I lend money on the receiver's certificates, surely I should have the right to audit the accounts. In other words, in this case we should bring before a standing committee of the house those responsible for expenditures in the port of Quebec to ascertain how the money is being expended. For instance, we have sitting now a committee dealing with the Canadian National Railway accounts. Why is it we do not analyse the accounts of the Canadian Pacific railway as we do those of the Canadian National Railways? For this reason, if the Canadian National Railways were an institution that did not require financial assistance from this country, then only from time to time might it be necessary for an audit board or a special committee to be set up. But where you have the very condition with respect to the port of Quebec that you have with respect to the Canadian National railways, namely, the appropriation of public moneys, true, under the guise of a loan, but admittedly with no prospect of the interest being met, should we not do one of two things? Should not this matter be referred to a committee before the appropriation is made? Or, secondly, should not these moneys be treated as expenditures of the Dominion and subject to the audit of the Auditor General under the control of the public accounts committee, with power to send for and examine witnesses to ascertain whether or not these expenditures have been made in the most economical and efficient manner possible?

Realizing as I do the difficulties in respect to freight traffic, I do not think the revenues in that regard can ever amount to sufficient to meet interest demands. If the dreams and fond hopes of some are borne out with respect to deep water communication from Fort William to the sea, there will be less grain stored at Quebec; and if the Hudson bay route is in operation two years from now, there will be still less grain for storage at this port. So it seems to me that this must be treated as a direct appropriation for the public service of Canada to develop Quebec as a national port, and before the minister asks us to give our approval to so large an obligation, he should say frankly to the house that he will treat this as an appropriation subject to audit and that the expenditures shall also be subject to our examination for the purpose of determining why it is that in this port alone the operations are so conducted that hitherto they have resulted in an annual deficit. Under these circumstances is it unfair to ask the Minister of Finance—because it is to him I appeal—to treat this as an ordinary appropriation, giving the people of Canada the right to examine into the expenditures and to determine why a port thus situated should have an annual deficit of operating expenses over operating revenue?—something that does not occur in the other ports to which reference has been made. After a close examination of the whole matter and the securing of reports from the proper officials, as well as from the engineers, if the government believes it is in the interests of the public that these moneys should be appropriated out of the revenues of the country from time to time in order to make the port of Quebec what I have no doubt we all desire to see it become, I for one, subject to the amount being properly determined and its being efficiently and effectively expended, would heartily support it.

It is quite right to say that the party to which I belong has pledged itself to assist in the development of the port of Quebec. As observed by the minister and one of the speakers this afternoon, there should be no question of party politics in relation to that port. It is not something that belongs either to Liberals or to Conservatives; it is not a port in respect of which expenditures should be made either by Liberals or by Conservatives as such. It is a port over which, for the reasons I have indicated, the jurisdiction of the harbour commission should be ended, and the necessary expenditures should be made subject to tenders being called for, contracts awarded, and all expenses checked as they are in other matters. Every dollar spent in Fort William, St. John, Courtenay bay and Toronto, as mentioned by the Minister of Justice (Mr. Lapointe) this afternoon, was expended under the control of the government of the country as a direct appropriation and not as a loan. There is this distinction to be noted: in the one instance the minister has in the treasury the promise to pay of the ports, which are under commission; in the other case he has none. Among the assets of the country, in the public accounts, are the debentures of Montreal and other ports over which there are commissions. But where public moneys have been appropriated there is no more promise to pay either interest or principal than there is in the case of a post office built in Edmonton, say, or Calgary. Post offices, dredging, wharves, piers, money spent in St. John, Halifax, Toronto, Fort

William—all these are moneys taken out of the annual revenue from time to time with respect to which there exists no promise to pay, and there is no question of interest being earned or paid. In relation to these harbour commissions, however, for reasons which may at the time have been good but which in my judgment, and as the minister said this afternoon, have no longer any binding force on us, the harbour commissions have given debentures, bonds, by which they promise to pay these moneys back to the country with interest thereon. And the difficulty lies in the fact that we are now approaching this matter in the same manner as heretofore, although we realize, as the minister has very frankly admitted, that we cannot look forward with any hope to receiving either interest or principal, having regard to the fact that we are endeavouring to develop a national port. If that be so should we not treat this question as we would treat an appropriation to build a wharf in Nova Scotia or a post office at Mahone Bay? Should it not be treated as an appropriation of public moneys for the purpose of developing a public institution, namely, a great port intended to serve the interests of the country as a whole?

Undoubtedly we on this side of the house are anxious to co-operate in building up the port of Quebec; but we are anxious at the same time to ensure that there shall be 100 cents of value for 100 cents of expenditure. For every dollar expended there should be a dollar of effort put forth. If this were a commercial enterprise the receiver would be in charge. We urge, therefore, that there should be direct control on the part of this parliament over the expenditures that are made in connection with the harbour of Quebec. To this end the question should, I submit, be referred to a committee of the house. Much more important is it in this case to refer the whole subject to a committee than it is in the matter of judges' salaries. Where there is default—and were this a commercial enterprise it would involve the appointment of a receiver—the question should be investigated and a report brought down as to what moneys should be spent in order to save what we have already expended. After all that is what a receiver does. The Minister of Railways (Mr. Dunning), up in his committee, is dealing with the Vermont Central railway, and we are going to pour large sums of money into that railway, now in the hands of a receiver, with a view to saving what we have now in it.

Mr. DUNNING: We are not pouring any sums into the Vermont Central under a receivership.

[Mr. Bennett.]

Mr. BENNETT: There is an amount of some $4,000,000—

Mr. DUNNING: It is not our money.

Mr. BENNETT: We are behind the receivers' certificate; we have to take care of it. I do not think my hon. friend will question that. The point I am making is that if this were a commercial enterprise the harbour commission of Quebec would be in the hands of a receiver. You know, Mr. Chairman, as well as I do, that if a receiver desires to put more money into an undertaking he goes before a judge, with every detail of the business, and is authorized to issue receiver's certificates for the purpose. In other words, he is enabled to take such action as will save the money already invested in the undertaking. Take the great St. Paul railway: that is the best illustration in recent times of the procedure I am pointing out. When the business has been rehabilitated the receiver was discharged—

Mr. CAHAN: And the receiver's certificate becomes a first charge.

Mr. BENNETT: Yes, the receiver's certificate becomes a first charge on the undertaking. Is not the harbour of Quebec in that position? I ask the Minister of Marine (Mr. Cardin), a skilled lawyer and an able administrator, whether that does not appear to him to be the situation. We are asked in this instance to put $8,500,000 into the institution. We are agreed that some money must be put into it, because we desire to develop the port as fully as possible. Well, as a matter of business we say that if we put that money in we should have a committee decide how much is required in order that we may save what we have already expended and make the port what we desire to have it become. In other words, that is a direct appropriation by the parliament of Canada to the harbour in question for the purpose of improving it so that it may render to the Canadian people the service we should expect from a great national port. I suggest that in all cases of this nature, where there has been default or failure to pay contractual obligations the question should be referred to the committee on railways and shipping before parliament is asked to vote a dollar. This matter vitally affects the existence of the railways themselves, the National Transcontinental being a part of the Canadian National system, and it should therefore, I submit, be referred to the committee so that the harbour commission may present its case and that those associated with it, including the engineers, may be able to satisfy the committee of the necessity for the proposed expenditure. We are being asked to vote money

which, in the case of a commercial enterprise, would be advanced on receiver's certificates. In this instance we ourselves will put up the money, and we should therefore be thoroughly satisfied of the necessity for the proposed expenditure as a means of saving the present investment and improving the facilities that now exist.

I cannot usefully make any further observations. I need hardly say that I desire in every way to assist the minister in carrying out his plans for the development of the harbour, but I cannot think that this house would be true to the trust reposed in it if for a moment it did not point out the facts which I have indicated. The expenditures that may be required for the development of the port should be made only to the extent to which necessity indicates, in the light of knowledge obtained by the standing committee of the house which deals with railways and shipping and subject to absolute control on the part of parliament, through the Auditor General.

Mr. DUNNING: Just a word with reference to my hon. friend's remarks concerning the Central Vermont, which I think are capable of being misunderstood, as I misunderstood them. Of course there is an important difference between the position of the Central Vermont and that of an institution such as we are now discussing. I understood my hon. friend to say that this parliament was furnishing the money to rehabilitate the Central Vermont Railway, but apparently my friend means that receiver's certificates are being issued which, as the hon. member for St. Lawrence-St. George has said, are a first charge upon the property when the receiver is dealing with the discharge of his receivership.

Mr. CAHAN: And they have precedence over any interest of the Dominion.

Mr. BENNETT: Our interest amounts to $33,000,000.

Mr. DUNNING: That may be so; I have not the exact figure in my mind. I would point out, however, that there is a distinction between the Central Vermont Railway and the institution now under review. There is a minority interest in the Central Vermont Railway; there are minority stock and bond holders. In the case of a harbour such as the Quebec harbour I believe the Dominion is the only creditor.

Mr. BENNETT: No, there are bonds in the hands of the public. The minister is overlooking the fact that part of the money requested to-day is to take care of the bonds in the hands of the public.

Mr. DUNNING: Then there is a minority interest, but I understand that they are guaranteed bonds.

Mr. BENNETT: The Minister of Marine and Fisheries could not tell me.

Mr. STEWART (Edmonton): It would be strange if they were not.

Mr. BENNETT: It seems that they were issued in the early days.

Mr. GEARY: I believe there are now outstanding, in the hands of the public, bonds totalling $1,100,000 against the harbour commissioners of Quebec. These bonds were offered for sale and were taken up by the public under powers which were conferred in the original act.

Mr. DUNNING: Unguaranteed?

Mr. GEARY: I do not know, but it is stated somewhere. I do not flatter myself that I can usefully add anything to the discussion up to this point, and I would have had nothing to say had it not been for the manner in which the Minister of Justice put his case this afternoon. It seemed to me that the minister made this a local issue as between the city of Quebec and some of the other municipalities in the province of Ontario, and incidentally the Minister of Justice, together with two or three of his friends behind him, had something to say about the harbour commissioners of Toronto.

There is no interest paid and no interest due in regard to expenditures made by the harbour commissioners of Toronto. In 1911 the harbour commission was formed by a statute of this parliament, and it was definitely provided in that statute that this should not be a Dominion commission in the sense of having control of navigation facilities only, but that it should be a land company in effect and that the city of Toronto should turn over to the harbour commissioners all its waterfront property, worth many millions of dollars. Under that act the harbour commissioners:

> . . . . may hold, take, develop and administer on behalf of the city of Toronto, subject to such terms and conditions as may, at the time the control thereof is transferred to the corporation, be agreed upon with the council of the city, the area known as Ashbridge's bay, together with the dock property and water lots owned by the city of Toronto in the harbour as defined by this act. . . .

All the property of the city of Toronto, including Ashbridge's bay and the docks, wharves and land along this waterfront, was turned over to the harbour commissioners of Toronto who have administered it since. There was no provision in the act by which the harbour

commissioners could secure advances from the Dominion government; on the contrary, they have gone to the public for their money and have borrowed it on bond issues which have been endorsed largely by the city of Toronto. Although the interest on these bonds has not been kept up out of the proceeds of the harbour, the deficit has been made up by the corporation of the city of Toronto, and the bonds are in good standing with all payments made to date. The city of Toronto has never come to this parliament for any advance whatever on account of its harbour. It has been suggested by hon. members opposite that because there is an amusement park in the west end of the city called Sunnyside, and another in the east end called Scarborough, the moneys of the Dominion have gone towards the establishment and maintenance of these parks, but that is a misapprehension; not one dollar has gone for that purpose. These lands have been reclaimed at the expense of the city of Toronto; the parks have been laid out, the buildings erected and the property managed by the harbour commissioners out of the revenues of the harbour chiefly derived from lands turned over by the city, supplemented by the amounts the city of Toronto has been obliged to pay. I should say that for every dollar spent by the Dominion government on navigation five to six dollars of city money have been added to the funds of the harbour commissioners. You might as well talk of charging interest on the money expended in dredging the river channel between Montreal and Quebec as to mention charging interest on the expenditures for navigation purposes at either Port Arthur or Toronto. It is the same thing, and as my leader has said, in every case the appropriation and expenditure of the money placed at the disposal of the harbour commissioners of the port of Toronto for navigation purposes has been under the scrutiny of this parliament.

Perhaps that will settle this point in the minds of hon. members of the house, and I have only a word to add in regard to the proposal now before us. I understood the Minister of Justice to say that out of the amount now asked for, some $5,310,000 is required to complete the work for which this parliament appropriated $5,000,000 only three years ago. The terms of that appropriation were very definite; it was worded as follows:

. . . . such sums of money, not exceeding in the whole the sum of five million dollars, as may be required to enable the corporation to complete the construction of terminal facilities in the harbour of Quebec, for which the plans, specifications and estimates have been approved by the governor in council before the passing of this act; and to construct. . . .

[Mr. Geary.]

It does not say to begin the construction, or to construct in part.

. . . . such additional terminal facilities as may be likewise approved as necessary, further to properly equip the said port.

My understanding of the situation, as outlined by the Minister of Justice and the Minister of Marine and Fisheries, is that this $5,000,000 improvement has been started, and it has been found impossible to complete the work with the sum voted. Whether it was estimated wrongly at the time or whether it was known that $5,000,000 would not be sufficient I do not know, but it would appear that $5,000,000 is only half enough. The works are in an incomplete state, partly under water; they will be lost if further moneys are not voted, and the Minister of Marine and Fisheries asks for $5,310,000 to complete works which it was obviously contemplated would be completed for $5,000,000. We have not been told whether that is the result of a bad estimate; apparently something is wrong with the estimate of $5,000,000 which was presented to this house in 1925. That has not been sufficient for the work, and we are now asked for $5,310,000 more to complete it. As far as I can see that is the situation; in 1925 the harbour commissioners of Quebec contemplated this work, but whether they expected to spend $10,000,000 on the work then in prospect we do not know. If they did it was wrong of them to ask this house for only $5,000,000, saying that that would complete the work, and on the other hand if they miscalculated the cost and now find themselves saddled with a work which will cost over $10,000,000 on which they had expected to spend only $5,000,000, there is something radically wrong with the construction department of the Quebec harbour commission.

The second amount asked for is $2,840,000. I only need refer to the remarks of my hon. friend from Acadia to show that the expenditure of that amount on a storage elevator is not justified by the business which may be expected. We are going to spend over $2,000,000 for further storage; that is an important matter, as the Minister of Railways has said, but you can tell almost to the cent what will be the income from that expenditure. You know the rates for storage, you know the period for which storage will be used, you have the cost of management, and when it is proposed to provide storage facilities for an additional 2,000,000 bushels of grain it is possible to say whether or not you are justified in making that expenditure in view of what you will get in the way of returns. That is not a matter which has to do with the port of Quebec as far as the

passing through of grain goes. The facilities at that port to-day are acknowledged to be more than are required for all the grain that can reasonably be expected to pass through that port. They will take care of 40,000,000 bushels of grain in the season, and even with the reduced freight rate the volume of grain handled there has only risen to 10,000,000 bushels. So that four times the amount of business actually done in Quebec is already provided for. Surely we do not need to contemplate that feature at all. The only question then remaining as to the $2,980,000 is, will it pay? Is it good business to put up a 2,000,000 bushel storage elevator considering what the returns from that elevator will be? As to the remaining item of $350,000, it is a matter of refunding to which no objection can be made. May I point out to the minister that if this were a going concern which had been meeting its fixed charges and its operating cost, to say nothing of depreciation, we might have been justified in advancing the sum of $8,500,000 because the returns would be in sight, but in the case of the Quebec harbour we know the interest on the loans is in arrears, and we know moreover from the auditors' report that there is no prospect of ever collecting that interest. Therefore you are going into a proposition in which the interest and fixed charges, to say nothing of other items, cannot be met. The right policy to pursue is to follow the course which has been suggested by my leader to scrutinize carefully every item and consider whether the expenditure is justified, not only from the point of view of dollars and cents but from the point of view of making Quebec a great national harbour and maintaining it as such.

Once more, may I say that I regret exceedingly the tone that was taken by the Minister of Justice in his remarks this afternoon, remarks which to some extent reflected the feelings of others. Personally I should like to see the port of Quebec developed, or any other port on the east or west coast developed, if it is going to add to the general prosperity of Canada. It is a small thing to accuse any hon. member, even by implication, of being influenced in his attitude by local attachment. That is nonsense in the case of myself, and I know that in saying that I can speak for others both to the right and left of me. We desire to look at this as a national matter. The fact that we are dealing with the port of Quebec—and we are all proud of that city and its historic associations—does not enter into the matter at all, nor the fact that it is not Toronto; and if the Minister of Justice, and one or two others, suggest that we are influenced in our attitude by local prejudice, they are following a course which is entirely wrong.

Mr. CHURCH: I do not see why this port should not have its votes in the estimates, and not by resolution. The trouble in the administration of these ports is that politics has been rampant in them. The government in my opinion are spending money like water. Money has been spent on some ports and canals in this country which never should have been spent; money that should have been spent has not been spent, and in many cases practically every dollar of that expenditure has been wasted. There has been no well conceived general plan of development. We have been creating ports on the great lakes where the expenditure has been used for political purposes. The same can be said of some of the canals. I know a canal where it was customary to start work a month before every election but after the election was over that expenditure was discontinued. There are instances of this kind in almost every province in the Dominion. The port of Montreal is in politics to-day. The elevator business is also in politics. The grain trade is in politics. The railways, also the canals, are in politics. Canada is more cursed with partyism than any other country in the world. We can solve no economic problems at all in this parliament, all such questions are referred to the courts or to a commission. The port of Quebec is a great port with a history dating back over three hundred years but it has never had a chance; the politicians have killed it. The Liberal party which launched the Grand Trunk Pacific is responsible for all the railway ills of this country to-day as well as for all the evils that have grown up in connection with our ports and grain trade. I know of no agencies where politics have been used to a greater extent than in connection with the port of Quebec, the administration of the Grand Trunk Pacific Railway, and the administration of the national railways under the present chairman. The port of Quebec will never have a chance against the port of Montreal until its administration is freed from politics. It used to be said that New York and Boston were the great ports of the Atlantic seaboard of the United States; now there are nine or ten fine ports along that sea coast from Boston to Savannah. Every one of these ports is prospering and the ships which enter and leave them are gather-

ing business from the seven seas. Have we seen any like development in the case of our ports? The ills the maritime provinces are suffering from to-day are largely due to politics, and politics prevailed to a very great extent in the administration of the Intercolonial railway. The Quebec bridge was built and the Grand Trunk Pacific railway constructed to help Quebec and the grain trade.

The great port of Vancouver handled 53,000,000 bushels through one elevator which I saw when I was there last year and which has a capacity of only 1,250,000 to 1,500,000 bushels. The opening of the Panama canal has revolutionized matters of transportation on the North American continent and particularly in regard to the transportation of grain from the prairie provinces. You will never settle this grain problem while it is in politics. The elevator question is in politics; the port of Quebec is in politics, and as regards the grain policy of this country you will never get any more grain passing through the city of Quebec until you change your elevator and grain policy. We had a royal commission appointed in 1924 to investigate this question. What did they recommend? They recommended that an embargo be placed upon hard wheat going to the United States, as will be found at page 145 of their report. It was a hard struggle to get this commission appointed; I was in the house at the time, and I made some comments and charges in regard to bootlegging of Canadian grain and the elevators at Buffalo and New York. The government said that this was not so; but when the evidence was taken, it was proved that it was so; that bootlegging in grain was taking place at Buffalo and New York, United States wheat being mixed with Canadian and the flour shipped overseas as number one to the detriment of Canada.

The minister is not handling this question in the proper manner, although I do not wish to blame the present minister entirely. He could not find a five dollar bill for life saving stations in the upper great lakes to protect the lives of our brave sailors who are endeavouring to advance the grain from the prairie provinces to the seaports. Last month an American life saving tug from Ashtabula and Erie, Pennsylvania, had to come up and take some men off a tug caught in the ice on lake Erie. What did the Ontario government do? They sent a wire to Hon. Mr. Martin, the Minister of Agriculture congratulating him on his forethought in getting a United States tug to save a few Canadian sailors on lake Erie.

[Mr. Church.]

What did the Minister of Marine and Fisheries do last session with regard to grain? He is talking about getting more grain to Quebec. He had the coastal laws suspended on the Great Lakes, with the result that our boats are lying up at the docks and all the grain is going to fill American hulls. Last summer I saw in the Detroit river, United States ships carrying our grain down to Buffalo, where during the past few years they have erected twenty-eight elevators. What does the commissioner of industries of Buffalo say about this matter? One of the main things in his report is that he takes pride in the fact that they have been able to get Canada's hard wheat to fill up twenty-eight elevators at Buffalo where they can bootleg our grain and mill it into flour for export. Every Canadian would rejoice to see those twenty-eight elevators erected in Quebec, Montreal, and other places along the gulf of St. Lawrence, where they would be if this country had a proper grain policy, and a proper water-borne traffic through Canadian ports overseas.

After all is said and done, the discussion initiated by hon. members on this side of the house will do a great deal of good if it can persuade the government that we have had enough politics in regard to this matter. The Hon. Mr. Hoover has spoken, in a report to congress and to the Interstate Commerce Commission about this particular problem, and in his report he refers to the great ports in his own country on the Pacific and Atlantic coasts. He says that a definite, well-worked out scheme, like those which New York, Boston and Baltimore have, should be adopted and that before votes of money occur or are gone ahead with, competent engineers should be employed to investigate the whole question from engineering, financial, navigation, and economic standpoints. It must not be forgotten while this vote for Quebec harbour is under discussion, that as regards the export of our grain, the overseas market with regard to grain has all been changed. Argentina and Russia are back in the market and many of the Balkan states and others are back to-day competing with our grain growers for the overseas markets of the world. The result is that the grain situation in the old world has been changed and we have been sitting here spending millions of dollars on some of our ports without any results as to routing Canadian grain in mass through our gulf and coast ports.

The port of Quebec could, in my opinion, be made a great port if we had a well-worked out economic plan. Last year I visited it for

the first time in twenty years; it is suffering from congestion owing to lack of modern facilities for handling the freight traffic. It will never be a port except for five and a half months in the year, and it will be a grain port only if it has the support of an all-Canadian rail route and waterborne traffic route for grain and an adequate and economic storage capacity. It will be a good storage place for grain forwarded there late in the year and held in the elevator for spring shipment overseas. I understand that the capacity of the Quebec elevator is only 2,000,000 bushels and that last year they handled out of that port only about nine or ten million bushels, whereas at Vancouver with an elevator with a capacity of 1,500,000 bushels they were able to handle 53,000,000 bushels.

Reference has been made to other ports, and there has been a very wide discussion of the policy of this country in general in regard to national ports and ports on the great lakes. There are a few ports like Montreal and Vancouver which pay the interest on their indebtedness. The quantity of grain shipped through the port of Montreal during the last few years is as follows:

Year	Bushels
1921	138,000,000
1922	135,000,000
1923	120,000,000
1924	165,000,000
1925	166,000,000
1926	135,000,000
1927	185,000,000

Let us not forget that last year there landed in the port of Montreal 80,000,000 bushels of grain from the United States. We are pursuing a very foolish policy on the great lakes in regard to grain. We have amended the coastal laws with the result that our own Canadian boats are tied up at the docks and our United States competitors are getting all this grain. Is that a proper policy for the people of this country? No, we must change our whole grain policy and adopt the recommendation of the commission by imposing an embargo and utilizing all-Canadian routes to get our grain through to the seaboard in Canadian hulls.

The government has been spending money like water. When Sir Wilfrid Laurier announced his Grand Trunk Pacific scheme away back in 1896, it took $36,000,000 to run and maintain the country, whereas to-day it is taking $400,000,000 a year to run the country. The province of Ontario used to get along with an expenditure of $6,500,000, but to-day it alone is spending $57,000,000 a year, or $21,000,000 more than it cost to run the whole country in 1897.

Some reference was made by hon. gentleman opposite to the port from which I came. Let me tell the Progressive members of this house that the port of Toronto has never got the loan of a copper from the government of Canada. Since confederation only ten millions have been spent by the government on Toronto harbour. The taxpayers of Toronto have themselves spent $30,000,000 on harbour improvements. Any money the government spends it handles itself free from the city or harbour board. From 1867 to 1912 only $2,000,000 were spent by the government. In 1912 the port was reorganized, and the harbour board has jurisdiction only over city property in the harbour. The government never built a dock or a wharf in Toronto, and Toronto harbour right down to the present time never got a five cent piece by way of loan from the government. There are five commissioners under the new scheme, three appointed by the city council and two by the government, and the two commissioners appointed by the government are on the city board spending city money. The government spends its own money and it has built a seawall, a turning basin in Ashbridge's bay and dredged the entrances. The late Lieutenant Governor Clarke, Mr. Smith and I were commissioners, and we had a non-political board for twenty years, until 1925. It was the present government's two delegates that caused all the recent trouble; the government appointed two politicians or ward-heelers, and they tried to work a city board on a Liberal basis with the taxpayers' money, mind you, not the government's. I was a commissioner without a cent of remuneration, for twenty years. I was appointed by the city council and I worked all that time with my colleagues. We never had any politics on the board till 1925. A gentleman by the name of MacKendrick, appointed by the city in 1924, joined the two Liberals and while he was a commissioner, he tried to buy a large property at a cut rate for his company on Fleet stret. I objected to this as improper, and an illegal government inquiry was started over a purely city board, spending only city money and not a cent of government money, by a person who, while acting, had, according to the harbour board's own solicitor, Mr. A. C. McMaster, K.C., and the government's own legal officers, no powers, and acted only voluntarily. Well, they had a year's inquiry over nothing, with nice, fat fees for the judge, although, while sitting he was neither judge nor commissioner, and a number of lawyers got fat fees as was the case in the customs inquiry. They spent $75,000 of the taxpayers' money,

found not a cent misspent or a thing wrong, if you please, on this investigation; they did not get anybody, nor did they find out anything. The only body they got was the taxpayer. Mr. Home Smith and Lieutenant-Governor Clarke served for many years without fee or reward. I myself served for twenty years on the harbour board, and got nothing for it; all we got was abuse. I spent thousands of dollars of my own money also in the work. We were a non-political board until two disturbers appeared with political minds. While I was chairman of the harbour board I settled the viaduct case long standing, opened up Fleet street, and made rapid strides. I resigned my seat voluntarily. After this farce of an inquiry the city council unanimously reappointed me, but I got sick of the work and the abuse and gave up this end of my work after twenty years full service.

If you want to make a success of the port of Quebec or any other port you must eliminate politics; in other words, as Mr. Hoover says, you must have a non-political administration of the board. The port must be administered from an economic standpoint. If the port of Quebec had been given any chance at all, it would have been a great port to-day, but the money that has been voted for the port of Quebec has not been spent to the best advantage and the same is true to a certain extent of Montreal. They take on a large staff in Montreal, I am told just before election time, and then turn them off after the election. The port is in politics. I think every Canadian is proud of the port of Montreal. I am a warm supporter of Montreal, and I believe that it will grow from strength to strength as a port if the commissioners are let alone.

The government have now had considerable experience in connection with these various harbours, which should be an example to them, and let us make a fresh start with Halifax and St. John by administering these new ports from the commercial aspect. We can still do something with Quebec, but I do not believe in giving $8,500,000 to the port of Quebec at the present time. I was in the house in 1925 when Mr. Caldwell and the present member for Macleod, in reply to questions, were informed by the minister that the $5,000,000 that was being voted at that time for the port of Quebec would be sufficient to complete the whole five years' program. Only three years have passed since then, and here is the harbour commission back again asking for $8,500,000 more. It will take a lot of money to provide the necessary extensions for handling the grain, but even when that work is finished, I doubt if any more grain will go to the port, because the Canadian National Railways are not trying to help the port of Quebec.

Those of us on this side of the house, Mr. Chairman, would like to see the port of Quebec dealt with fairly and justly and equitably, the same as any other port. We must not forget that these ports are a connecting link in a well organized transportation system, but we have not a properly connected transportation system in this country because our transportation system is mixed up in politics. The ports are also in politics, and you will never get them out of politics until public opinion drives them out.

The province of Ontario pays forty-nine per cent of the postal receipts of this Dominion. The city of Toronto contributes $62,000,000 in customs duties, and well on to $7,000,000 in postal receipts, and we have never got a cent from the government during the last four sessions except a few dollars for revolving doors for the post office, and when that item is reached I am going to move to strike it out.

Mr. VENIOT: What about the terminals costing $1,500,000 last year?

Mr. CHURCH: What about terminals? Let me tell the minister about the terminals. He is a new minister here, and he seems to think he knows something about the Toronto terminals, but I think he knows more about elections and the ballot boxes in New Brunswick.

Mr. VENIOT: The people know how to handle the ballots.

Mr. CHURCH: I do not want to be unfair to the minister because he supported my newspaper bill to make public the ownership of newspapers, and to let everyone know who Mr. Honourable-in-Trust is in connection with some of these newspapers. The city of Toronto itself spent $30,000,000 on its own property—the harbour.

Mr. VENIOT: I was referring to the postal terminals, not the railway terminals.

Mr. CHURCH: The government spent some money on the postal terminals, but they get a revenue of yearly $7,000,000 out of the Toronto post office. The minister has a patronage list in the post office department, and you have to pay a dollar to join the Liberal ward association before you can get a temporary job. Even a returned soldier in Christie street hospital, if he wants a job at the post office for five or six days at Christmas time, has to pay a dollar and join

the ward association. There is no city in Canada that is paying the peak of taxation like Toronto is. We have spent $30,000,000 of our own money on our harbour, and if it had not been for the harbour improvements and breakwater at Sunnyside the right of way of the Canadian National railway would have been washed out. Eight millions were spent (1914-1924) by the government on the harbour. About $2,500,000 of this was spent on a breakwater to protect the right of way of the Canadian National railway, and a contract as to the harbour in 1912 was made with the city of Toronto and the federal government, and this government is trying to back out of it. The city of Toronto has spent over $10,000,000 on the viaduct agreement on the water front and thirty millions on its harbour besides. We seek no favours from the government; we would not get any anyway, and we do not ask for them, no matter what government is in office.

So far as the port of Quebec is concerned, I agree with the leader of the opposition that this vote ought to be cut down, and an interim grant of $1,000,000 or $1,500,000 made, this year; and a proper survey should be made of the business of the port and its finances and terminals. The grain law of Canada should be revolutionized in the interest of Canadian ports, and the coasting laws should be re-established. There should be a showdown with the Canadian National Railways to further help the ports of Montreal and Quebec. There should be non-political administration of the port of Quebec and all the other ports. The port of Vancouver has been ruined through the dismissal of one of the ablest traffic superintendents on the North American continent, as the hon. member for Vancouver said in the house last night. There should be a non-political administration of these ports, a proper survey made of the business of the port, and expenditure made on business principles; for at present money is being spent like water on ports and harbours. Money is being spent on ports where there is not a ship, and when the pork barrel is opened up, they sometimes vote money for harbours where there is not even a row boat. I do not say that that is true of the port of Quebec. I believe that Quebec never had a fair show. Take politics out of the administration of the port and have a proper survey made by reliable engineers, not the kind of a survey that was made in connection with the Grand Trunk Pacific Railway, which it was estimated would cost only a few million dollars instead of one hundred millions. We should get a proper survey of Quebec harbour and an up-to-date plan even if we have to go to Great Britain for engineers. Go and get them, and have a survey and permanent plan of development made of the port of Quebec. I venture to think that every good Canadian, when this is done, will rejoice to see the great port of Quebec go ahead by leaps and bounds and get a fair share of the gain and other traffic from the interior of Canada. What I have said of the port of Quebec will apply also to the ports of St. John and Halifax when organized.

Mr. ROBB: Mr. Chairman, the citizens of Quebec and hon. members who are interested in the port must feel gratified at the almost unanimous desire expressed on both sides of the house to see the port of Quebec improved to accommodate the great ocean traffic now developing there. But the trouble is we have been debating this question now for almost two days without making any progress, and our friends who are interested in the port may begin to question the sincerity of those who speak so well of Quebec. My hon. friend who has just taken his seat (Mr. Church) has told us about the great port of Toronto, and has emphasized the point that during the period when he was on the harbour board it was a non-political organization. I think I shall be well within the mark when I say that the board of harbour commissioners of Quebec is justly as non-political as my hon. friend's board.

I agree with much that has been said tonight as to our having spent a lot of money on our ports for which the country has not received the value that it should have received, and the records of the public accounts will confirm this. I observe, for instance, that we have spent some $21,000,000 on the port of St. John. Well, no one will say that that is a better port than Quebec. We have spent on the lake port of Toronto—I am not finding any fault; I am simply placing the facts before the committee—through the Public Works Department between ten and eleven million dollars. My hon. friend from Toronto Northwest says that the port never got a copper from the Dominion, but apparently he has not looked at the public accounts.

Mr. RYCKMAN: He said in the nature of advances.

Mr. ROBB: Quite right; we paid out the money and did not expect to get it back.

Mr. RYCKMAN: It was not a loan, it was contributed.

Mr. ROBB: But the fact remains we spent $10,000,000 on the port of Toronto.

Mr. RYCKMAN: There is no question of that

Mr. ROBB: No one will argue that the port of Quebec, where the ocean traffic of the world comes, is not entitled to equal consideration. No one will challenge the point raised by my hon. friend the leader of the opposition that wherever public moneys are paid out there should be a careful audit. But after all that is exactly the position we are in to-day.

Mr. CHURCH: May I point out to the minister that the $10,000,000 was spent by the Public Works department; the city of Toronto had no control over it?

Mr. ROBB: Certainly; but the money was paid out of the exchequer. We have the right, and we exercise it, to insist on the most careful scrutiny wherever public money is expended. Now the port of Quebec asks for an advance of sufficient money to take care of its harbour plans for the next five years. Everyone will agree that to do such work economically and efficiently we must be able to lay out a program extending over a period of years. No advance is made until a report is received from the engineers indicating the progress of the work. I believe there is a superintendent of harbours who checks up the work of the port engineer. That report is sent to the Department of Marine and Fisheries, where it is carefully checked, and then the accounts are sent to the Department of Finance before the advance is made.

Mr. EDWARDS (Frontenac): Are advances made to the harbour commission of Quebec on monthly applications from the commission to the minister, giving the amount of construction work to be done and detailed statements?

Mr. CARDIN: The procedure followed at Quebec is the same as that followed at Montreal. The work is executed, a report is made by the commission to the Department of Marine and Fisheries, that report is checked by us, and when we are satisfied we ask the Department of Finance to advance the money.

Mr. EDWARDS (Frontenac): On monthly applications?

Mr. CARDIN: No.

Mr. EDWARDS (Frontenac): That is the procedure followed in the case of Montreal.

Mr. CARDIN: Not necessarily.

Mr. ROBB: Then these advances are made. Bear in mind, the accounts are carefully audited. We insist on an additional audit wherever these expenditures are made. We have a perfect right, for example, to check the expenditures made in the port of Halifax.

I have not heard any person say yet that the money spent there was spent to the best advantage. It is quite true, as hon. gentlemen say, that we have wasted money. But we are all aware that government expenditure is never made as cheaply as private expenditure.

Mr. STEVENS: Will the minister permit a question before he leaves that point? He is dealing with the system of audit. Will he kindly explain these statements in the report of the board of audit that checked the port of Quebec's accounts?

> Examination of the published reports clearly shows the expenses to have increased steadily and out of proportion to the earnings during the three years.

And:

> The accounts examined by us provided no explanation for these variations, due largely to the suspension some years ago of cost accounts.

Now I put this question to the minister, having some knowledge of the meaning of this language: upon receiving a report of this character from a board of auditors appointed for the purpose of examining these accounts, does he think it a wise policy to make any further advances before some adequate explanation is forthcoming of what I would call a dereliction of duty on the part of the board?

Mr. ROBB: I was just coming to that. I imagine that when I send out the audit board, as I intend to, to audit other ports we may have similar reports to this.

Mr. STEVENS: These insinuations might as well be cleared up at once. I ask the minister now to instruct the board of audit to check carefully the expenditures at the port of Vancouver—the papers in connection with which I called for and they were laid on the table— because I think some of those expenditures were recklessly, extravagantly, improvidently and wrongfully made.

Mr. ROBB: Is my hon. friend referring to the contract for the Ballantyne pier?

Mr. STEVENS: No, I am not.

Mr. ROBB: I thought not. I was proceeding to say that the government has the right to go in. It was for that very purpose that the audit board was created under the act assented to on June 27, 1925. Here are the powers of the audit board covering this point:

> It shall be the duty of the board to act in an advisory capacity to the treasury board and

under its direction to inquire into and report with regard to any matters entrusted to it by the treasury board including the following:

(a) the sufficiency of the methods of accounting and of the procedure in other respects employed in the conduct of the public business of Canada or of any department or detail thereof;

(b) the economies which may be effected in any of the public services or in the conduct of the public business;

(c) the financial affairs of the Canadian National Railway Company and the Canadian Government Merchant Marine, Limited, and any other undertaking owned or carried on by the government of Canada;

(d) —

—and I direct my hon. friend's attention to this:

(d) the financial affairs of any commission or other public body the operations of which are carried on by appropriations from the treasury of Canada, or which are aided by grants or loans from the said treasury.

It is under that that we have the board look into the accounts. The question asked by my hon. friend (Mr. Stevens) is a very proper one, but the chairman of the audit board has informed me that he has had a talk with the commission and they recognize that their system of accounts might very well be changed so as to afford more information. And the system of accounts will be changed. But there is no report that the contracts were irregular or that there were any irregular expenditures. Now I come back to this point: To carry on the work successfully and economically they must be able to lay out a program for more than one year, and it is not unreasonable to give them a sufficient sum to cover a period of five years. They say that this amount is required for a five year program, and I can assure my hon. friends that under the Audit Act we have full powers to go and audit their accounts. And it is our intention to do so in respect to that port as well as in respect to others in Canada.

Mr. EDWARDS (Frontenac): I asked a question of the minister and he was kind enough to answer. I asked the question after a hasty glance over the act passed last year covering the loan made to the Montreal harbour commission. I found that in connection with that commission a certain course was taken to safeguard the interests of Canada in doing business with the port of Montreal. I found in the first place that before the money was granted the plans had to be approved by the governor in council. That seemed to be wise and businesslike. Monthly statements were also required to be presented by the harbour commission to the minister in connection with applications for loans on account of construction work being performed. A detailed statement of expenditures in connection therewith was submitted. That also struck me as a very wise provision inasmuch as it kept the minister constantly in touch with what was going on. In view of these provisions in connection with the Montreal harbour commission I asked the minister a question in regard to the present resolution and I understood him to say the same course was not being followed in relation to advances to the harbour commission of Quebec. I notice that there was a further safeguard in the case of the Montreal harbour commission, in that the corporation deposited with the Minister of Finance debentures equal in value to the loan asked for. That, too, was good business. It is a fact that in 1925 the sum of $5,000,000 was advanced to the Quebec harbour commission and we were told at that time that this sum would be sufficient to complete certain works. It is now apparent that it will not be adequate to complete the works which it was said it would take care of, and we are now asked for further millions to supplement that grant. The minister has said that certain statements are presented—he has not told us at what intervals—to his department in regard to these expenditures. One would expect such statements to be submitted. But why not follow the same course in dealing with the harbour commission of Quebec as was adopted in connection with the harbour commission of Montreal? Why not require monthly statements presented to the minister, giving a detailed account of construction work undertaken and of the moneys expended thereon? That seems to be a reasonable course, and I cannot help thinking that if the same method had been followed in the case of the Quebec port the government would have been more in touch with what has been going on, and the financial condition of the port would not be as bad as it is at the present time.

Mr. CARDIN: When I replied to my hon. friend from Frontenac a few minutes ago I spoke from memory in regard to advances made in the past. I notice that in the bill which will be introduced following the resolution there is a clause providing for monthly applications and monthly statements from the commission before they can get any money. So that the clause in the Montreal act to which my hon. friend has referred—I do not know whether it is in the Quebec act of 1925 —will be found in the bill which we propose to introduce on the basis of this resolution.

Mr. EDWARDS (Frontenac): That was wise. Can the minister inform the committee

just how frequently these statements have been presented in the past covering the $5,000,000 advanced in 1925? Apparently they have not been presented monthly.

Mr. CARDIN: Offhand I cannot say, but I shall be in a position to give this information definitely when we reach the committee stage on the bill. As regards my hon. friend's observation with reference to the adequacy of the $5,000,000, I may say that this amount is sufficient to meet the requirements we had in view in 1925. The money has not all been spent, and the vote for which we are now asking is for the purpose of adding to the facilities which were provided for through the advance made in 1925.

Mr. EDWARDS (Frontenac): How much of the $5,000,000 voted in 1925 has been spent?

Mr. CARDIN: About $3,000,000.

Mr. KAISER: As I understand it, the harbour commission now owe $750,000 to the banks, presumably for current obligations. We are voting $8,500,000 for additional facilities. The minister has stated that the port has claims against the government amounting to something over $7,000,000. No doubt the government is considering that $7,000,000 odd in addition to the $8,500,000. If that sum were paid over this year or next year, as an obligation which we owe to the board, would the board have the power to add still further facilities or would they be obliged to use this money in paying interest on the loans advanced?

Mr. CARDIN: The claims of the commissioners are set up against the government's claim for interest. The government is claiming $8,000,000 or arrears in interest on moneys which have been advanced to the Quebec harbour commission. The commissioners say, "Well, you claim that interest, but we have a claim against the government for taking care of the immigrants and for other services. Our claim amounts to almost $7,000,000, and we would like to set that off against the claim of the government for interest on the loans which have been made to us." They are not asking for payment but simply that their claim be accepted to apply against the amount of interest claimed by the government.

Mr. KAISER: Then we are in the position of lending them $8,500,000 and allowing the interest to be offset by claims against the government; in other words we not only lend them money but pay the interest as well.

[Mr. J. W. Edwards.]

Mr. CARDIN: That is the claim of the commissioners, but as yet the government have not decided to accept it.

Mr. GARDINER: At this point I should like to ask the minister as to the attitude of the government in regard to these claims. How long have they been in existence, and what is the government going to do about them?

Mr. CARDIN: These claims have been in existence for a long period of years, and I am free to say that the accounts sent in by the commissioners have not been accepted by the various departments to which they were sent. There is no doubt that the commissioners are entitled to something for having taken care of the immigrants and so on; they are entitled to some compensation, but up to the present that claim has not been accepted by the departments concerned.

Mr. IRVINE: Why not charge it up to the Department of Immigration?

Mr. CARDIN: It is charged to that department, but the various ministers of immigration have refused to accept it.

Mr. GARDINER: The minister has just admitted that there is some justice in the claims made by the harbour commissioners against the various departments. When did he arrive at that conclusion?

Mr. CARDIN: I have been of that opinion always, but I cannot force my views or convictions upon my colleagues. I am convinced that the commissioners should receive something, if not the whole amount; they should receive a certain compensation, but up to the present time the successive ministers of immigration have refused to accept my views.

Mr. GARDINER: Does not the minister think that before any further loans are made to the harbour commission the question of these claims should be settled? Is not this a good time to settle them?

Mr. CARDIN: I cannot see any relation between the two matters. The claim of the government is for interest from the harbour commission, and that is quite different from the advance for which we are asking at present. If these accounts are accepted from the harbour commissioners, the amount will be set off against the claim of the government for the unpaid interest.

Mr. FORKE: What difference would it make in the long run?

Mr. CARDIN: It is simply a matter of bookkeeping, but the position of the harbour commissioners will be more clearly presented because a large proportion of their indebtedness for interest will disappear if their claims are entertained.

Mr. ADSHEAD: Cannot the cabinet as a whole settle that?

Mr. ROBB: The cabinet as a whole did settle the question of the remission of a considerable amount of money to the Soldier Settlement Board, and the remission of advances for seed grain.

Mr. GARDINER: Those matters have no relation to the subject under discussion, but with respect to the other question, in my judgment the minister cannot say it has no relation to the matter with which we are now dealing. The relation I see is this: Just so long as the claims of the harbour commission remain against the government, that provides them an excuse to refuse to pay interest, which means that the harbour will not be operated as efficiently as should be the case. Now I should like to ask the minister if he could give me the information I asked for before six o'clock. I notice that the Minister of Immigration is smiling; probably he would not be quite so joyous if a part of his appropriation were taken to pay some of these just claims. Can the Minister of Marine and Fisheries give the committee any information as to the expenditures which have been made out of the $5,000,000 loan since 1925? How much has been actually spent in dredging, providing new wharves and so on, and what is the condition of the work at present?

Mr. CARDIN: I am not in a position to give a detailed statement of the expenditures which have been made, but as I said a moment ago—and that was only a repetition of what I have said several times before—out of the $5,000,000 voted in 1925 approximately $3,000,000 has been expended in dredging and in the construction of the cribs which have been filled with stone and sunk into the river. The work remaining is the concrete work upon those cribs, and the balance of the money to which the commissioners are entitled will complete the cement work which was provided for in 1925. The $5,300,000 in addition for which we are now asking is to extend that part of the work which is covered by the $5,000,000 voted in 1925, of which nearly $3,000,000 has been expended already. There remains the concrete work and the construction of certain sheds and roadways upon these cribs.

Mr. GARDINER: I understand that the minister's reply is to the effect that in so far as the vote of 1925 is concerned, the work contemplated under that vote is only partly completed, but that sufficient funds still remain to complete the work as contemplated at that time. Further, I understand that the new vote which we are discussing to-night is to provide for an extension of that work?

Mr. CARDIN: Yes.

Mr. GARDINER: I am glad to have that information; we have been trying to get it ever since this resolution was introduced. Now I want to ask the minister whether in view of the contemplated new work, which will eventually cost $8,500,000—

Mr. CARDIN: It will cost $5,000,000.

Mr. GARDINER: That is right, $5,310,000. In view of that, will the minister give us some information as to the tonnage into and out of the port, which will warrant this contemplated construction?

Mr. CARDIN: The committee will understand that it is very difficult to say what tonnage will pass through the port of Quebec in the years to come. However, for the information of my hon. friend I might say that in 1926 about 900 ocean steamers went into and out of the port of Quebec, and the total tonnage was 6,408,659. In 1927, although the new terminals constructed out of the $5,000,000 voted in 1925 were not in use, the tonnage was 6,820,375, so there was an increase of over 400,000 tons without taking into consideration the new facilities.

Mr. GARDINER: How many steamers were there that year?

Mr. CARDIN: The total would be about 900, but I am not sure as to the exact number. If the reduction in rates on the Transcontinental will have the effect of causing a greater volume of grain to flow through the port of Quebec we may reasonably expect a greater tonnage. We have to recognize that ocean vessels are becoming larger and larger and that each year the tonnage will be greater. As I said at the opening of this discussion the shipping interests are behind these improvements and they say: In view of the developments and the needs of the port, we support heartily the program of the harbour commission. But my hon. friend will clearly understand that I cannot give any definite figure as to the prospective increase in tonnage.

Mr. GARDINER: Would it not be reasonable to suppose that when the present works are completed, that is to say the works undertaken under the $5,000,000 vote of 1925, they will take care of all the requirements in increased tonnage for some years to come?

Mr. CARDIN: The representations which were made to the commission and to the government were in support of the program we are contemplating at the present time, including the additional work. The representations of the shipping federation and of the grain people not only supported the improvements decided upon in 1925 but requested new undertakings. They feel that an expenditure which will run to about $10,000,000 should be made to equip properly the port of Quebec and give it the facilities which they think are absolutely necessary. That is the representation which has been made to us.

Mr. GEARY: Without disturbing the minister's argument further, will the sinking of the sixteen cribs, and the placing of the superstructure upon them, require more than the original $5,000,000 before this work is available for use?

Mr. CARDIN: No.

Mr. GEARY: Then the remainder of the $5,310,000 is to produce more cribs, an entirely new proposal?

Mr. CARDIN: Yes.

Mr. GARDINER: The minister this afternoon gave us some information with regard to the number of berths available in the harbour of Quebec. I notice that he stated a berth was rented to the Canadian Pacific Railway Company, and another to a second shipping company. Could he give the committee any information as to the rentals paid by the two companies in question for the private use of these berths?

Mr. CARDIN: No, I cannot give the rentals at the present moment. I have certain information here but it is incomplete. The Robert Reford Company, for example, is sending a cheque for $4,000. My notes are not sufficiently complete to permit me to give exact information.

Mr. GARDINER: Will the minister secure that information before the bill comes before the committee?

Mr. CARDIN: Yes, certainly.

Mr. GARDINER: I think it is advisable for us to know whether or not these rentals are profitable.

[Mr. Cardin.]

Mr. CARDIN: I shall be quite ready to supply the information.

Mr. GEARY: Will the minister have the plans showing the work contemplated under the $5,000,000 vote in 1925 and the plans of the work contemplated under the present vote?

Mr. CARDIN: Certainly.

Mr. SPENCER: I should like to draw the minister's attention to claims made upon the Dominion government by the harbour commission of Quebec. There are two items in particular that interest me. One is a claim against the Department of the Interior for $351,437 plus interest of $382,361, and the other a claim against the Department of Immigration for $2,613,716 with accumulated interest of $3,029,070. In each of these claims the interest is a good deal larger than the principal.

Mr. CARDIN: Yes.

Mr. SPENCER: I should like to point out that at 5 per cent simple interest these amounts must have been running for over 20 years. What rate has been charged on these outstanding accounts? Is it simple or compound interest?

Mr. CANNON: In answer to my hon. friend I want to point out, in order that the matter may be well understood, that the present commission came into existence in 1913, and we have to make a distinction between the loans made since 1913 and whatever advances may have been made previous to that year. The total advances made by the government to the present commission amount to 13½ millions. Now the advances made by the government of Canada for the harbour of Quebec from prior to 1867 till 1913—and the harbour was administered by several bodies during that time—amounted to only $4,125,000. Great emphasis has been laid in the present discussion by several gentlemen opposite on the claim that the harbour board was bankrupt. The leader of the opposition ended his remarks by saying that the board was insolvent and practically in the same position as a commercial corporation in the hands of a receiver. In order to reach that conclusion they charged up against the harbour board an amount of $9,103,899.34 but the present commission should be responsible only for the interest on the advances made since the inception of the commission.

Mr. GARLAND (Bow River): Not if they took over the liabilities of the old board.

Mr. CANNON: I will come to that in a minute. I wish to give these figures: Ad-

vances previous to 1913 by way of accrued interest charged up to the commission, $6,022,565.38; interest on advances made since 1913, $3,081,433.96. But on the $5,000,000 voted by parliament in 1925, or at least on that part of the $5,000,000 which was really advanced, the interest was deducted by the government before the money was paid.

Mr. GARDINER: How much was deducted?

Mr. CANNON: Five per cent.

Mr. SPENCER: For how many years?

Mr. CANNON: Since 1925. On the advances made under the legislation passed in 1925, the commission does not owe one cent of interest to the government because the Minister of Finance retained it, and this is done in all such cases wherever construction is going on.

Mr. GEARY: It is provided for in this legislation.

Mr. CANNON: Yes. I should like the members of the committee, in order that they may understand the situation, to bear in mind first that certain moneys were advanced before 1913 when the present harbour commission system did not exist; that the first large advance made to the Quebec harbour with a view of developing Quebec and making it a national port was made in 1913 under the Borden government; that war broke out, and that then the commission had practically to place the harbour in the hands of the government for war purposes. Naturally there was no idea at that time of administering the harbour from the standpoint of making profits and revenues and paying interest. The whole harbour was placed at the disposal of this country, but nevertheless the Minister of Finance every month and every year charged up interest against the port of Quebec.

An hon. MEMBER: During the war?

Mr. CANNON: That is something that must be borne in mind when the general situation of Quebec is under consideration, and it is going too far for any member to say that the port of Quebec should be considered as bankrupt. The whole harbour facilities were placed in the hands of the Dominion government during the period of the war.

Mr. VENIOT: And for two years afterwards.

Mr. CANNON: And for some time afterwards. As everybody knows, many soldiers came back through the port of Quebec, but that peculiar situation was never considered by the Department of Finance. That is number two. Supposing the same system were adopted for the other harbours in the Dominion, what would be the situation? Last year we incorporated a harbour commission for the city of Halifax. What attitude would hon. members for Halifax or the people of that city have taken if the government had told them: We are incorporating a harbour commission, but before you start developing or looking after the shipping facilities of your harbour, we will charge up to you $19,000,000 which have been already advanced—not only the capital but the interest from the very moment one cent was advanced from the Dominion treasury. Would any hon. member say that that was fair? Nevertheless that is the attitude taken in regard to Quebec harbour. We are not bankrupt if we are treated in the same way as other sections of Canada have been treated, and the rules which obtain in regard to other harbours of this country should obtain in regard to Quebec.

Let me take for instance the harbour of Toronto. I may say to the hon. members for Toronto that I was in their beautiful city last week; I admire its development and the harbour improvements and works; I do not begrudge a cent they received. But would their harbour commission be in a position to make the report which was mentioned by the hon. member for Toronto Northwest (Mr. Church) if they had to pay interest on the $10,000,000 which were expended by the Department of Public Works on harbour improvements in Toronto?

Mr. GEARY: It is not the same thing. Why should it be?

Mr. CANNON: The interest should be charged up if Quebec should be charged up with interest. The situation is the same.

Mr. GEARY: Surely the situation is not the same. These are navigation works. You might as well charge up the cost of dredging the river channel opposite Quebec.

Mr. CANNON: Legally my hon. friend is perfectly right.

Mr. GEARY: Practically I am right.

Mr. CANNON: Legally he is perfectly right, but I am not talking strict law; I am talking equity.

Mr. GEARY: I am not talking law.

Mr. CANNON: I am asking for Quebec fair treatment from this house. I am not quibbling as to the interpretation of statutes; I know there is a difference between a loan and a gift; but if $10,000,000 was given to the

harbour of Toronto, I congratulate my hon. friends on having received that money. I am pleased that they received it. But when the harbour of Quebec comes before parliament asking that we be given the means to improve our harbour facilities, I ask my hon. friends to discard petty and mean considerations and to look at the matter as we should look at it.

Mr. GEARY: Will the minister allow me?

Mr. CANNON: If last year we told Halifax that they would have to assume liability for the $19,000,000 which were expended in that city prior to last year, not only the capital, but the interest, that commission would not be able to work. Supposing when the resolution concerning Halifax is brought before the house, the Quebec members get up and say: Before half a million dollars are advanced, you will have to show that $19,000,000 have been looked after and that every cent of interest has been paid! Supposing we did the same thing concerning St. John, New Brunswick!

Mr. VENIOT: You would get killed.

Mr. CANNON: That only goes to show that this matter is not one of dollars and cents and a small matter as to whether interest was paid or not. It is a larger and much wider matter than that. It is a question of finding out if the Dominion government as such and the federal parliament as such wish to develop Canadian trade through Canadian ports or want Canadian trade to go through United States ports. That is the whole question. Hon. members who sit in the corner have shown sympathy.

Miss MACPHAIL: Be very careful about that.

Mr. CANNON: I think it is a very favoured corner. It has shown some sympathy for the harbour of Quebec. My hon. friends have said, and rightly so, that parliament should be given information. That demand is quite legitimate, and I am quite sure that my hon. friend the Minister of Marine and Fisheries who has charge of this legislation will be pleased to give to the house all necessary information. There is nothing to hide in this matter.

Again I repeat, this is a national question, not one simply of local concern, and we from Quebec ask all our colleagues, whether they belong to the Conservative party or to the Progressive party, to consider this as a national question. In the harbour of Quebec you have, so to speak, the whole question of our national future summed up. When a newcomer enters Canada seeking his fortune, having confidence in the greatness of our country, where does he land? He lands at Quebec. Where does he go?

An hon. MEMBER: To the United States.

Mr. CANNON: He goes to the western provinces. My hon. friend on the other side says that he goes to the United States. He knows better. These newcomers go to the western provinces. My hon. friend forgets that Manitoba, Saskatchewan and Alberta have been built up by these newcomers, and that Canada does not end at the borders of Ontario but stretches farther west. These western provinces produce wheat, and that wheat has to be shipped to some market. Are we going to spend millions to encourage immigration to come to this country in order to develop the natural resources of our western provinces, and then when it comes to marketing the goods these newcomers produce, so that the advantages of our immigration may be realized, refuse to spend the necessary money on our harbours and provide the necessary shipping facilities? I do not think this parliament will hesitate.

It is most unfair, I repeat, to speak of the harbour of Quebec as if it were a corporation which should be placed in the hands of a receiver. If the harbour of Quebec were given the same treatment financially that has been accorded to other harbours, the figures would be quite different. Lastly, I have no doubt that the government will be quite satisfied to give to all members of the house any necessary information they may require as to the nature and character of the work which ought to be carried out at Quebec.

Mr. SPENCER: The Solicitor General, in coming to the rescue of the Minister of Marine—

Mr. CANNON: I did not; he does not need any help.

Mr. LAPOINTE: Nobody is in danger on this side.

Mr. SPENCER: The minister gave a statement as to the amount of money guaranteed by the port of Quebec to the Dominion of Canada, but that was not a reply to my question. The figures to which I referred were the amounts supposedly owing by various departments of this government to the port of Quebec. I mentioned two, the Department of Immigration and the Department of the Interior, and in both cases the interest exceeds the principal of the amount claimed. I asked the minister if he could give us the number of years during which interest has been accruing, and if it was calculated at simple or compound interest.

Mr. CARDIN: I am not in a position to say whether it is simple or compound interest, but so far as the length of the account is concerned, it is a very old one. The first one which was produced dates back thirty years.

Mr. GARDINER: What was the amount of the liabilities charged up to the commission when it was first formed in 1913?

Mr. CARDIN: I have not that information here, but I can have it when we go into committee on the bill.

Mr. SPENCER: Perhaps the minister would also bring down the information I asked for.

Mr. GARDINER: I was very much interested in the remarks of the Solicitor General. In my judgment, all the ports that are under the administration of the commission should be on the same basis and be treated in the same way, and if it can be shown to this committee that the port of Quebec did not have as good a deal as the other ports when its commission was first formed, then I maintain that a proper settlement should be made before we go further with this legislation, so that we may know just exactly where we stand. That is a very strong reason, in my opinion, why this matter should go to a committee. If the remarks of the Solicitor General are correct, and I have no reason to doubt but that they are, I can quite understand that the people of Quebec feel they have a very strong grievance. This is the first time I have heard that this commission was charged, when it was formed, with these liabilities, and I think I am safe in saying that the committee as a whole did not understand that that was the situation. Would it be possible to prevail upon the government to clean this matter up before we go further with this legislation? I would like to see that done, and if the claims of the commission for further assistance can be shown to be well grounded, I would be satisfied.

Mr. KAISER: I understand that there is a claim of $2,000,000 against the Immigration department by the port of Quebec. We have immigrants coming in also at Halifax, Montreal, Vancouver and Toronto. Is there any reason why Quebec should receive consideration in regard to these claims any more than these other ports?

Mr. CARDIN: There is no particular reason except that the harbour commission of Quebec claim that the immigration causes such a tax upon their facilities as to deprive the commission of one of the best sections of the harbour, and they feel that they are entitled to compensation. If a similar situation exists in any other port, I would see no objection to considering the claim of that port.

Mr. RYCKMAN: Is that a valid, subsisting claim which is recognized by the government as a material, substantial claim?

Mr. CARDIN: So far as my department and myself are concerned, we are prepared to recognize that claim, but up to the present time it has not been entertained by the various departments concerned.

Mr. RYCKMAN: As long ago as 1922 when the then Minister of Marine and Fisheries, the present Minister of Justice, was asking for $1,500,000, he said in regard to this claim:

> Of course, there is a bill standing in the books of the commission against the federal government on that account. This bill has never been paid, and I do not expect that it ever will be.

It seems to me that too much has been made of this claim. Away back in 1922 the claim was stale and was not recognized as a claim that the government would ever undertake to pay. It has dragged along for nearly six years, and after such a period an ordinary debt would be outlawed, but we find this claim now set up as an important reason why the Quebec harbour commissioners should receive consideration. There is every reason why they should receive consideration, but this is not one of them. Nor do the remarks of the Solicitor General apply, for a reference to Hansard of May 5, 1922, will show that the then Minister of Marine and Fisheries recognized that the harbour commission of Quebec was insolvent and could not pay its interest, but in course of time he hoped that it might approach to the success of the harbour commission of Montreal. We are sorry that that has not come about. But it is not on any sectional grounds as the Solicitor General alleged—

Mr. CANNON: I never alleged anything of the kind. On the contrary—

Mr. RYCKMAN: Read Hansard to-morrow.

Mr. CANNON: I rise to a point of order —to a question of privilege. I was particular to state my position with great care, and my hon. friend has no right to make such a statement. I deny it.

Mr. GARLAND (Bow River): Mr. Chairman; on the point of order—

Mr. CANNON: It is not a point of order; it is a question of privilege and is not debatable.

Mr. GARLAND (Bow River): Mr. Chairman, the hon. member cannot escape his responsibility. He rose to a point of order, not to a question of privilege. On the point of order I wish to say that in my hearing the hon. gentleman did refer to hon. members on this side of the house and told them to remember that Canada did not begin or end at the boundaries of Ontario. If that was not an imputation of sectionalism I do not know what is.

Mr. POWER: That may have been only a lesson in geography.

Mr. RYCKMAN: The Solicitor General also said that this was not the narrow question that the opposition were trying to make it appear.

Mr. CANNON: I did not say that.

Mr. RYCKMAN: Read Hansard to-morrow. I maintain that it is not a narrow question. But the people of Canada will demand that this money when expended shall not only come under review by auditors who may be sent to the port of Quebec to examine the accounts, but by auditors who are responsible to parliament; that parliament shall have an opportunity of investigating expenditures running into millions of dollars in the case of a harbour commission which, up to the present time, has failed to carry on the business of the harbour of Quebec with success to the city and to Canada.

Mr. STEWART (Edmonton): I merely intervene to say that having been acting Minister of Immigration during the year mentioned by my hon. friend from East Toronto (Mr. Ryckman), 1922, I recall that we were billed by the harbour of Quebec for the facilities accorded the Immigration department. On that occasion I took the ground that we were also disembarking immigrants at Halifax, which was under the control of the federal government, and as the facilities there and at Quebec had been provided by the Public Works department it was hardly fair to charge the Immigration department for their use. But it was brought to my attention, and I know it to be a fact, that the facilities at the port of Quebec were not what they should be, that frequently ships had to anchor out in the river for two or three days because we were not able to examine immigrants fast enough through lack of the proper facilities. There is no doubt that although the facilities were provided by the Public Works department, they are on property operated by the harbour commission, and do entail hardship on the commission inasmuch as they occupy space that is needed for the ordinary business of the port and must be provided elsewhere. While I think it is difficult to recommend payment of a claim of this kind in view of the fact that other ports are in a similar position, particularly Halifax, nevertheless there is some justice in the claim. I think the citizens of Quebec made the mistake of their lives when they had the harbour board appointed. They would have been in exactly the same position as all the other ports mentioned, that is, they would have had the advantage of the expenditure of public money free of interest. As for saying that we should charge the port of Halifax the $19,000,000 we have expended there, it is unthinkable; the harbour commission could not continue under such a burden.

Mr. RYCKMAN: I may tell my hon. friend that it was not the city, it was the parliament of Canada that inflicted this upon us.

Mr. STEWART (Edmonton): You should have resisted. In reply to my hon. friend from East Toronto, the Minister of Finance assured him that the very accounting that he is calling for is made to-day, notwithstanding the fact that the expenditure is under the control of the harbour commission.

Mr. RYCKMAN: I did not understand it that way. There is no investigation by parliament into the expenditures on the harbour of Quebec; there would be in the case of any other harbours receiving money directly from the government, such as Fort William and Toronto.

Mr. STEWART (Edmonton): If I understood my colleague correctly, he said the audit was exactly the same as in the port of Montreal, that we would have access to the report and that full information would be given to the house.

Mr. RYCKMAN: But the point is, there would not be an investigation by the public accounts committee.

Mr. MANION: At Fort William, for example, where there is no harbour commission, the work is done by the Public Works department under the direction of the deputy minister and his engineers, so it is done directly under the authority of the parliament

of Canada; whereas in the case of a harbour commission the work is done under their own engineer and not under the supervision of the Public Works department.

Mr. LAPOINTE: They are under the Marine department.

Mr. MANION: The harbour is not under the Marine department.

Mr. LAPOINTE: You are speaking of those under commissions; they are under the Marine department.

Mr. MANION: But they have no investigatory powers. They might be able to do it if they insisted. But take any work that is done at Fort William or Port Arthur: it has to be submitted to the Public Works department, and as a matter of fact it is done by them through their own engineers and officers. They lay out the plans and perhaps call for the tenders and supervise the whole work. That is the whole difference.

Mr. SPENCE: When I spoke yesterday I thought the debate would close within a few minutes, but twenty-four hours have elapsed and we are still discussing this question. I suggested then, and I still contend, that if this government owes the Quebec harbour commission any money on any account the matter should be straightened out. It is unfortunate that members of the government should try to create an impression in the country that we are endeavouring to discriminate against Quebec merely because it is Quebec. There is no intention on the part of any member on this side to vote against any legal improvements or developments which may be necessary at that port. I do not think anybody wishes to take that position and it is wrong for any hon. member to insinuate anything of the kind. But we do wish to get all the details in connection with this matter and to know what is being done with the money. We are being asked to vote a large sum, and it is important that we should know just how it will be spent. If the government will give us the necessary information they will not encounter any difficulty.

Mr. COOTE: I must crave the indulgence of my impatient friends opposite for speaking so late. I have been present the greater part of the two days during which this discussion has been in progress, and I have listened patiently—sometimes impatiently—in the hope of getting some information which would really justify the committee in passing the reoslution. I have been reminded of a story I once heard—

Some hon. MEMBERS: Oh, oh!

An hon. MEMBER: Get down to business.

Mr. POWER: A bedtime story? It is half-past ten.

Mr. COOTE: This story is about a coloured gentleman, a darkey who was driving a team of mules through a southern swamp. It was late in the day, and by the time he got into the interior of the swamp it was quite dark.

Sir EUGENE FISET: There was no swamp.

Mr. COOTE: A thunderstorm came up and every time there was a flash of lightning it lit up the road. The darkey liked that, but very soon the flash was followed by a clap of thunder which naturally made the mules very restive. As the storm got worse, after a particularly brilliant flash of lightning and the resultant clap of thunder, the mules became altogether unmanageable and ran away with the darkey, who fell into the bottom of the wagon. In this plight he began to pray, and his first words as reported were these: "Oh Lord, if it's all the same to you, could we have a little less noise and more light?" Now I think we have had the noise, but I do not believe we have had all the light that we should have had.

Mr. DUNNING: What about the mules?

Mr. GARLAND (Bow River): They are all over on the front benches.

Mr. COOTE: I could not help thinking, as the minister was complaining of our having wasted two days on this question, that if we had been given the information to which I think the house is entitled when it is asked to vote $8,500,000, we might have disposed of the matter yesterday. If this question were referred to a committee and they devoted two sessions to it, I fancy they would find out all the facts by the end of that time. As it is, although we have spent nearly two days on it, we have not nearly all the information which should be given us. Perhaps it is not fair to lay all the blame on the minister, although he might have given a complete statement at the outset and so have saved a lot of time. I want to refer first of all to the question of the audit of moneys spent not only on this harbour but on all harbour commissions. That expenditure should be audited by the Auditor General's department. It is all very well for the Minister of Finance to say that he will have the audit board audit the accounts if necessary, but I have never known the audit board's reports to be submitted to parliament. The Auditor General's

report is submitted to us annually and referred to the public accounts committee, and the house has an opportunity then of finding out how every dollar is spent in every department of government. But we cannot find out anything about the expenditures of these commissions.

Some hon. MEMBERS: Oh, oh.

Mr. COOTE: I regret that the one who speaks last in these debates is under so serious a disadvantage. The house gets so noisy that it is almost impossible to speak. I do not think it is fair. I have sat and listened quietly to the discussion for two days, and now I have a right to be heard. I want to say first of all to the minister—and I do not intend to keep the committee very long—

An hon. MEMBER: A good thing.

Mr. COOTE: Maybe, but I could talk for half an hour if absolutely necessary. I was going to say, we voted $5,000,000 for the Quebec harbour in 1925, and we were told then that this was sufficient for a period of five years. Now after three years the minister comes back and asks for $8,500,000 more. He has not yet enlightened us as to what has made him change his mind, and why he now finds it necessary, two years before the expiry of the five-year period, to ask for this large additional vote. The minister should know just what claims ought to be allowed which are now being pressed by the commission. He might have told us what revenue has been collected by the commission during the past two years.

Mr. DUNNING: He did; it is all in Hansard.

Mr. COOTE: Well, that must have been while I was called out of the house. I am sorry I missed it. Somebody suggests that it is so small I did not miss very much anyway.

Mr. DUNNING: The light was shining, but you weren't here to see it.

Mr. COOTE: The minister might tell us—in fact, I hope he will when he brings down the bill—just how many berths there will be when he gets the wharf completed, and how many berths will be available for use. He might also let us know whether the prospective tonnage will require this additional accommodation.

Now, a word or two in regard to the proposal to erect the new storage elevator. I do not think the minister has yet given any reply to the question asked by the hon. member for Acadia as to how he was going to secure sufficient revenue from that elevator to pay interest on the money. I did intend to read some of the remarks made by some of the hon. members in 1925 with regard to the possibility of shipping western grain through the port of Quebec, but I do not think I will do so. If anyone is interested he will find these statements reported in Hansard. The remarks of the hon. member for Provencher were particularly well put. He pointed out that in his opinion grain never would go through the port of Quebec during the open season, because the railway companies would not furnish enough cars to carry grain that distance when they could unload their cars at Fort William. In order to provide additional rolling stock which would be necessary they would have to spend millions of dollars, as the hon. member pointed out. If the hour were not so late and if some hon. members were not so impatient—and I really do not want to get into their bad graces—I would read some of the words of the hon. member.

Mr. POWER: Perhaps those gentlemen have seen the light.

Mr. COOTE: They have not seen much light if I correctly understood the number of bushels which have been handled through the present elevator at Quebec. In my opinion we are just as likely to handle 40,000,000 bushels through that elevator in one year as the proverbial camel is to go through the eye of a needle. It never will be done, for the simple reason that grain will not go to Quebec to any extent except when the river is frozen up. Then it will be used for winter storage, and the elevator will not handle very much more than three or four times its capacity in any year.

I think the cost of elevator construction, which was given by the minister as approximately 95 cents a bushel, is much too high. It seems to me that that statement is a sufficient reason for us to ask the government to give this question very careful consideration. In the face of the present situation, and in order to remove any doubt as to the voting of this amount the government have only to convince the house that this work is needed, I do not see why they have not been willing to let this matter go before a small committee, preferably the public accounts committee, before which the engineers could appear and demonstrate the need for this additional accommodation at Quebec harbour.

The CHAIRMAN: Shall the resolution carry?

Mr. STEVENS: On division.

Resolution agreed to on division.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 214, to provide for a loan to the Quebec harbour commissioners.

Motion agreed to and bill read the first time.

CHICAGO DRAINAGE CANAL

PAPERS TABLED RESPECTING DIVERSION OF WATER

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I would ask the consent of the house to revert to the order, Motions.

Mr. SPEAKER: By leave of the house.

Motion agreed to.

Mr. STEWART (Edmonton): I desire to place upon the table a return asked for by the hon. member for St. Lawrence-St. George, the subject being the report of the three Canadian members of the International Waterways Commission dated on or about April 5, 1906, recommending the negotiation of a treaty with the United States. I should like, with the indulgence of the house, to make a short statement in regard to these important documents.

Incorporated with the material which is being tabled to-day regarding the Chicago diversion is a series of exchanges between the Canadian and United States governments, which has taken place subsequent to the exchanges tabled on February 24, 1926. In view of the complexity of the Chicago diversion matter and of the lengthy nature of this recent correspondence an explanatory statement with respect to it is desirable.

The tabling of this further correspondence will demonstrate the careful manner in which the interests of Canada have been continuously guarded by the Canadian government as the Chicago situation has developed from month to month.

On February 24, 1926, there was tabled in the House of Commons an interchange of correspondence between the Canadian government and that of the United States with respect to the matter of the withdrawal of water from the great lakes system by the Chicago sanitary district. In my statement to the house at that time, covering the correspondence then tabled, I mentioned the fact that on January 5, 1926, the Canadian government, having secured an official interpretation by the United States government of the permit which the United States Secretary of War had issued on March 3, 1925, in favour of the Chicago sanitary district, had set forth its position in a comprehensive manner in a further despatch, dated February 4, 1926, which included a protest against then pending proposals for the construction of a nine-foot navigable channel in the Illinois and Mississippi rivers, based upon the diversion of 10,000 cubic feet per second from the great lakes through the sanitary district canal, and that this despatch had been withheld from publication, in accordance with an understanding with the government of the United States.

In the interval which elapsed pending the receipt of the reply of the United States government to this note, and because of the increasing concern arising from the progress of the Mississippi waterway measure before congress, the government of Canada sent a further communication to the government of the United States on April 30, 1926, drawing the attention of that government to the international aspect of the matter and protesting vigorously against the action contemplated by the measure.

At about the same date the Dominion government was in receipt of a communication from the government of the province of Ontario, transmitting a copy of a resolution of the legislative assembly of that province also protesting against the enactment by the United States congress of any legislation authorizing the abstraction of water from the great lakes system at Chicago. This protest was also formerly transmitted to the United States government on April 23, 1926.

A response to the Canadian government's representations was received on July 26, 1926, which among other things, advised that the bill which had been before congress and which had had in view the authorization of a diversion of 10,000 cubic feet per second from great lakes system to the Illinois and Mississippi rivers, had not been enacted into law during the session of congress then recently closed, and advised further, however, that the bill would be taken up for consideration shortly after the next session of congress which convened in December.

To follow this point further I might state that the Mississippi waterway measure was considered by the reassembled congress in December and was passed with a reference to the 10,000 cubic feet per second diversion deleted, and with an amendment added to the effect "that nothing in this act shall be con-

strued as authorizing any diversion of water from lake Michigan." In view of the consistent protests which the government of Canada had registered in opposition to the principles embodied in the Mississippi waterway measure as first introduced, the amendment to the bill should give ground for a considerable measure of satisfaction on the part of the people of Canada. This amendment removed the objections of the lake bordering states which had been vigorously fighting the proposal in congress, and would appear to have very largely met the objectionable features inherent in the original bill.

Furthermore, in response to a specific inquiry made in the Canadian government's despatch of January 5th, 1926, as to what progress had been attained by the Chicago sanitary district and by the municipality of Chicago in the provision of the curtailment measures called for by the permit of the United States Secretary of War, dated March 3, 1925—under which authority the diversion is now being made—the United States government in its despatch of July 26th, informed the Canadian government:

(a) That preliminary investigations had been made with regard to the installation of controlling works at the intake to the sanitary canal, and that it was expected that detail plans would be prepared during the ensuing year, and that no difficulty in the completion of these works prior to the expiration of the permit was anticipated.

(b) That the progress made by the city of Chicago in carrying out the installation of sewage treatment works was satisfactory.

(c) That it was expected that the installation of water meters would, in the near future, result in a reduction in the consumption of water used for domestic purposes.

From the statements made by the United States government as to the progress made by the Chicago sanitary district in meeting the conditions of the Secretary of War's permit we would be warranted in assuming that the United States government was satisfied that the progressive reduction which it anticipated in its note of November 24, 1925, would be realized. This note anticipatel a reduction by December 31, 1929, to 8,000 cubic feet per second and probably 6,700 cubic feet per second, and stated further that the sewage treatment program of the sanitary district had been arranged so as to make it possible to effect a reduction to a gross flow of 4,167 cubic feet per second by the year 1935 or before.

The subsequent exchange of correspondence tabled to-day has to do mainly with the securing of the assent of the United States government to the publication of the despatches to which I have just referred. This was formally requested in a communication from the Canadian government dated November 16, 1926.

In a response dated December 7, 1926, the United States government expressed the view that the report of the Joint Board of Engineers on the St. Lawrence waterway project had greatly altered the understanding of the situation with respect to diversions from great lakes watersheds, and that it would, therefore, be unjustifiable to publish the correspondence which was based upon, at least, a partial misapprehension of the facts. The note pointed out that there had been a general impression in many parts of Canada and United States that the fall of some thirty inches in lake levels was very largely due to the diversion at Chicago, whereas, the joint board's report showed that only a small part of the fall in lake levels had been due to that diversion. The note further suggested that the two governments enter upon a discussion of the practical question of providing compensatory works as recommended by the Joint Board of Engineers.

In the response of the Canadian government, dated September 1, 1927, the Canadian government pointed out that it had not been under any misapprehension as to the extent which the abstraction of water through the Chicago sanitary canal had lowered the levels of the great lakes, and that it had been fully advised that this lowering had been in the neighbourhood of six inches, and pointed out that if any misapprehension existed in the United States or in Canada as to the degree of lowering occasioned by the Chicago abstraction, the publication of these papers would go a long way towards relieving such misunderstanding.

The Canadian note furthermore pointed out that the installation of compensatory works for the restoration of lake levels would in no way recoup to the great lakes system, the power which is lost to that system by water abstracted therefrom through the sanitary canal, and that while recognizing the marked advantages which may be gained by the construction of suitable compensating works, Canada would not be prepared to enter upon a discussion of any plans for the construction of such works if this course involved an assumption that the present abstraction through the Chicago sanitary canal is to continue. A further suggestion that the correspondence be published was incorporated in the Canadian note.

In the United States government's response the suggestion as to the publication of the correspondence was accepted incorporating,

however, in the series to be published, a further despatch dated October 17, 1927, in which it inferred that the apportionment of water for power purposes at Niagara under which Canada receives 36,000 cubic feet per second, and the United States, 20,000 cubic feet per second, was in compensation for the abstraction of water by Chicago. It is hardly necessary to state that the Canadian government does not concur in this viewpoint and that all Canadian governments have consistently taken the stand, in all protests made to the United States government, since the initiation of the abstraction of the water, that no compensation has anywhere or at any time been made for the Chicago withdrawal.

The house is also aware of the suit which is now pending before the United States Supreme Court, under which the states of Wisconsin, Ohio, Pensylvania, and Minnesota, with the support also of the states of Michigan, and New York, are questioning the legality of the permits which have been issued by the United States Secretary of War to the Chicago sanitary district authorizing the withdrawal of water through the Chicago sanitary canal, and questioning further the right even of congress to authorize such withdrawal from the great lakes system.

This suit in the United States Supreme Court is, of course, a purely domestic matter with which the government of Canada has no direct contact and with respect to which it could not with any propriety taken any action or make any representations. I might add, however, that as the suit involves legal principles of the very highest importance to Canada, the progress is being followed with the utmost care, in order that the effect on Canadian interests of whatever decision is reached may be fully appreciated, and that any necessary action may be taken to protect those interests.

It will be evident from the foregoing that the Canadian government is maintaining the closest possible contact with every phase and feature having to do with the Chicago diversion. The government of Canada has consistently refused to recognize the diversion in the slightest measure and will continue to present the Canadian viewpoint with all possible firmness to the United States government against the entire principle of abstracting water from the great lakes to another watershed.

ST. JOHN HARBOUR COMMISSION

LOAN OF $5,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following resolution:

That it is expedient to authorize a loan to the harbour commissioners of Saint John in an amount not exceeding $5,000,000 to enable the corporation to construct such terminal facilities as are necessary properly to equip the port of Saint John, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Mr. BENNETT: Perhaps the minister would be good enough, in a clear and concise way, to tell us the circumstances under which this resolution is being moved. This is a large sum of money and we should like to know just what is involved in it and what obligations the country accepts, in order that there may be no misunderstanding as apparently there was in another case. It seems to me we should get a statement of that kind from the minister in the case of this harbour commission which is coming to parliament for a grant for the first time since it came into existence.

Mr. CARDIN: The conditions in connection with the placing of the harbour of St. John under the harbour commissioners are embodied in the act under which the commission was created. The total consideration for the transfer of the harbour to the commissioners amounted to $2,135,118, apportioned as follows: existing bonded indebtedness of the city occasioned in the development of the harbour, to be taken over by the harbour commissioners, $1,467,164; balance to be paid to the city in harbour commissioners' bonds, $667,953.04. Of course this does not include the expenditure made through the Department of Public Works; it covers only the expenditure made by the city of St. John. As we all know, St. John harbour is a very old one, having been established in 1783.

Mr. STEVENS: Are those bonds to be a first charge, first mortgage bond?

Mr. CARDIN: Yes.

Mr. STEVENS: Guaranteed?

Mr. CARDIN: There is no guarantee.

Mr. STEVENS: I mean the $600,000 bond to which the minister has referred, to be given to the city of St. John?

Mr. CARDIN: This will be the payment.

Mr. STEVENS: Cash payment?

Mr. CARDIN: Yes, that the government is supposed to make to the commission.

Mr. BENNETT: As I understand the matter, the Dominion of Canada has bought the harbour?

Mr. CARDIN: Yes.

Mr. BENNETT: Assuming obligations for $1,500,000 and paying some $600,000 in bonds; is that correct?

Mr. CARDIN: Yes.

Mr. BENNETT: Harbour commissioners' bonds?

Mr. CARDIN: To be paid to the city in harbour commissioners' bonds. The commissioners themselves are going to pay the city of St. John by bonds of the St. John harbour commission as created last year, the sum of $667,000.

Mr. BENNETT: What rate of interest?

Mr. CARDIN: Five per cent, the rate which is charged to all the commissions.

Mr. GEARY: It is the commissioners who are buying the harbour?

Mr. CARDIN: Yes.

Mr. RYCKMAN: How was the price arrived at?

Mr. CARDIN: It was a valuation.

Mr. RYCKMAN: By whom?

Mr. VENIOT: By the engineers of the Department of Public Works.

Mr. RYCKMAN: No arbitration?

Mr. CARDIN: No.

Mr. STEVENS: Do I understand that the $600,000 worth of bonds of the harbour commission are to be given to the city of St. John in addition to the $5,000,000 worth of bonds that will be issued by the Dominion government for this loan?

Mr. CARDIN: Yes. The program which has been presented to us by the commissioners of St. John requests an amount of $10,000,000 for the work that they were disposed to undertake after careful examination by their engineers, but it has been agreed that $5,000,000 would satisfy them and would cover a program of three years' development. The statement which is given to me is that the initial development proposed with the loan now asked for would provide working space for four vessels loading general cargo and two vessels loading grain, and it includes the necessary dredging to provide basins and a channel of thirty feet at low water, to be increased to 35 feet should that later be found necessary. There will also be provided a new grain elevator, with a capacity of 2,400,000 bushels, with grain conveyor galleries connecting with two of the new berths. The new shipping berths will be equipped with one storey freight sheds 575 feet by 90 feet. The work is to be undertaken with the idea of providing a complete unit of development ready for operation within the term of three years over which the loan is to be spread, as provided for in this bill.

As was stated this afternoon in the course of the discussion on another proposal, these developments in the port of St. John are recommended by the Duncan commission. This is what is said by the Duncan commission in regard to the matter:

> We recommend that, in respect of each of these two harbours—

That is St. John and Halifax.

> —the federal government should establish a statutory harbour commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer.

It is pursuant to these recommendations of the Duncan commission that we have incorporated the present harbour commission to take over the harbour, and following that recommendation we are accepting part of the program which has been suggested by the present harbour commission. I may say for the information of the committee that the gross earnings in 1927 amounted to $257,704.97 and the expenditures to $218,462.80.

Mr. BENNETT: Does that include the interest charges?

Mr. VENIOT: The interest on the city's own indebtedness.

Mr. CARDIN: In 1926-27, with the present elevator facilities, they handled 25,855,000 bushels.

Mr. RYCKMAN: Does that mean if the present rate of earnings is maintained, the interest on the bonds will be earned in part?

Mr. CARDIN: I do not think I can say that interest on the $5,000,000 for which they are asking will be met for some time. The commissioners do not expect to be in a position for some years to pay interest on this amount.

Mr. RYCKMAN: Is the $5,000,000 for the completion of one unit of development?

Mr. CARDIN: Yes.

Mr. RYCKMAN: Is that really $5,000,000, or does it mean $10,000,000?

Mr. CARDIN: The amount required for the whole development which they have in

view is $10,000,000, but they have represented to the department that with $5,000,000 they are capable of building a complete unit.

Mr. GEARY: The minister does not expect that there will be any interest chargeable during construction?

Mr. CARDIN: No. The interest will be retained by the Minister of Finance.

Progress reported.

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

Friday, April 20, 1928.

The house met at three o'clock.

AUDITOR GENERAL'S REPORT

Hon. J. A. ROBB (Minister of Finance) moved:

That the Auditor General's report for the year ending March 31, 1927, and the public accounts for the year ending March 31, 1927, be referred to the select standing committee on public accounts.

Hon. R. B. BENNETT (Leader of the Opposition): I desire to direct attention to the fact, Mr. Speaker, that with respect to these public accounts now being referred to the public accounts committee, when we are within reasonable distance of the end of the session, something should be done so that they may be studied in the meantime and brought before the committee at the next session. The public accounts committee has not been sitting for two years or more, and there is a great deal of work to be done by it. Many things in the Auditor General's report should be inquired into, and it should be understood that the passing of this motion will not preclude the public accounts committee being set up next session and dealing with these accounts, because they are for the fiscal year ending March 31, 1927, a year ago, and they were not brought down in the early part of this session. I shall probably have something to say about the fiscal year and the public accounts on another occasion, because our budget is only as of March 31, 1928, so far as that feature is concerned. If these public accounts cannot be considered by the public accounts committee next session great injustice will be done.

Mr. ROBB: I admit at once, Mr. Speaker, that this motion should have been made on the day the accounts were tabled. It was an omission on my part.

Mr. BENNETT: That is not what I was directing attention to. Would there be any objection on the part of the administration to these accounts and the Auditor General's report being studied and made available for consideration by the public accounts committee to be set up next session? I think there should be no objection.

Mr. ROBB: There will be no objection on the part of the administration.

Motion agreed to.

BUSINESS OF THE HOUSE

FIRST AND SECOND READINGS OF DIVORCE BILLS

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

That for the balance of the session all divorce bills received from the senate be read a first and a second time forthwith and referred to the select standing committee on miscellaneous private bills; and that standing order 22 be suspended in relation thereto.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, why should senate bills have a preference over other private bills? As a matter of fact, this session we proceeded—as usual, I suppose—by unanimous consent of the house to give the debate on the address precedence, and then again by unanimous consent to give precedence to the debate on the budget, with the result that there has been less opportunity for private bills to be dealt with this session than in any of the previous sessions during which I have been in the house. If this course is continued, it will be impossible in subsequent sessions, unless I very much mistake the temper of hon. members, to secure unanimous consent to precedence of public business. Public business will have to take its proper place on the order paper, and private members will at least have Wednesday afternoons and one hour two nights a week in order to present and discuss their private measures. But under present conditions, with the great mass of private legislation held up without any chance, as it seems to me, of securing the approval of the house during the present session—some of it private legislation which is just as important to the country as many of the public bills that have been introduced—I see no reason why we should give to senate bills precedence over any other private legislation.

Mr. MACKENZIE KING: The motion relates only to divorce bills, and I think it facilitates what the hon. member has in mind, namely, the getting out of the way of some of the legislation that in procedure helps to block

the way when we are trying to reach other private bills. In short, this motion is simply intended to expedite to some degree other private legislation on the order paper.

Mr. CAHAN: I have no right to speak again, but I would suggest to the Prime Minister that the passing of this motion will simply give precedence to senate bills over other private legislation which is coming before this house.

Mr. MACKENZIE KING: If my hon. friend insists on his objection I shall not hesitate to withdraw the motion until he has had time to consider its significance. Then I think he will find that what I am saying is quite correct, that the purpose of the motion is simply to permit of the disposal of certain divorce bills that come from the senate, to which this house does not give time in debate or committee, but which have to be read a first and a second time. This motion would send them immediately to the private bills committee. To that extent the way is left clear for other private legislation.

Some hon. MEMBERS: Carried.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I think the solution of this problem lies in the hands of the house itself. We have before us now a senate bill dealing with the question of establishing a court in Ontario to deal with divorce cases. If the passage of this bill could be expedited this session, then there would be no necessity in the future for such a motion as this.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I wish to protest as strongly as I can against the disgraceful way in which we are dealing with these divorce cases. I heartily agree with the member who has just spoken with regard to the necessity of having these divorce cases transferred to some court where they can be properly dealt with. At the present time, as we all know, they come before this house and are given three readings, and we are getting into the habit of lumping them together and passing batches of ten, twenty and thirty without giving them the slightest consideration. For some years I sat on the private bills committee where the same thing was done. I doubt whether the ordinary member of the private bills committee read one case in fifty of those coming before him. If some unusual protest came before the house regarding some particular case we were forced to read the evidence in that case. Although we are supposed to have certain safeguards in this house in the passing of legislation, provided for by a distinct reading three times of each bill and also by discussion in private committees, as a matter of fact, so far as the house is concerned, there is absolutely no investigation into any one of the cases—not one. I feel that we as members here are not justified, in what is supposed to be, as regards such cases, a more or less judicial committee, in continuing in this most perfunctory way to pass these bills without any investigation whatever. I think, Mr. Speaker, that in the very near future I shall insist that a test case be made in connection with one of these divorce bills and that we discuss in this house the merits of the case. I fancy that if we did so the first thing we should have to do would be to ask the one lady member of the house to withdraw. The next thing would be to ask that the galleries be cleared, and in the next place, to have the Hansard reporters leave the chamber, because I submit that the evidence which would be produced in this house would be such as to constitute obscene literature which would be refused carriage through the mails of the country. I submit that we are placing ourselves in an unfortunate position if, to avoid publicity of this kind, we condone the manner of granting divorce as at present observed. In my judgment whether we regard divorce as good or bad, we are submitting to a course of procedure that involves the maximum of expense and the maximum of publicity—

Mr. BOURASSA: And the minimum of safeguard.

Mr. WOODSWORTH: Quite right, the minimum of safeguard with regard to the granting of divorces. It is a public disgrace, and I for one do not propose indefinitely to submit to this kind of thing. And if it came to insisting upon the discussion of these bills one by one I for one feel that perhaps the session would not be in vain provided such a course led to a revision of the rules of procedure.

Mr. J. C. BRADY (Skeena): I should like to refer to the publication of these divorce cases. Now, we have many committees—

Mr. SPEAKER: I would ask the hon. member to speak to the motion, which is that for the balance of the session all divorce bills received from the senate be read a first and a second time forthwith, not discussing the evidence in any case.

Mr. BRADY: I am not referring to evidence, Mr. Speaker. I am speaking with reference to the publication of these cases at great expense. The divorce publications are considered by hon. members to be of a revolting

nature, and they are torn up and thrown into the waste paper basket the moment they reach their hands. I think these publications involve unnecessary expenditure of public moneys, and I submit for that reason that the evidence should not be published and distributed.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: Carried on division.

Mr. WOODSWORTH: Mr. Speaker, I rise to a point of order. Is it possible to pass that motion on division? I thought there had to be a notice of motion.

Mr. SPEAKER: Under standing order 45 it is provided:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper, but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house.

This motion relates to private bills. I would direct the attention of the hon. member to No. 358 under this standing order:

> Motions applying to the business or arrangements of the house as a rule require notice, but some are of such a purely formal nature that by general consent notice is not insisted upon.

Mr. WOODSWORTH: Do I understand that this is to be regarded as a purely formal matter and that we can, without any notice of motion, and not by unanimous consent, but in the face of decided opposition in the house, set aside the rule which requires three readings of each bill before it may be passed?

Mr. SPEAKER: I do not say that.

Mr. MACKENZIE KING: The purpose of the motion was to save the time of the house. Possibly I had better ask, Mr. Speaker, that you allow the motion to stand as a notice in the regular way, and it can be brought up again at a subsequent sitting.

Mr. BENNETT: The difficulty is that the motion has been declared carried and the objection was not taken before that declaration was made by the chair. I submit that, the chair having given its ruling and the motion having been declared carried, it is rather late for the hon. member to intervene. Under the circumstances the declaration of the chair that the motion is carried should stand.

Mr. WOODSWORTH: I submit that a point of order with reference to a ruling of the chair should be considered.

Mr. SPEAKER: The motion has been declared carried and under the rules it must stay carried.

Mr. WOODSWORTH: I appeal against the ruling of the chair.

Mr. SPEAKER: It is too late.

Mr. WOODSWORTH: I think there is something more important than losing time. In fair play I appeal against the ruling of the chair.

Mr. SPEAKER: Introduction of bills.

Mr. WOODSWORTH: I think I have a right to speak to the point of order. I appeal against the ruling of the chair in this matter.

Mr. SPEAKER: The appeal is against a judgment of the house and not against a ruling of the chair. The motion was put. I asked the question whether it was the wish of the house that the motion be carried. There was apparently some dissent and I declared the motion carried on division. Had it been a substantive motion I would certainly have had regard to the difference of opinion in the house, but as this is purely a formal motion I declared it carried. It is too late now to appeal. The motion having been declared carried, no appeal lies against the judgment of the house.

Mr. C. G. POWER (Quebec South): Mr. Speaker, may I point out, in fear and trembling lest I be declared out of order, that a motion made in a case of urgent and pressing necessity previously explained by the mover may be made by unanimous consent of the house. In this case unanimous consent was not given, so there is no reason why the motion should be declared carried.

HUDSON BAY

REPORT OF AERIAL SURVEY OF HUDSON STRAIT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I lay on the table of the house the report of the Hudson strait expedition, December 31, 1927.

PRIVATE BILLS

FIRST AND SECOND READINGS

Bill No. 206 for the relief of Esther Brand. —Mr. Garland (Carleton)

Bill No. 207 for the relief of Irene Adela Crann.—Mr. Garland (Carleton).

Bill No. 208 for the relief of Jessie Ferguson.—Mr. Casselman.

Bill No. 209 for the relief of William Herbert Gamble.—Mr. Tummon.

Bill No. 210 for the relief of Mabel Maude Giles.—Mr. Geary.

Bill No. 211 for the relief of Alice Mockford.—Mr. Heaps.

Bill No. 212 for the relief of Alvah Arthur Norris.—Mr. Bell (St. Antoine).

Bill No. 213 for the relief of Eleanor Porter. —Mr. Geary.

Motion for second reading of bills Nos. 206, 207, 208, 209, 210, 211, 212, 213, agreed to on division, and bills read the second time.

PORT HOPE LIGHTHOUSE

On the orders of the day:

Mr. F. W. BOWEN (Durham): In the absence of the Minister of Public Works (Mr. Elliott) I would ask the Prime Minister a question based on a telegram which I received to-day. This telegram states that last night the lighthouse at Port Hope disappeared into the lake, owing to the fact that the government has not kept the pier in repair. Will the government look into this matter and take some action?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sure there must be some error in the message if it attributes this incident to any neglect on the part of the government. I have no doubt that it was due entirely to the elements, but the matter will be looked into immediately, and I have no doubt some means will be taken at once to have the lighthouse rebuilt.

PRIVILEGES AND ELECTIONS

ATHABASCA ELECTION—INQUIRY WITH RESPECT TO MEETING OF COMMITTEE

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I wish to direct the attention of the government to the situation which exists with regard to one of the standing commitees of this house, and to ask a question based thereon. The committee on privileges and elections has been called once—on March 29, I think—since it was appointed, and at that time there was not a quorum present. An important matter has been referred to this committee, namely the investigation of the report made by Mr. Justice Clarke on the Athabaska election scandal. If it is because the chairman of the committee cannot attend its meetings that the committee is not being called, I ask the government if they will now consider again calling the committee together and appointing another chairman or deputy chairman in order that the business of the house in relation to that committee may be proceeded with.

Mr. J. J. DENIS (Joliette): As chairman of that committee perhaps I may answer my hon. friend. On several occasions I have asked the clerks of committees to call meeting of this particular committee, but as an hon. member stated in this house yesterday, it has happened that a number of other committees were meeting on those particular days. The clerks have not found it possible to have the sittings of the committees except under the conditions mentioned by the hon. member for Vancouver Centre (Mr. Stevens). I have therefore given instructions to have this committee called practically every day in the week in order to try to get a quorum. The committee will be called next Tuesday, and if there is no quorum a meeting will be summoned every subsequent day during the week until a quorum is secured.

ACCOMMODATION AVAILABLE FOR MEETINGS OF COMMITTEES—STATEMENT BY MR. SPEAKER

Mr. SPEAKER: The member for Vancouver Centre (Mr. Stevens), on the orders of the day yesterday, stated that the accommodation for the committees of the house was very inadequate, that important committees had to depend on temporary rooms provided at the last moment, and asked that this condition of affairs be looked into.

The information I have in respect to this matter is to the effect that there were seven meetings held yesterday morning. There are four rooms always at the disposal of the committees, namely, 231, 375, 424, 429, and one room, 268, a spare room which is usually at the disposal of committees. The government caucus room, 497, and the opposition caucus room, 116, are, with the consent of the chief whips, frequently used by the committees. This happened yesterday when both rooms were in use by committees. The rooms had been prepared by the staff the night before for the meetings.

The accommodation I have mentioned is the maximum space available for the use of the committees. The only method of increasing the space would be to enlarge the parliament building, as all the space for the accommodation of members and committees is completely taken up.

Mr. DUNNING: May I say that the complaint of my hon. friend from Vancouver Centre, and the complaint of other members, especially of the railway committee, were not

confined to the committees sitting yesterday, especially the committee on railways and shipping. The chairman of the general railway committee is unfortunately not in his place, but I feel sure that if he were he would be saying on behalf of that committee what I am now saying. It is a fact that on no occasion this session has the railway committee occupied the room designated as the railway committee room, and on no two occasions has the railway committee met in the same room; it has been a movable feast all session, and the same applies to the special committee on railways and shipping. Now as pointed out by the hon. member for Vancouver Centre yesterday, in connection with both these committees there are always present a large number of officials and experts of one kind or another, and in connection with the general railway committee there is a very large number of persons interested in the bills before the committee. Therefore I would on behalf of these committees request your honour to take the special circumstances into consideration and endeavour to make the conditions a little better for us than has been the case this session.

Mr. SPEAKER: I shall do that with pleasure.

BRITISH EMPIRE STEEL CORPORATION

PROPOSED AGREEMENT WITH MINERS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would ask the Minister of Labour (Mr. Heenan) if he would kindly give us some further information with respect to a report in this morning's press concerning an agreement entered into between the Nova Scotia miners and the British Empire Steel Corporation on a profit-sharing basis.

Hon. PETER HEENAN (Minister of Labour): I am sure my hon. friend does not want me to go into the details of the agreement, which has not yet been signed. I can say, however, that a vote of the miners was taken the day before yesterday and the proposed agreement, which involves a two years contract, was adopted by a majority of 5,688.

CANADIAN NATIONAL PARKS

PROPOSED LEGISLATION RESPECTING ALIENATION

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Last year, if I recall aright, the Minister of the Interior (Mr. Stewart) promised us that this year he would introduce legislation providing that no portion of the national parks would be alienated in the future without the consent of parliament. I would ask the minister if he intends bringing down the legislation at this session.

Hon. CHARLES STEWART (Minister of the Interior): No, we will not be able to bring down the legislation this session. I may say that the difficulty we have met with has been the necessity of having a realignment of boundaries and an agreement with the provincial government as to those boundaries. We have almost completed the desired arrangement, but matters are not sufficiently advanced to permit the introduction of the necessary legislation this session. However, as soon as an arrangement has been concluded the necessary legislation will be introduced.

CHICAGO DRAINAGE CANAL

PRINTING OF PAPERS TABLED RESPECTING DIVERSION OF WATER

On the orders of the day:

Mr. G. R. GEARY (South Toronto): May I remind the Minister of the Interior that he promised to have the necessary steps taken for the printing of the papers laid on the table last night in connection with the Chicago drainage diversion?

Mr. STEWART (Edmonton): I am sorry, but I forgot my hon. friend's request. I will move on Monday to have the papers printed.

ROYAL COMMISSION ON FISHERIES

INQUIRY WITH RESPECT TO TABLING OF REPORT

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): I would again ask the Minister of Marine and Fisheries (Mr. Cardin) if he is able to give the house any definite information as to when the report of the Royal Commission on Fisheries will be tabled, and will be in the possession of members? The session is drawing to a close and if any action is to be taken with respect to that report it will have to be taken soon.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I am not in a position to state definitely when the report of the commission will be tabled. The report is now being prepared and I expect that it will be tabled during the course of next week.

EXPORT OF ELECTRIC POWER

SUGGESTED ADOPTION OF BILL NO. 2 AS GOVERNMENT MEASURE

On the orders of the day:

Mr. H. A. STEWART (Leeds): I would draw the attention of the government to Bill No. 2, relating to the export of electric power and its position on the order paper under public bills and orders. The government has on more than one occasion expressed its entire approval of the principle of this bill which, in its present form, is the result of consultation and conference with the Department of Trade and Commerce and is, I think, satisfactory now to all concerned. May I ask the government if, under these circumstances, they will consider the advisability of allowing the bill to pass, as it is one very much in the public interest, and if that cannot be done, whether they will take it over as a government measure with a view of its being enacted into law at this session? I do not press for an answer to-day, as I see the Minister of Trade and Commerce (Mr. Malcolm) is not here, but I should like the Prime Minister to make inquiry and consider the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps I had better give my hon. friend an answer at once. The request he makes opens the question whether other public bills should not receive like treatment. I am afraid that if the government expresses a preference for any one measure other hon. members having bills they wish to have considered would have reason to feel that the government was probably favouring one more than the others. Under the circumstances the most I can say to my hon. friend is that the government will at his suggestion consider how far the public interest is likely to be affected by the bill being delayed until a subsequent session. In any event I should not like to promise my hon. friend that this particular bill can be taken up this session.

VALIDATION OF ORDERS IN COUNCIL

The house resumed from April 10 consideration in committee of Bill No. 62, relating to the submission to parliament of certain regulations and orders in council.—Mr. Stewart (Edmonton).—Mr. Johnston in the chair.

Hon. CHARLES A. STEWART (Minister of the Interior): I think a word of explanation would be in order here. When I explained the provisions of the bill to the house I pointed out that a difficulty arose owing to the fact that all the orders in council passed in accordance with the statutes had been tabled, but by reason of a neglect extending over a considerable number of years they had not been validated by a resolution of the house and all I was asking to do was to have them validated. It has been pointed out to me since the bill has been under consideration that I am actually doing a little more than that; that I am putting those orders in council in a little different position from what they would be in if they had been simply by resolution validated in the house, and I am going to move an amendment which, I am informed by the Justice department, will place them in exactly the same category as if they had each year been validated by resolutions. I beg to move to amend Bill No. 62 by adding the following sentence at the end of section 1:

> Nothing in this act shall operate to place the crown in a better position than it would have been had the said orders in council been approved by resolution in the manner provided by the respective acts.

Mr. BENNETT: I mentioned this matter the other day to the Minister of the Interior and he was good enough to place before me a copy of the proposed amendment. I was thinking about it as he was mentioning it and it occurs to me that possibly it should go further and say:

> Nothing in this act shall operate to place the crown or any person in a better position.

I think that is what I had in mind in discussing the matter with the minister. Not only the crown but individuals might be affected by giving the orders in council the force and strength of a statute, which is the effect of the bill. I take it that the minister does not intend to place either the crown or anybody else in a better position than they would be in if the orders in council had been merely approved. There are orders in council which affect the rights of individuals, and if they had no foundation in law this statute would now make them a valid statute of the parliament of Canada so that the defence that might be open to one individual as against another would be ineffective. I do not suppose it is intended to do more than to say that to the extent to which an order in council had validity, it shall now have validity notwithstanding the fact that it was not approved in the manner prescribed by the act under which it was issued. That is the position; but that need not interfere with the matter, because if the officers of the crown so advise, words can be added

when the bill is again before the house. The amendment brings at least the subject matter before the house, and it might be dealt with in that way.

Mr. STEWART (Edmonton): Not having a legal training I am not just sure as to amendment my hon. friend suggests to the amendment I have just moved, but I can assure him that neither the department nor I want any person to be in a superior position to the crown—

Mr. BENNETT: No.

Mr. STEWART (Edmonton): —and if it is necessary from a legal standpoint to add the word "person", then I shall be glad to do so.

Mr. BENNETT: It would be a very proper place when the Prime Minister is in his seat to direct attention to the fact that these orders in council—and the minister invited me to inspect them—are very numerous. I should think there must be not less than four or five thousand of them altogether. This brought to my attention the fact that many orders in council affecting public rights are from time to time passed and there is no record of them so far as the public is concerned. I suggested to the minister—and this is not a new suggestion because I had occasion to think it necessary some time ago during the brief period that I was acting in the department—that these orders in council should be published in the Canada Gazette at the end of every month. I can conceive of no other way in which the public interest can be served and in which those interested would have an opportunity of observing just what legislation is enacted by the executive; because after all an order in council has all the effect of a statute, its validity depending upon the statute authorizing it and the order in council being the executive act of the crown's advisers in pursuance of the power conferred upon them by statute. Therefore, so far as the public is concerned, they have all the effect, force and power of a statute. The public in many instances can know and learn nothing unless the order in council is printed in the Gazette. Therefore I suggested to the minister the other day that it is very desirable that such a practice should be followed so that every person concerned might have an opportunity of observing just what executive actions were taken by the government from day to day and week to week in connection with various public interests that are affected by order in council.

I know how difficult at times it has been to follow these matters. In the Polson case it will be recalled that the Privy Council set aside a judgment that was predicated upon an order in council because the conditions with respect to the publication of the order in council had not been observed. Last night I directed the attention of the minister to a case in which a difficulty had arisen by reason of parliament having taken certain action with respect to an order in council. I am not asking the minister to answer at the moment, but I think all orders in council affecting public properties and public rights should be published in the Gazette as soon as possible after they have been passed; I can conceive of nothing more important in the public interest than that this should be done. For instance, the Department of National Defence has a rule that certain orders in council must be published in the Gazette, and the Department of Interior has a similar rule. I am not now referring merely to the formal business, for instance the cancellation of a quarter-section or something of that sort that requires the action of the governor in council; I am referring to those matters that affect largely public interests and public rights. I think the question of how this can be dealt with is worthy of consideration. In our statute we have only such orders in council published from year to year as may be regarded as important, and the Gazette should be the medium through which the public is informed as to every order in council that affects public interests and public rights.

Mr. CANNON: Does my hon. friend mean, first, all orders in council which affect rights of either individuals or public property, and, second, orders in council which are passed in accordance with the provisions of previous legislation?

Mr. BENNETT: Yes.

Mr. CHURCH: As a humble member of the house I wish to protest against this procedure. You have the Liberal party to-day proposing to govern by commissions, by orders in council, by governor general's warrants. Although in opposition they condemned all these ways and means. We have to-day this honourable house proposing to pass a bill to validate government by order in council in regard to properties in the western provinces of which no one knows the present value. Even if it does relate to the past it governs also the future. The other day we had before us a bill in regard to the Peace River valley. The Department of the Interior, like the Department of Marine and Fisheries, seems to-day to be nothing but a political machine. Just the other day what did they do

by order in council? They granted in effect to Mr. Backus, an American millionaire, a subsidy of $700,000 of the taxpayers' money of this country in connection with his power and light and transportation proposition in the Lake of the Woods district. We have a government in this country that is supposed to consist of the Governor General, the Senate, and the House of Commons, but now it is proposed to take away all the powers of this house in regard to such great questions as those affecting the Dominion lands and Dominion forest reserves and Dominion parks, water powers—mines and minerals and rule by order in council and delegate to this house powers the potential value of which no one can estimate to-day. The value of these properties not even the minister who presides over the department of the Interior can tell. What this government is doing in connection with the Chicago water diversion is done very largely by order in council.

We have private bills on the order paper to-day relating to the mergers of the banks of this country, and let me say that the people of this country will soon not own our Canadian banks at all, because American stock-jobbing interests are buying up the stock of the chartered banks of this country in New York. If a bank failed to-day you could not proceed against the shareholders for double liability because the banks are falling into the hands of the Americans, and the stockholders are Americans with no property within the jurisdiction of Canadian courts. We have public bills on the order paper seeking amendment to the Insurance Act (lapsed policies) and dealing with bank mergers and water powers, all with the object of protecting the people and the resources of the country, and yet we cannot get these measures discussed at all or passed a first reading simply because they are standing in the names of private members. But a minister of the crown can come down to this house and get amendments to acts relating to our Dominion lands and Dominion forest reserves and parks, and mines and minerals of an enormous potential value and rule by order in council. But the closure rule is applied against the private members. If private members want to put up with that sort of thing, well and good; now is the time to protest and get our rights, but so far as I am concerned, I wish to protest against private members not being allowed to proceed with legislation that is in the interest of the working classes of this country, measures dealing, for instance, with the banks, loans and trust companies, insurance companies, and the exportation of water powers from this country.

[Mr. Church.]

Under public orders there are three pages of important progressive public bills standing in the name of private members, and the most consideration they can get all session is a first reading, but there is no difficulty at all when the Minister of the Interior seeks to give Mr. Backus a subsidy of $700,000 to protect his light power and timber domain. Sir Adam Beck was opposed to that measure, so was the Ontario Hydro Electric Commission, and many public bodies in Winnipeg are opposed to it, but it has been made a government bill and passed. Even if it was O.K.'d by the Ontario government, they are not protecting the municipalities to-day so far as the hydro electric movement is concerned, because they have sounded in the Gatineau deal the death knell of the hydro. The Gatineau Power Company and the International Power Company contract makes the Ontario Hydro to-day just a filling station for Mr. Graustein and these big American power companies. As a private member, I protest against this way of doing business by order in council. This is not a free parliament when a private member cannot bring in and have considered a measure that is in the interests of the public and force it to a vote; it is not a free parliament; we are just degenerating into a mock parliament. We have rules which are a hundred years old, and so far as the private member of parliament is concerned, he might just as well go back home and stay there because he can accomplish nothing in this house under the antiquated rules we have. If this is responsible government, all I can say is that it is a sorry day for the people of this country.

The report in regard to the St. Lawrence waterway was brought down to the house only a day or two ago, whereas on the other side of the line it was published in nearly every American newspaper nearly three months ago. I read it myself in the New York Times and the Detroit Free Press about a month ago. Why does not the government give us an oportunity to consider, for instance, the bill standing in the name of the hon. member for Leeds, to regulate the exportation of electric power, or the bill standing in my name relating to bank mergers or to lapsed insurance policies? The government will not advance these bills, which are all in the interests of the public, at all. I am surprised that the two Labour members from the city of Winnipeg, who are in favour of public ownership and stand for the public, as far as I can see, do not protest against this way of doing business.

Mr. WOODSWORTH: The Labour members are just waiting until they get a chance.

Mr. CHURCH: You have it now. I wish to protest against this way of doing business. In the Quebec legislature and the Ontario legislature a private member can bring in a bill to amend a government statute, and have his bill read a first and second time, and then have it referred to the private bills committee, where it will receive ample and fair consideration, but when a private member brings a bill into this house which is in the interest of the public, he cannot get it considered at all after a first reading—a fine free parliament! I would appeal to the Minister of the Interior to take over the bill standing in the name of the hon. member for Leeds and give it preferred treatment in this house, and I would suggest to the Minister of Finance, if he wants to do anything to improve the banking law of this country and banking conditions in Canada, that he should find out who owns the eight banks now remaining in this country and take over the bank mergers bill and the lapsed insurance policy bill. Formerly we had eighteen banks in Canada, but now we have only eight, and I venture to say that before parliament reassembles next year, those eight banks will have dwindled down to four or five, unless parliament in the meantime does something to prevent further bank mergers without its consent.

The Prime Minister stated the other day that we would be given an opportunity to discuss the St. Lawrence waterway. He made that statement during the discussion on the motion which I had before the house, and I would have pressed that motion to a vote before six o'clock, but I understood from the Prime Minister that the debate would be reopened after the papers had been brought down, and yesterday we were told that the debate would not be reopened and that we would not be given any special day to discuss that question. I am surprised that the Progressive party does not protest against these antiquated rules. We might as well abolish the House of Commons if we are to have government by commission. The St. Lawrence waterway, the Alberta resources and other economic questions have been referred to the supreme court and commissions; but Mr. Backus is not sent to the supreme court when he wants a hand-out of $700,000 in the shape of water-powers, dams and regulation. I protest against this way of doing business. This is not a free parliament. Hon. gentlemen opposite to-day have abandoned all the principles of Liberalism by introducing this bill. A bill similar to this could not get through the British parliament, it could not get through the Australian parliament, it could not get through congress; not one of those bodies would delegate its powers to outside authorities or government by commission or government by order in council. Dear knows who is going to be the next American millionaire to file a claim under the Railway Belt Water Act, the Dominion Forest Reserves and Parks Act, the Dominion Lands Act, the Rocky Mountains Park Act, or the Yukon Act, for some rich timber resources, water-powers or mines and get away with the title deeds and to find Canada a happy hunting ground.

Mr. IRVINE: Is it the purpose of this act to ratify certain orders in council?

Mr. STEWART (Edmonton): No, these are all orders in council which have been cancelled, whatever rights may have existed under them; but the act calls for a resolution validating the orders placed upon the table year by year, and this is necessary because of the failure to take that procedure in former years.

Mr. WOODSWORTH: You are not granting new powers or new rights?

Mr. STEWART (Edmonton): Not a single right in the world; it is simply to validate what has been cancelled.

Mr. BENNETT: They are not all cancelled.

Mr. STEWART (Edmonton): Yes, practically all.

Mr. WOODSWORTH: May I ask for a little fuller explanation of the amendment which I think has been moved? Unfortunately we cannot hear very well at this end of the chamber. It reads as follows, I believe:

> Nothing in this act shall operate to place the crown in a better position than it would have been had the said orders in council been approved by resolution in the same manner provided by the respective acts.

I confess that I cannot quite understand this. If it means anything at all, it seems to me it may very easily invalidate the purpose in view.

Mr. STEWART (Edmonton): The object of the original bill was to validate by statute those orders in council, but under the provisions of the act—this was pointed out to me by the leader of the opposition—we were taking greater power than we would otherwise have had by a simple resolution validating the orders as provided for in the act. This is to give us no more power than we would have had had we simply year by year passed the requisite resolution validating the orders then upon the table. That is why I am

inserting in the amendment the word "person" after the word "crown", as suggested by my hon. friend. As amended it will read:

Nothing in this act shall operate to place the crown or any person in a better position than it would have been had the said orders in council been approved by resolution in the manner provided by the respective acts.

Mr. WOODSWORTH: After the word "than" the word "either" should be substituted for "it".

Mr. BENNETT: The hon. member for Winnipeg North Centre (Mr. Woodsworth) has asked a question that I myself asked when the legislation was first introduced. The fact is the law requires that orders in council shall be laid upon the table, and not ratified by statute but by a resolution. The distinction between the two is of course well known to hon. gentlemen. A resolution does not give any greater validity to the act done under the orders in council than merely to indicate that it was before this house; but a statute gives it life and validity, whether it was within or beyond the power of the minister. Having regard to that fact, I pointed out to my hon. friend that I thought it desirable to make it clear if any orders in council—they are very numerous, some five thousand, extending over a number of years— affected rights and were in law beyond the power of the governor in council to pass, it should not be taken that this validation, so-called, gave life and validity to what would otherwise have been an illegal act, or an abuse—using the word in its proper sense—of the power of the governor in council under the various statutes. So the amendment that has been drawn indicates clearly that this act of this parliament does not give the crown or any person any greater rights than either would have possessed had the orders in council been approved by resolution, as provided by the several statutes under which they were authorized. I think that sufficiently protects the public interest, although I am bound to say to the hon. minister and the hon. member, that the matter is of very grave concern, for it affects so many orders in council. Until I went through them last night I had no idea how many there were. I suggested to the minister that he might prepare a schedule to attach to the act, but it is quite clear that this would be impracticable. A preamble, as my hon. friend from Vancouver Centre (Mr. Stevens) suggested, might possibly be inserted, but to give a history of all the transactions would involve specifying the numbers of the various orders in council, which in itself would be a considerable task. I think the minister is not quite correct in saying that only cancellations are affected, for in turning over the various volumes I recall one that made a grant of public lands the provisions of the Dominion Lands Act, and another that affected matters dealt with in the Forestry Act.

Mr. STEWART (Edmonton): I failed to remember that they go back to 1906.

Mr. BENNETT: I noticed that a few did. There is, of course, some force in what the hon. gentleman from Northwest Toronto (Mr. Church) said, that there is grave danger of validating what was not contemplated by the original statute; but I think after the discussion we have had the amendment amply protects the interests of any person that may have been affected either directly or indirectly by reason of the enactment of this legislation. If the law officers of the crown are satisfied with it, certainly I should be.

Mr. STEWART (Edmonton): My instruction to the law officers was not to place us in any better position—

Mr. BENNETT: Quite so.

Mr. STEWART (Edmonton): —than we should have been in had the resolutions been passed by parliament year by year.

Mr. CAHAN: We simply wish to be assured that in this form it will not do more than that. It seems to me that the amendment as read a few moments ago was rather crude. It referred to a person as "it".

Mr. MACKENZIE KING: It has been changed.

Mr. CAHAN: If the Prime Minister has had it under consideration I am sure it is improved.

Mr. MACKENZIE KING: Thank you.

Mr. BENNETT: I take it that when the bill is prepared the amendment will be expressed in better language.

Mr. STEWART (Edmonton): What I instructed the officers to do was to prepare an amendment that would leave us in exactly the same position as we should have been in had the orders been validated by resolution. That is all. In the original bill we were doing more than that.

Mr. CAHAN: What is the form in which the amendment now stands?

The CHAIRMAN: The amendment now reads:

Nothing in this act shall operate to place the crown or any person in a better position than either would have been in had the said orders in council been approved by resolution in the manner provided by the respective acts.

Mr. IRVINE: Very few members know what we are doing. How does the minister explain the failure of governments from time to time to bring the resolutions before parliament according to the law? It seems to me that we should have before us a copy of every order in council; otherwise we cannot act intelligently.

Mr. STEWART (Edmonton): My hon. friend would need to have considerable time at his disposal to go through them all.

Mr. IRVINE: I appreciate that.

Mr. STEWART (Edmonton): I can assure my hon. friend that there are no actions pending. On one occasion we were approached by a Winnipeg solicitor with respect to an order in council, and upon following the matter up we discovered—this is the information I received from them—that in the opinion of the officials they were doing their full duty in listing the orders in council and giving them to the minister to be tabled. What would then follow, that is to say the resolution to validate, would be prepared by the officers of the house. This does not in any way affect the order in council except that action might be taken as to the validity of the cancellation of any order.

Mr. WOODSWORTH: Since the minister has assured us that this proposed legislation applies merely to the cancellation of certain orders in council conferring rights on individuals, it is far less objectionable than I had thought it to be. At the same time, how can we tell what rights are involved? It may very well be that certain individuals or corporations may have rights that should be recognized, and there is nothing here to protect such rights. We are practically signing a blank cheque and after that it is left to the administration to carry out. It seems to me, even though this is largely a formal matter, that before we pass it we should have some such arrangement as is suggested by the hon. member for Vancouver Centre (Mr. Stevens), a sort of schedule giving the number of orders passed, limiting in that way the application of the measure. I do not think that is asking too much, even if the matter has to be held over another year. No one will suffer in the meantime. It has been carried on in this way for a long time and no one has challenged the validity. I think the minister would then be on safe ground. Even although this is legislation of a negative character, I confess I do not like it, because every measure of the kind should be definitely agreed to by parliament itself.

Mr. STEWART (Edmonton): I can assure my hon. friend that where any private rights were involved no officer of the crown nor any minister would undertake to deny a fiat in order to test the matter in court. That would be unthinkable. On the other hand, where we are dealing with thousands of orders in council it is well that the provisions of the statute regarding them be carried out. Why the slip should have occurred as between 1906 and 1917 I do not know. The explanation I received was that dependence had been placed on the officers of the House of Commons. All the other provisions of the statute have been complied with. I want to impress upon my hon. friend that wherever there was even the semblance of a legitimate claim—wherever any party was prejudiced owing to any act on the part of parliament or of the department—I have never yet refused a fiat to test the question in court. I repeat, that is something that is unthinkable. All these orders in council are in my office and I would lay them on the table, but I am sure my hon. friend would not look at a tenth part of them. No attempt is being made to deprive anyone of any right whatever.

Mr. FRASER: Where does the minister get his authority for saying that this act refers to the cancellation of orders in council? I cannot see any reference to cancellation of orders in council.

Mr. STEWART (Edmonton): I should have been more explicit in that regard. There may be some orders in council that have not expired.

Mr. BENNETT: Water rates in connection with Jasper, for instance.

Mr. STEWART (Edmonton): There may be some in 1909 and 1910 that have not expired.

Mr. FRASER: This has reference to the passing of orders in council and not to cancellation.

Mr. STEWART (Edmonton): It simply carries out the provisions of the statute with respect to orders in council; that is all.

Mr. RYCKMAN: I do not like the addition of a section by way of exception to the act, especially as it is better draftsmanship to include it in the only clause of the act. I do not care for the omnibus designation "crown or any person", which of course includes the whole world. If it would be of any assistance to the law officers of the crown

I would suggest this amendment. After the word "approved", in the fourteenth line of the bill, add the words:

and as if the same had been approved, by resolution in the manner provided by the said acts respectively.

Mr. STEWART (Edmonton): It means the same thing.

Mr. RYCKMAN: It means the same thing, without lugging in the crown and all and sundry.

Mr. STEWART (Edmonton): I quite admit that it serves the same purpose, but I should prefer to leave it as it stands. I discussed the matter with the law officers and I have given what they suggest.

Mr. CAHAN: It does seem to me that the suggestion is a fair one. Where we are asked to validate some four or five thousand orders in council, it is better that the language should be so expressed as to give only the same validity that these orders in council would have had if they had in due course been approved by both houses of parliament in accordance with the acts mentioned in the the draft bill. Therefore I think the suggestion made by the hon. member for East Toronto (Mr. Ryckman) is one which should be considered. As it now stands, the bill provides that orders in council or regulations previously made by the governor in council under the authority of certain acts cited are hereby declared to be and to have been valid, notwithstanding any failure to have the same approved by both houses of parliament as required by the said acts respectively. I would suggest that it should read, "—are hereby declared to be and to have been valid to the same extent as if the same had been approved by both houses of parliament as required by said acts respectively", thereby indicating that we are giving no new validity to the orders in council by reason of a confirmatory statute. I think that would cover all we should be asked to grant, and I believe that is in conformity with the suggestion made by the hon. member for East Toronto.

Mr. EVANS: I would draw the attention of the minister to the fact that all the acts mentioned in this bill have to do with that part of Canada which does not as yet enjoy the right to its own natural resources; this bill refers to the Dominion Forest Reserves and Parks Act, the Dominion Lands Act, and so on. I must confess that I do not quite understand the purport of this legislation, but we are evidently asked to validate certain orders in council which were made under certain acts the passage of which was felt by many of us to have been a usurpation of power by the Dominion government. I confess that I am suspicious of this legislation.

Mr. STEWART (Edmonton): These are only orders in council which were passed under such statutes as the Dominion Lands Act. We are not touching the acts at all.

Mr. EVANS: Since we are now on the verge of placing these resources under the control of those who rightfully own them, I think this legislation might be well postponed for a time.

Mr. CAMPBELL: I am not quite so optimistic as the hon. member for Rosetown with regard to the transfer of these natural resources to the provinces which legitimately own them. It seems to me that this legislation together with something which was passed a few days ago clearly indicates that the government have not in mind at present the transfer of these resources. If they are contemplating doing so, I think legislation of this kind should be left in abeyance. I understand that a provincial conference has been called for after the close of the session to consider this whole question, so why should anything be done with regard to these natural resources in the meantime unless the government have made up their minds that this provincial conference is only a gesture as far as they are concerned? I think we should have something from the Prime Minister with regard to what the government propose to do, and I think he should tell us something of what they are prepared to place before that conference with respect to the transfer of natural resources.

Mr. MACKENZIE KING: I must correct my friend at once with regard to a provincial conference. There is no intention to have such a conference with respect to the question of natural resources. The government intend to discuss with the government of Manitoba matters affecting the Manitoba resources; we intend to discuss with the government of Alberta matters pertaining to the natural resources of Alberta, and possibly with the government of Saskatchewan matters pertaining to the natural resources of Saskatchewan. It is not to be a conference of the three western provinces with the Dominion, but separate conferences intended to carry a little further the progress which

has been made already towards a final arrangement which will effect the transfer of the resources.

With regard to this legislation, it has nothing whatever to do with the question of the transfer of the natural resources. Certain orders in council were passed under statutes enacted by this parliament, and those orders in council should have been confirmed by a resolution of this house. Through inadvertance on the part of departmental officials those resolutions were not brought to the house, and as a consequence individuals who are fond of raising technical objections or finding reasons which may have some force at law in delaying procedure or invalidating the orders altogether, might be tempted to take advantage of the fact that the procedure called for by the acts has not been fully complied with. The government admit that there has been oversight in the matter in not having these orders confirmed as they should have been. The orders go back, I understand, to 1906, and the whole purpose of this amendment is to ask parliament to say that notwithstanding this omission these orders in council shall stand as though they had been regularized in accordance with the original intention of the legislation, and that in virtue of this legislation no person or the crown shall be put in a better position than would have been the case had the regular procedure been followed.

Mr. CAHAN: I have a suggestion to make to the Prime Minister. I would suggest that all the words after "declared" in the twelfth line be struck out and that the following be inserted: "To have the same force and effect as if they had been approved by both houses of parliament as required by said acts respectively."

Mr. MACKENZIE KING: That is all right.

Mr. CAHAN: I think that gives them the validity they would have had, which is the intention of the house. I submitted this amendment to the Solicitor General, and he quite aproves of it.

Mr. RYCKMAN: And if that is not accepted, I submit that the amendment as proposed will not do. I submit it would be an arguable case whether an order in council which has been cancelled or a regulation which has been repealed would be set up again notwithstanding the amendment. The possibility of that situation arising is obviated by the language suggested by the hon. member for St. Lawrence-St. George.

Mr. STEWART (Edmonton): Then I will ask leave to withdraw my amendment.

Motion agreed to and amendment withdrawn.

The CHAIRMAN: Mr. Cahan moves that all the words after the word "declared" in the twelfth line be struck out, and that the following words be added.

To have the same force and effect as if they had been approved by both houses of parliament as required by said acts respectively.

Mr. SPENCER: I understand that the main aim of this resolution is to keep the country out of possible litigation?

Mr. MACKENZIE KING: And to protect individuals also.

Amendment agreed to.

Section as amended agreed to.

On the title:

Mr. IRVINE: Perhaps the title is not very important, but it seems to me that the present title is not correct. This is now called "An Act relating to the submission to parliament of certain regulations and orders in council." I think it should be, "An Act for the failure to submit to parliament certain regulations and orders in council."

Title agreed to.

Bill reported, read the third time and passed.

TORONTO TERMINALS RAILWAY COMPANY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee on Bill No. 204, respecting the Toronto Terminals Railway Company.

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

On section 1—Issue of securities by C.N.R. to purchase securities of company.

Mr. CAHAN: We should have some explanation of this bill.

Mr. DUNNING: This is the bill which was referred by the house to the special committee on national railways and shipping, and was there examined in detail. The officers of the company were brought before the committee, and the evidence taken before the committee was printed and supplied in due course to all members of the house. I have the material here to go over the same ground if the committee desires, or as much of it as is within my personal knowledge.

Mr. CAHAN: The minister might make a very short statement as to the purport of the bill.

Mr. DUNNING: The amount in the original authority of $7,000,000 for the Toronto viaduct scheme has proven insufficient. It has proven insufficient partly because of changes—the usual changes which take place in the development of a scheme over a period of years—and partly because of the construction of additional facilities for the Canadian National Railways within the terminal area. For instance in the original estimate there was no provision for a Canadian National railway engine terminal which it has been found necessary to erect within the area of the terminals, but which is owned by the Canadian National Railways and not by the terminals company. Another difficulty lies in the fact that with respect to certain property purchases and certain property sales there is quite a difference between the original estimates of the engineers and the actual results in the relative value of these properties. That, I think, is broadly the situation. It is, as my hon. friend I think knows, a joint undertaking between the Canadian Pacific Railway, the Candaian National Railways, and the city of Toronto. I may say that negotiations, subsequent to the original legislation, rather reduced the share of the city of Toronto and increased the share of the railway companies, which again somewhat affects the total amount required.

Mr. CAHAN: Will this cover the entire expenditure and complete the work?

Mr. DUNNING: Well, from experience with large engineering works I seldom take the word of an engineer on such a point until the undertaking is definitely completed. I would prefer not to commit myself to a statement that there will be nothing further, but this at least was estimated to cover all the work which is presently planned in connection with the enterprise.

Mr. LAVIGUEUR: Would the minister state the nature of the agreement between the Canadian Pacific, the Canadian National and the city of Toronto?

Mr. DUNNING: I have the complete agreement here but I may say briefly that the undertaking was to create union terminals in the city of Toronto in order to bring all railways into the one terminal. The city was greatly interested in having that result brought about as were also the railways. Following lengthy negotiations, indeed following the commencement of a union passenger terminal, this arrangement with the Toronto Terminals Company was brought into being by legislation in 1920. Speaking from memory 50 per cent of the stock is owned by the Canadian Pacific Railway and 50 per cent by the Canadian National Railway Company. As I understand it, the city is not a partner in the terminal company itself but with respect to the cost of the terminals work which affects city streets, city sewers, city parks, and a thousand and one things, there was an apportionment of the cost as between the city on the one hand, and the terminals company composed of the two railways on the other. I cannot say offhand what the city's share is but I will give it to my hon. friend later.

Mr. LAVIGUEUR: I understand the minister to say that the new agreement reduced the city's obligation.

Mr. DUNNING: Oh, no. If I did say that it was not my intention to do so. What I intended to convey was this, that when the original scheme was prepared it was merely an estimate as to what the share of the city would be on the one hand and what the share of the railways would be on the other. Subsequently, following the original legislation, an agreement was prepared, and when the principles of the legislation were translated into action the city's share, by virtue of that agreement, did not turn out to be as much as was anticipated when the legislation of 1922 was before the house. I think I have the actual figure here. The city's proportion is $441,000, less than was anticipated when the original legislation was passed in 1922.

Mr. LAVIGUEUR: I suppose it is quite proper to pass legislation of this character with respect to terminals in the city of Toronto, but I would remind the minister that a similar agreement was entered into between the government, the Canadian National Railways and the city of Quebec. I know that the minister is sympathetic toward the city of Quebec and I hope he will receive with favour the remarks I am about to make. I should like him to try and make Sir Henry Thornton understand that Quebec has some rights in the matter of terminals and that those rights should be considered by the national railway management. An enormous sum of money is being expended upon terminals in Toronto but I do not believe that city was ever called upon to pay interest on that investment. On the other hand, altogether different treatment, it would seem, is being extended to the city of Quebec. Therefore I would direct the attention of the Min-

ister of Railways to the railway situation in Quebec and the agreement that was entered into between the Canadian National railways and the city of Quebec under which that city, as I said yesterday, sacrificed a property worth $5,000,000, which represents a great deal of interest on money invested in different improvements, in order to get certain railway improvements and improvements to the port of Quebec.

Mr. RYCKMAN: I would expect in a case of this kind the Minister of Railways would take up the cudgels for Toronto. Let me assure the hon. member for Quebec-Montmorency that in this case Toronto is paying fully everything that could be expected from that city. As the matter turns out Toronto does not have to pay as much as it was thought in the first place and what I believe a tribunal decided that it should pay. The fact is that the city pays its own share of the shops. It provides business for this railway, of which we are very proud; it increases the receipts of the Canadian Pacific; it betters the country, and all through you will find that the city of Toronto is paying its full share without help from anybody.

Mr. DUNNING: My hon. friend was scarcely fair to me when he said he did not expect me to take up the cudgels for Toronto.

Mr. RYCKMAN: I said that I would expect him to do so.

Mr. DUNNING: I have made precisely the same explanation to my hon. friends from Quebec as the hon. member for East Toronto has just made. I can understand the feelings of members representing the city of Quebec when one considers the history of past railway agreements with that city. May I, however, respectfully say that that fact has no more to do with the Toronto terminal than the tirade of the hon. member for Toronto Northeast yesterday had to do with the Quebec harbour? I am merely endeavouring to discuss this question on the basis of a railway business matter and not on the basis of whether it is in Toronto or Quebec or anywhere else. If we have regard to the history of the matter, the railways, through their Toronto Terminals Company, have done very well, and having regard to our experience with similar large expenditures I do not think it has taken a very considerable percentage beyond what was first anticipated, if we take into account what has been added in the way of necessary new work to the original basis on which the original estimate was made.

Mr. BENNETT: It is costing forty per cent more than the estimate.

Mr. DUNNING: It would not be correct to say forty per cent more than the estimate for the work then estimated. For instance, the new engine terminals were not planned in the original work in 1913.

Mr. BENNETT: That was an arrangement made between the three railways, the Grand Trunk, the Canadian Northern and the Canadian Pacific.

Mr. DUNNING: Exactly, and in the legislation of 1922 I am advised—I was not here at that time and I have had to study the history of the matter—the new engine terminals were not taken into account as part of the expenditure under the statute. They have since proved to be absolutely necessary with the growth of business, the extension of motive power and the construction of the terminals themselves. That has necessitated a great deal of the increase of forty per cent in the expenditure.

Mr. RYCKMAN: I am not the hon. member for Toronto Northeast, but I assume the Minister of Railways referred to me. He has given rise in my mind to the difference between the two situations.

Mr. DUNNING: I referred to the hon. member for Toronto Northeast, not to my hon. friend who has just spoken.

Mr. RYCKMAN: I do not think the hon. member for Toronto Northeast spoke yesterday.

Mr. DUNNING: I mean the hon. member for Toronto Northwest (Mr. Church). I am sorry.

Mr. RYCKMAN: Let me point this out—and it is a lesson to be learned. In my opinion it shows what splendid work has been done by the Department of Railways and by the Canadian Pacific Railway in the city of Toronto. This work is a joint work; it is overseen by both the railways. The terminal company is just the agency of the railways and I believe not a dollar of the expenditure is misplaced. There is no danger of any political heeler receiving any of that money. There is no danger of a job being made for anyone. Every account is strictly audited; every cent is accounted for, and it is to the credit to the railways and, of course, to the Minister of Railways, that that situation exists.

Mr. CHURCH: There is only one point in this bill to which I wish to refer and that is why the amount is being increased from $7,500,000 to $10,500,000. The city of Toronto has contributed $32,000,000 to rebuild the harbour plus $10,000,000 for the cost of the viaduct making $42,000,000 in all for grade separation and waterfront development. The chairman of the railway board found that the city was not liable for any part of this cost of grade separation, inasmuch as the Railway Act did not provide for it, and the city went in voluntarily. Many years before the agreement known as the Toronto viaduct agreement of 1913 was entered into in regard to the division of the cost between the Canadian Pacific, the Grand Trunk and the city, it was decided that the city was not obligated for one cent. What we say to the committee is this, that Toronto is the only city in the Dominion that is to-day paying for grade separation an amount of about $43,00,000 all told. A large part of the Sunnyside harbour improvements east of the Humber river was for protection of the right of way of the national railways and the city has expended more than $5,000,000 there. As regards the Canadian National in Toronto, a large part of this extra money is to provide for the Canadian National's share of the cost of the new Union station, and works ancillary to the viaduct. I may put the situation in three or four paragraphs in Sir Henry Thornton's own words when he was giving evidence before the select standing committee on railways and shipping. The Minister of Railways said that, to start the ball rolling, he would ask the question:

Why the increase from $7,500,000 to $10,500,000?

Sr Henry Thornton: The amount of money asked for is for certain works which are ancillary to the construction of the Toronto terminal, and which have grown out of the Toronto viaduct proposition. For example, it was necessary to construct for the exclusive use of the Canadian National railways an engine house, and a number of other things of that character have been necessary and have been occasioned by the Toronto viaduct and the new Toronto terminal.

Mr. Jelliff: What was the cost of the new engine house?

Mr. Brown: The engine house and coach facilities, about $2,000,000.

Sir Henry Thornton: In addition to the engine house there was an additional express house and express facilities; there were offices for the Canadian National railways, which represented $300,000. The first item, "express facilities," amounted to $346,000. There was also a power house, which was not originally included, which represented $665,000. That totals $1,306,000. In the adjustment of our relations with the city, the city was unable to bear as large a proportion of some of the expenses as we expected, and that had to be cared for. There was also a difference of about $1,000,000 in regard to land. We expected to get about $3,000,000 for certain lands we were going to sell, but we only got $2,000,000. Briefly, this represents necessitous work which had to be done as growing out of the construction of the Toronto terminal.

Mr. Jelliff: Work not contemplated in your original arrangement?

Sir Henry Thornton: Partly not contemplated and partly underestimated.

Hon. Mr. Stevens: Does this $10,500,000 represent the total investment of the National railways in the Toronto viaduct?

Sir Henry Thornton: No, the total cost of the Toronto viaduct—

Mr. Brown: It will be about $17,500,000.

Hon. Mr. Stevens: The National Railways' participation will be about $17,500,000?

Sir Henry Thornton: Eventually, yes.

Hon. Mr. Stevens: Including the station?

Sir Henry Thornton: Yes.

Hon. Mr. Stevens: All the terminals?

Sir Henry Thornton: Yes.

Hon. Mr. Stevens: And the viaduct?

Sir Henry Thornton: Yes.

Mr. Milne: Has the C.P.R. a like amount invested as compared with the C.N.R.?

Sir Henry Thornton: I should think approximately, yes.

The Chairman: The proportion between the two you would say is about half and half?

Sir Henry Thornton: Yes.

Hon. Mr. Stevens: Is the seventeen millons in addition to the ten and a half?

Sir Henry Thornton: No, the seventeen million is the total.

The city of Toronto has contributed $32,000,000 to eliminate all these level crossings, and one-third of the amount of the cost of the viaduct, $10,500,000. This bill is for $7,500,000 for ancillary works for the Canadian National, growing out of the viaduct, namely, a new engine house, express terminals, offices, land and incidentals.

Mr. POWER: I would not for one moment oppose any vote for Toronto. I think that Toronto is entitled to the greatest possible consideration from this house. I think all the members on this side of the house will agree with me in saying that Toronto is a magnificent city and a magnificent port, one which will no doubt one day become an ocean port, and certainly we should not begrudge one cent to Toronto provided there can be shown some justification for the expenditure. There is no sectional feeling on this side of the house, I can assure my hon. friend of that. I sat silent in my seat yesterday listening to my hon. friends opposite assuring me that they loved Quebec, though, may I add, with a purely platonic friendship, because we do not get much from them. I have the same feeling of affection for Toronto as they have for Quebec.

As I understand this vote, it was originally intended to permit the city of Toronto, in con-

junction with the two railways, to bring the railways into the city, but unfortunately they began apparently by putting the cart before the horse; for they built a magnificent station in the centre of the city of Toronto and then came to parliament to ask us to purchase the necessary property and to build tracks into that station. That may be the proper procedure, but we in Quebec, not having had the benefits of any favours from the Canadian National Railways, are not in a position to say whether it is or not. In any case the fact is that millions of dollars have been spent on a station in Toronto, and then parliament is asked to bring a railway into that station.

Mr. RYCKMAN: The station was built by the railways.

Mr. POWER: It is immaterial to me by whom the station was built. The fact is that the station was built, and then parliament is asked to vote millions to bring the railway to it. In our part of the country we build the railway first and then think about the station. That brings me to the point I wish to bring before the committee. As I said before, there is no objection to voting this money for Toronto, even although the estimate has been materially increased and there is no assurance that the revenues are going to be any higher than before.

Mr. DUNNING: I am sure they will not be.

Mr. POWER: I am quite sure that if the Minister of Marine and Fisheries had admitted in this house yesterday that there would be no justification for the Quebec harbour vote from an increased revenue standpoint there would have been a howl from all sides of the house, but here is the Minister of Railways boldly, and almost brazenly, telling this house that we are expending offhand $34,000,000 or $35,000,000 for which there is no justification from a revenue standpoint.

Mr. DUNNING: Oh, no.

Mr. POWER: It is the most extraordinary statement I have heard from a minister of the crown in the last ten years.

Following the line of the argument which has been developed in this house, and which I think is a most effective and a logical one, we in the city of Quebec have been asking for station terminal accommodation from the Canadian National Railways, and at one period of our existence, thinking that we might obtain some favour from the government if we gave them something, we handed over to the railway property worth $2,000,000.

Mr. LAVIGUEUR: No, $5,000,000.

Mr. POWER: My hon. friend was mayor of the city of Quebec at the time, and he should know. We handed that amount over to the Canadian National Railways on condition that they would give us something in return. But not only did we receive nothing in return, but the Canadian National Railways instead of building a station, rented accommodation from the Canadian Pacific Railway Company in Quebec. At the present time the Canadian government railway is paying something like half a million dollars a year to the Canadian Pacific Railway in order that Canadian National trains may run into the city of Quebec, in spite of the fact that a site for the building of the station has already been given to the railway by the city of Quebec itself in order that proper terminal facilities should be built. We naturally think that the Canadian National Railways, before seeking such an enormous sum for Toronto, should show some consideration for the smaller communities in this country, and we think that a small community like Quebec, though possibly it does not produce such returns to the Dominion as other larger communities, should at any rate receive reasonable accommodation and get something in the way of a station and terminal facilties of which the country need not be ashamed. I do not wish to stress the point with reference to Montreal, because I see my hon. friend from St. Lawrence-St. George in his seat, and to my knowledge he has never missed an opportunity of setting before parliament and the country the claims of the city which is distinguished by having him as its representative, and when the proper time comes, I am sure that he will see to it that that rat-trap which is called Bonaventure station is torn down and a proper station built in the metropolis of Canada. It would perhaps have been well for his own sake and the sake of his city if he had had a measure of that kind tacked on to the bill which is now before us. He might have had more chance of getting it through—not that I wish to make any insinuation about what is called in the United States logrolling—

Mr. CAHAN: We are casting our bread on the waters now, expecting a return later.

Mr. POWER: Does my hon. friend expect any gratitude in politics? If so, I am surprised that he should still retain after so long a political experience some of the illusions of his youth. So far as I am concerned I should like him to see to it, whenever he wants anything for Montreal, that it is tacked on to something else, though not to something for Quebec. Of course we have always believed that anything that benefits Montreal benefits Canada, and we have always said so, though perhaps not out loud. Now, Mr. Chairman, I did not desire to take up so much of the time of the committee.

Mr. RYCKMAN: Elaborate further your love for Toronto.

Mr. POWER: On a previous occasion when this matter was discussed I said it was a good thing that Toronto should be beautified, at least on the exterior, that it would be of advantage to the Dominion for strangers to find Toronto a beautiful city. If they do not remain there very long, so much the better for the reputation of the city. I hope the minister and the members for Toronto will take my observations in good part—especially the latter, for whom I have such an undying love. I hope that on some other occasion they will not forget the remarks made by the hon. member for St. Lawrence-St. George, but live in hopes that some day one good turn will deserve another. If I do not strenuously oppose this measure, but simply call the attention of the minister to the fact that other communities throughout the Dominion are really in need of government assistance, and ask him to cast his benign glance on the district from which I come, then I think I shall have done my duty to my country and to the constituency which I represent.

Mr. LAVIGUEUR: I think the hon. member for Quebec South (Mr. Power) overlooked the fact that we have a Canadian National Railway terminal station in Quebec city. It was erected on the very valuable property known as the Champlain market site on the harbour frontage, which was handed over to the railway by the city of Quebec. This station was built two years ago at the enormous cost of $25,000! In 1910 under the agreement then entered into between the Canadian Natioanal Railways, the government and the city of Quebec, it was arranged to build a station at a cost of two million dollars. Tenders were called, and contracts were let. Then in 1911 came a change of government, and all those plans, which had been prepared by railway, steamship and other experts, were set aside, and this little $25,000 station was substituted for the two million dollar structure. To-day the Canadian National Railways system brings passengers into Quebec and hands them over to the Canadian Pacific Railway hotel. Year after year we have been asking for the terminal facilities that were promised us, but without success. I think that Sir Henry Thornton, who seems to have so much time to spare, should give more attention to the rightful demands of the city of Quebec and remedy the very unsatisfactory situation which we now have to endure.

Mr. CHURCH: Might I say, Mr. Chairman, that this is a triplicate agreement to build the Toronto viaduct at a cost of thirty-three million dollars, of which the Canadian Pacific Railway, the Canadian National Railways and the city each bear a third. All the works ancillary to the viaduct are to be paid for by each of the parties. Recently Sir Henry Thornton told a committee of this house that the central regional area of the Canadian National Railways yields about 75 per cent of the whole revenue of the system. The Laurier administration took $122,000,000 credit and $23,000,000 cash out of the old Grand Trunk in the central region and put it into Quebec to build the Grand Trunk Pacific.

Mr. DUNNING: I do not want to encourage any sectional discussion as to where the revenues of the Canadian National Railways come from and where they are expended. I do not think either the management or parliament would desire the system to be run on that basis, but rather on the basis of rendering the best possible service to the country as a whole. With regard to my statement which the hon. member for Quebec South described as "bold and brazen", it does happen to be the truth. Whether or not the condition is similar to the condition in respect of Quebec harbour, which was dealt with yesterday by my hon. friend the Minister of Marine and Fisheries, is neither here nor there. But it is a fact with respect to our large terminals, more especially Toronto and Montreal—there are others—that our two railway systems are facing in the not distant future tremendous expenditures on improved facilities, expenditures which cannot in the nature of things increase the revenues of the railways at all proportionately. Reference was made by the member for Quebec South to what he described as the "rat-trap" Bonaventure station at Montreal. I say quite frankly that I do not know of any city of the size of Montreal with railway terminal conditions at all comparable with those now ex-

isting there so far as the Canadian National is concerned. The Canadian Pacific conditions in Montreal are of course considerably better; but it is well known that the Canadian National conditions are very bad indeed. Due to the merging of the former government line, the former Canadian Northern line and the former Grand Trunk line, we have a very difficult situation indeed in Montreal which will cost a great deal of money to take care of, involving an investment which, I repeat, cannot produce an increased revenue in proportion. Such investments do however tend to reduce expenditure in operating along some lines, but even in that connection it is too much for this parliament to hope that the large expenditure which will be necessary in these congested terminals will represent a revenue at all proportionate to the outlay. Even a considerable contributory factor cannot be looked for. The expenditures must be made, both from the point of view of public safety and of giving service to the public. The entrance to the city of Montreal over the Canadian National lines at the present time, as is well known, with its number of level crossings, gates and so forth, is a constant source of danger. That condition has to be faced on every railway system wherever there is a quickly growing centre of considerable size. In Toronto we have got along very far with the work. And it has been expensive work. It will not tend to increase the revenues of the railway; in some measure it may tend to reduce expenses of operation, although not in any very great measure even in that direction. We have the Montreal problem to face, and the Quebec problem is of a slightly different character, as the city is not of such great size, and the terminal is not so congested. But there again we have another problem. In the cities of Ontario and in the west, to a greater or lesser degree, we have this terminal problem to deal with, and during the next ten or fifteen years at the outside it will be necessary for the railways of Canada, not only the Canadian National, to face the question of relatively unremunerative expenditures on improved terminal facilities.

Mr. BOYS: I have no desire to prolong the discussion, but there is one point which it might be advisable to make clear. It seems to me there is a misapprehension, either imaginary or real, on the part of my hon. friend from Quebec-Montmorency (Mr. Lavigueur) regarding this bill. One would imagine from what he has said that the city of Toronto was receiving in this connection a grant or gift or loan, with or without interest, or something of that sort. He shakes his head; if I am wrong I shall be glad to withdraw the suggestion. But when he discusses this question in connection with Quebec and evinces what seems to be a desire to get back a little bit at some of the discussion that took place yesterday and the day before, it does give me the impression that he is under a misapprehension. The city of Toronto as a municipality is getting nothing whatever out of this legislation in any shape or form. This is nothing more than an authorization from parliament to enable the Canadian National Railways to issue bonds for the sum of money in question in order that they themselves may carry on their undertaking in that city. Whether the stand some of us took regarding Quebec was right or wrong, this matter certainly is not in any shape or form a parallel with the Quebec harbour resolution. The whole of the Canadian National Railways will become responsible for the repayment of these bonds when they are issued.

Mr. DUSSAULT (Translation): Mr. Chairman, when I shall next meet my constituents, they will certainly ask me to explain the vote that I shall cast to-day. We are asked to vote $10,500,000 to the Canadian National for improvements to the station at Toronto. Each time that the least thing is asked for my county, even if its is simply a spot where our farmers can sit down and relieve themselves of their parcels while awaiting the train, we are told: if you can guarantee us some return we shall accede to your request. Will there really be, in the present case, an increase in earnings which, even in the first year, will pay the interest and a portion of the sinking fund on the amount we are asked to vote? You are aware, Sir, that such will not be the case. The hon. Minister of Railways (Mr. Dunning) told us a few moments ago that this could not be.

When the house was discussing, yesterday, a loan to the Quebec Harbour Commission, we were told: Gentlemen, you have not paid any interest, nor have you a sinking fund for your prior loans. These gentlemen, Sir, sitting on your left were shocked and asked for a special committee to investigate the matter. Why do they not ask for a special committee, to-day, to inquire if really the amount asked for will bear interst the very first year.

May I ask the hon. Minister of Railways if he can point out, in the Province of Quebec, one single railway station which is in keeping with the earnings to which we con-

tribute each year, to the National Railways? We contribute each year to the surpluses of the National Railway. The sections of the railway which give the best returns are those of Montreal to Levis and Levis to Campbellton; and there is not in Montreal, Levis and Campbellton or between these places, a single station where those from Toronto, who to-day are asking for $10,500,000, would walk in without making a great fuss and expressing the views that the people of Quebec are not civilized. If we are not civilized, it is because we allowed these people to extract from the budget millions of dollars; this must cease. They are shocked when $8,000,000 is requested for the Quebec port, yet each year we vote $8,000,000, $10,000,000 or $15,000,000 to accommodate them. They are not shocked when they receive these amounts, yet they pay no interest. These sums are voted simply to embellish their city. Their city is really the Queen city—but it is so at our expense.

When I shall again come before my constituents, they will ask: Who are those who opposed the vote of $8.000,000 which Quebec requested for its harbour? Members from Ontario. We noticed that not one member from the maritime provinces rose to protest against the Quebec bill. Why? Because to-morrow or the day after the house will be asked to vote $5,000,000 and $500,000 for the maritime provinces. Those who are asking us, to-day, $10,500,000 were asked yesterday to tell the house that Quebec was claiming $8,000,000 and that no interest was guaranteed.

Now, we are asked to vote $10,500,000 without any earnings being guaranteed.

I think the Minister of Railways' adviser is presuming too much. Each year through the intervention of this adviser the house is asked to vote $40,000,000 or $50,000,000. He seems to have so little difficulty in having these enormous sums voted that he takes everything for granted and pockets all the credit, very little does he think of us who voted those amounts. The 61 Liberal members for Quebec, each year vote large sums to build lines in the west, yet on every occasion these gentlemen hailing from the west vote against all expenditure which might benefit us. For instance, we never opposed the construction of railways in Ontario.

When the minister brings down his estimates, we are agreeable to do everything possible to preserve in this country the "bonne entente;" if this confederation must in reality be a confederation, we from Quebec must do our share, as those from other parts should do theirs. However, when the time comes to vote money for Quebec, all sorts of objections crop up: that we cannot meet our interest on such and such an enterprise, we cannot show any compensation for the money voted. From all angles a plea is sought to deny our just claims. At present, we are asked to open up the Peace river region. For that purpose, the house is requested to vote millions; yet in our province, to-day, the railways cannot give us the service which we need and to which we are entitled. Why open up new regions, if you cannot give service to the parts that are already settled? We are the first settlers of this colony, we should be the first to get service. Was it not in our province that, in 1608, Champlain founded his colony? Is that not the place where civilized people first settled in this country? We have not one single suitable station in the province of Quebec, yet we are asked to vote $10,500,000 to build a station for people who came to settle in our country a hundred years after us. Do you think that is fair treatment? However, I must cast my vote for such a measure, because I feel that there would be no living in this country without harmony. Yes, these Toronto gentlemen will tell us in their speeches of "bonne entente," at banquets that they are our best friends; our feelings towards them are equally as good. Our vote on the present measure will say: Gentlemen, do not spend your money in making speeches to us on the "bonne entente," but when you are alone at home, whether you are members from Toronto or other Ontario ridings, instead of losing your time in preparing speeches, try and convince one another that if you seek favours from Quebec, you must also be generous towards them. Quebec will never claim more than its due.

Mr. SYLVESTRE: Mr. Chairman, I read in the Ottawa Journal yesterday that the Quebec members had been dumb this year. After all we have heard in English from hon. gentlemen across the way about the love they have for Quebec, I think this is a good opportunity to reciprocate in French, and tell the committee about the love of Quebec for Toronto.

(Translation): Mr. Chairman, this is certainly a special opportunity for us, members of the rural districts, to discuss the question of railway stations. I wish to assure the house that our feelings, like those of the hon. members for Ontario who spoke yesterday, are of the best.

We do not wish to criticize the amount which it is proposed to grant Toronto for the

embellishment of its station, however there is one thing which must be borne in mind: there also exists beside large towns, small centres which deserve consideration. In our Chicoutimi and Lake St John districts, located on the other side of the Laurentian hills, the only means of communication we have is the national railway. Some years ago, the city of Quebec and the provincial government made quite a considerable grant to the Lake St. John railway to further its expansion and give us suitable stations. Now what strikes us on our arrival at Quebec, at the station known as that of Parent square? There is not a shed, there is not a station site throughout the whole system of the national railway, from ocean to ocean, which can compare in ugliness and discomforts with this station The same may be said on our arrival in Montreal, at the station known as the Moreau station. The Bonaventure station is a palace compared with the Moreau street station, where there is not even a suitable waiting room, and where in winter the wind not only penetrates through the windows but also through the walls, to the great discomfort of the travelling public. We should be treated in a more decent manner, because of all the lines of the Canadian National, there is not one which equals the Chicoutimi, Lake St. John, Montreal and Quebec line, in volume of both passenger and freight traffic. The mills erected within the last few years ship by the means of this railway thousands and thousands of tons of freight, and the travelling public which congregate there from all parts of Canada, when getting off at a station, find only sheds. And as just stated by the hon. member for Levis (Mr. Dussault), when we ask for improvements, we are answered: the traffic and returns do not justify such a step. The amount which it is proposed to grant for the Toronto station, even the half of it would allow us to have suitable stations from one end to the other of the railway in the districts which I have just mentioned. It is more than time to grant us the improvements which have been asked for ever so long. It is not only a question of comfort but also one of public safety and hygiene. It is most discouraging to observe the condition of stations especially between Quebec and Chicoutimi. The length of trains has increased considerably, within the last few years, with the result that platforms have become too short; people are forced to alight from trains at some distance from the platform, in the mud or dirt. Accidents have even happened owing to this state of things. The same condition exists as regards the cars themselves. I acknowledge and I am aware that the railway company has certainly made considerable improvements, however in view of the expenditure which we are making for other localities, for the embellishment of large towns and especially for that of Toronto, we are entitled to request not things of a decorative nature, but decent improvements. I therefore take the opportunity to repeat my request to the hon. Minister of Railways, so that he may insist, with his advisers as well as with the President of the National Railways, that urgent improvements be carried out from one end to the other of our line. I am not criticizing what is being done elsewhere but I am simply asking that a small portion of the enormous sums spent elsewhere be granted to us.

Sir EUGENE FISET: When this estimate was before the committee on railways and shipping I took the trouble to direct the attention of the chairman of the national system and his officials to the condition that existed on the railway in the lower part of the province of Quebec, the condition of our railway platforms and of our stations; and I even went as far as to say that that part of the eastern division was, as we say down there, the "orphan' section. I took occasion also to direct the attention of the officials of the Canadian National Railway to the quite apparent discrimination that existed as between the treatment accorded to the eastern division on the one hand and to the remainder of the system on the other. Personally I have no objection whatever to the proposed expenditure for Toronto; but, sir, it seems to me that in justice to our own section of the country it would be advisable for the minister, if he could do so, to vouchsafe us an inkling as to what is going to be done to remodel the station at Quebec, to say nothing of stations elsewhere. I understand there is an agreement between the Canadian Pacific and the Canadian National as to the use of what is called the central station at Quebec. I also understand that a tentative program has been prepared by the officials of the national railway to provide adequate station accommodation. I should like to know if the management of the system intend to submit this program to the committee on railways and shipping at its next meeting, or later on when the estimates for the system are being considered. In the second place I should like to know if it is the intention of the management to treat the eastern section as really a part of the system. We are afraid that owing to the deficit on the eastern section being made good by parliament, the management are disinclined to undertake any expenditures whatever in connection with that section. I do hope that these matters will be brought

to the attention of the manager of the system and that by inaugurating improvements he will make it manifest that we are entitled to consideration notwithstanding the fact that parliament has to make good any deficit on the eastern division.

Mr. DUNNING: Plans for station accommodation in Quebec have been under the consideration of the management for some time past. As to whether definite conclusions have been reached, I cannot say from memory. I can, however, say that my hon. friend and the hon. member for Quebec South (Mr. Power) are both members of the committee on national railways and shipping, and therefore can obtain any information from the officials before that committee with respect to station plans anywhere. I know my hon. friend will take advantage of his opportunity in that regard.

As to the general question of the eastern line, I may say that I have not found the management backward at all in making the necessary expenditures in that region since the Maritime Rates Act came into force. As a matter of fact I rather fear consequences opposite to those feared by my hon. friend. Very naturally when those managing a railway are aware of the fact that any deficit in operation will be borne from the national treasury instead of charged against the system they are not likely to be more miserly, shall I say, than they would be if deficits were charged to the system treasury instead of being voted by parliament as the Maritime Rates Act contemplates. I think my hon. friend is very capable of looking after the necessities of his own section, especially as now, in consequence of an act which passed this house a few days ago, he will have an opportunity, in regard to matters of maintenance and otherwise, to go to the railway commission and get an order from that body the same as is possible in the case of railways in other parts of the country.

I did not catch the remarks of the hon member for Lake St. John (Mr. Sylvestre) in their entirety, owing to my non-familiarity with the French language, but I gathered that he is calling attention to the lack of decent station accommodation in the province of Quebec.

Mr. SYLVESTRE: Especially in the province of Quebec.

Mr. DUNNING: As regards Canada generally there are very few cities where first class terminal railway accommodation exists. The terminal facilities at Toronto are not yet completed, and speaking offhand I cannot think of any city, outside of Winnipeg, on the Canadian National, where it may be said that the terminal conditions are reasonably adequate. At Winnipeg, owing to the tremendous volume of grain needing to be handled, action with respect to terminal facilities was expedited. I think it may be said from the point of view of adequacy that the Winnipeg terminals, which were undertaken before the Canadian National came into being, are possibly the most up to date; but otherwise—and it is true not only of the province of Quebec but of every other province in the Dominion—we have not yet established what would be regarded in other countries as the type of terminal facilities required for great cities; we have been too busy stretching out in order to serve the country generally. Nor have we yet done very much in the way of providing what may be described as the frills of a railroad. Indeed it may be some years yet before we are able to meet that condition satisfactorily.

Mr. LAVIGUEUR: The minister stated a few minutes ago that the provision of terminals in other cities, especially in Montreal and Quebec, would have to be considered in the near future. He also stated that an enormous amount of money had been spent in the city of Toronto and that the work is not yet completed. He might have said that this expenditure runs into hundreds of millions when the waterfront of Toronto is taken into account.

Mr. GEARY: We have built a new city hall too, don't forget that.

Mr. LAVIGUEUR: If I may be permitted I would suggest that this matter be allowed to stand until it has been investigated by a special committee.

Mr. CHURCH: The hon. member has spoken of the expenditure of hundreds of millions of dollars in Toronto when the cost of the viaduct will only be $33,000,000.

Mr. LAVIGUEUR: But I was referring also to the enormous sums expended on the waterfront at Toronto which, of course, came from the national treasury.

Mr. GEARY: The hon. gentleman is having recourse to poetic licence.

Mr. LAVIGUEUR: I do not think there is any reason for urgency in this matter. It can well stand over until it has been investigated. There should not be any greater hurry to vote this amount of money than there was when we were asked to vote money for the Quebec harbour, in connection with which the suggestion was made that the matter be investigated by a committee of the house.

Mr. DUNNING: This matter has been investigated by a committee.

Mr. LAVIGUEUR: Yes, but I should like to see more than that. I should like to see the matter investigated by a special committee which should be given power to inquire into the question of terminals in Montreal, Quebec and other large cities as well as Toronto. My fear is that after the $33,000,000 have been granted and spent in Toronto, when we come to ask for reasonable terminal improvements in other cities, parliament and the railway authorities may say to us: We have spent so much money in Toronto that we shall have to let this matter stand for some time. The result will be that the city of Quebec, which has been waiting so long to get justice, will, as usual, again have to wait for the good will of parliament and of the railway authorities in the matter of getting some kind of decent railway facilities. I suggest to the minister and the committee that this matter should stand and that a special committee be appointed to consider the advisability of granting a reasonable amount of money for railway terminals in the other large cities I have mentioned as well as in Toronto.

Mr. LAFLAMME (Translation): Mr. Chairman, I have but a few words to add as I do not wish to delay any further the committee. As the hon. member for Lake St. John (Mr. Sylvestre), mentioned a short while ago, in answer to the Ottawa Journal which intimated that less French speeches are heard this year than in previous sessions, I wish to state that if we do not make use oftener of our mother tongue, it is because the majority of members in the House cannot follow us.

I wish to support the hon. member for Rimouski (Sir Eugene Fiset), who a short while ago told us of the difficulties encountered in the eastern portion of our province in obtaining necessary improvements in the way of fences and ditches. Personally, since I have the honour of representing the riding of Montmagny, I have had great difficulty in obtaining work of that nature. I must congratulate the hon. Minister of Railways (Mr. Dunning), for having so smoothed the way as to enable us now to apply to the Railway Commission in order to obtain these improvements, instead of applying to the board of management of railways, as it has been the practice heretofore, without the slightest chance of success. The present bill under discussion requests that we should vote $10,500,000 to build a station at Toronto. Quite so, but if the city of Toronto wishes this embellishment, I think that its contribution should be greater. After all, this is in the interest of the city of Toronto; the object, if I am not mistaken, is to lessen accidents and so forth. If the government is to help in the embellishment of Toronto, I think that this city should itself contribute more effectively.

While we are on the subject of stations, I wish to tell the committee that there are still in my riding two stations which are not provided with electric lights. It strikes me that in the year 1928, there should not exist any stations lighted by lamps; it is certainly not very satisfactory for the travelling public. This goes to show that we are entirely deprived of modern improvements which, after all, are not more costly than the old methods of lighting. It cannot be gainsaid that this part of the national railway, which in the past was known by the name of Intercolonial, is the most paying portion of our railways. For the last few years it is with the profits realized on this portion of the national railways that the board of directors has been able to meet the deficits of the other parts of the system. It seems to me that if the traffic is sufficiently large to realize such considerable profits, this section of the national system should be treated as fairly as other parts of the Dominion. If the sections of the national railways to the east of Sainte-Rosalie, Levis and Quebec are the most paying ones, we certainly have a right to request equal treatment with the other parts of the national system. It is our duty while discussing this bill, to draw the attention of the hon. Minister of Railways to the existing conditions in this part of the province of Quebec, in order that he may advise the management of the national railways to grant us what we request simply because it is fair to do so.

Mr. DUSSAULT (Translation): Mr. Chairman, since it is a question of an expenditure of $10,500,000, and the earnings which may be derived from such an investment, would it not be possible to obtain from the hon. Minister of Railways, a statement of returns and expenditure for the various sections of the Canadian National Railways. We maintain that the two sections from Montreal to Levis, and Levis to Campbellton, are the best paying sections of the national railway system, but we have never been able to obtain from the management of the national railways the statements which would allow us to establish before this house the financial situation as it exists in regard to net profits in the various sections. This is very detrimental to us.

To-morrow the western members will ask this house to vote them money for branch

lines, when the main line in their districts does not even pay any interest on the outlay of its construction. The main line in certain localities return but deficits, yet we are asked to vote $2,000,000, $3,000,000 and $4,000,000 to further build branch lines, and we comply. We vote those amounts because we do not really know what are the various sections in this country that are responsible for the surpluses or deficits of our railways. We are asked $10,500,000 for improvements in the city of Toronto. Does the management of the various railway sections around Toronto show surpluses or deficits? We are anxious to know. We are asked to vote this amount, while on the other hand we are told by the Minister of Railways that this expenditure of $10,500,000 will produce no further earnings and will only be for the embellishment of the city. Must we vote such amounts for the embellishment of the city of Toronto?

If the city of Montreal has been able to earn such good returns heretofore with the only station of Bonaventure, I wonder why Toronto cannot wait ten years more with the present station which is a much better one than that of the national railways at Montreal. Unless we get further explanations. I do not think that the house can vote this amount.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

THE CANADIAN CREDIT INSTITUTE

The house in committee on Bill No. 49, to incorporate the Canadian Credit Institute—Mr. Thorson—Mr. Johnston in the chair.

Sections 1 to 7 inclusive agreed to.

On section 8—administration of the institute.

Mr. CHURCH: May I ask the promoter of this bill how it comes to this parliament? I think it is purely a provincial matter and should go to the provincial legislature.

Mr. THORSON: The bill was thoroughly discussed in the private bills committee, and it passed that committee without any controversy save for one or two very slight amendments. The purpose of the bill is set forth in clause 2:

The objects and powers of the institute shall be:

(1) To organize, promote, operate and control a national institute of credit men and to examine into and improve conditions relating to the work of credit men throughout Canada.

Then it goes on to specify the manner in which those objects shall be accomplished.

The idea behind the bill briefly is this, that it is desirable now to have uniformity in the standards, and to improve the standards, of credit men who are engaged by commercial houses throughout Canada. Formerly, every man who was engaged in business knew his customers personally, and knew the extent of credit that he might safely afford to them, but that time is now past. Our business houses to-day are engaged in business the ramifications of which extend from one end of Canada to the other, and it is impossible for the proprietors of them to know personally their customers and the amount of credit that may safely be extended to them. In addition, much of the business of Canada is now being conducted by corporations, and the business of many of these corporations is not confined to a particular part of the country but extends throughout the various provinces. In order that a man may be assured that the credit department of his business is being properly run, it is desirable to have some sort of institute at which credit men can be properly trained, and being so trained can get from the institute a certificate that they are thoroughly familiar with credit matters. The purpose, therefore, is to set up a Canadian institute of credit men which shall have power to set examinations and grant certificates to the members who have qualified. The business men of this country who are seeking a competent credit man can then have some degree of assurance that they are getting a qualified man from the fact that he has become a member of the Canadian credit institute.

The jurisdiction of this parliament to incorporate an institute of this sort is, I think, entirely beyond dispute. There will be nothing to prevent provincial legislatures from incorporating provincial credit institutes. The Dominion of Canada has already incorporated similar associations—the Dominion association of chartered accountants, for instance, which was organized in 1902 along similar lines to those proposed here. Similar legislation was passed in 1913 with regard to general accountants, and later with regard to stationary engineers, and so on. I think that answers the question of my hon. friend.

Section agreed to.

Sections 9 and 10 agreed to.

On section 11—Suspension and expulsion.

The CHAIRMAN: Clause 11 has been amended by inserting in the 17th line after the word "writing" the following:

After reasonable notice in writing to the person against whom the complaint is made

And in the 18th line the word "the" is inserted between the words "into" and "same".

Amendment agreed to.

Section as amended agreed to.

Section 12 agreed to.

On section 13—Right to use designations.

The CHAIRMAN: This section is amended by inserting in the 29th line after the word "use" the words "in Canada".

Amendment agreed to.

Section as amended agreed to.

Section 14 agreed to.

Bill reported, read the third time and passed.

UNITED THEOLOGICAL COLLEGE, MONTREAL

The house in committee on Bill No. 50 to incorporate the United Theological College, Montreal—Mr. Cahan—Mr. Johnston in the chair.

On section 1—Incorporation.

The CHAIRMAN: In this section the word "hereinafter" in the 17th line has been struck out, and the words "in this act" substituted.

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

On section 3—General powers.

The CHAIRMAN: The words in lines 30, 31 and 32 on page 1, and the words in lines 1 and 2, up to the word "corporation" have been struck out and the following substituted:

otherwise dispose of and alienate so much of such real estate in Canada, not held by way of security, which it shall not have used within ten years after its acquisition, or within ten years after ceasing to use the same, as the case may be;

Amendment agreed to.

Section as amended agreed to.

Sections 4 to 9 inclusive agreed to.

On section 10—Conferring degrees.

The CHAIRMAN: This section has been amended by striking out the following words in the 28th and 29th lines: "and in any other subjects which may be included in its curricula," and the following substituted:

It may also confer degrees in any other cognate subjects which may be included in the curricula, provided that if McGill University grants degrees in such cognate subjects its consent to the granting of such degrees must be first obtained.

Amendment agreed to.

Section as amended agreed to.

Sections 11 to 21 inclusive agreed to.

Bill reported, read the third time and passed.

NORTHWEST CANADA CONFERENCE EVANGELICAL CHURCH

The house in committee on Bill No. 68 to incorporate the Northwest Canada Conference Evangelical Church—Mr. Brown—Mr. Johnston in the chair.

Sections 1 to 8 inclusive agreed to.

On section 9—Investment of funds.

The CHAIRMAN: In this section, subsection (b) has been struck out.

Amendment agreed to.

Section as amended agreed to.

Sections 10 to 12 inclusive agreed to.

On section 13—Limit of time for holding unused real estate.

The CHAIRMAN: The word "and" in the 31st line of this section has been struck out and the word "or" substituted.

Amendment agreed to.

Section as amended agreed to.

Sections 14 to 17 inclusive agreed to.

Bill reported, read the third time and passed.

CANADIAN CINCH ANCHORING SYSTEMS, LTD. PATENT

The house in committee on Bill No. 18 respecting a certain patent owned by Canadian Cinch Anchoring Systems, Limited—Mr. Jacobs—Mr. Johnston in the chair.

Bill reported, read the third time and passed.

PRIVATE BILLS—CONSIDERED IN COMMITTEE—PROCEDURE IN DIVORCE BILLS

The CHAIRMAN: There are a number of private bills beginning with No. 74. If it would serve the purpose of the committee,

time would be saved by having the first clause of Bill No. 74 read and taking the other bills as read. Is that the wish of the committee?

Some hon. MEMBERS: No.

Mr. WOODSWORTH: This afternoon I rose to protest against this procedure, and I do so again on principle. I have no immediate concern with any one of these bills, but I am decidedly interested in seeing that something be done to remove what I regard as a standing disgrace to this house. Steadily through the years this practice has become more and more objectionable and to-day hundreds of divorce bills are coming before parliament. I do not see any other way of calling the attention of the house to this abuse than by objecting to such a procedure as this.

The CHAIRMAN: If the hon. member objects the rule may not be suspended without unanimous consent, and we shall have to take the bills one by one. Do I understand that the hon. member objects?

Mr. WOODSWORTH: Yes. I object to this procedure for the reasons I have given.

Mr. STEWART (Edmonton): I understood the hon. gentleman to object merely to the procedure, but he knows perfectly well that these bills are carefully examined by a committee of the senate and the evidence taken. Everything possible is done to safeguard the interests of the parties applying for divorce. It has not been the practice of the House of Commons to go to that extent, but inasmuch as these bills require validation by this house we have accepted the work of the senate committee in ascertaining the facts. The mere fact that my hon. friend thinks there should be a divorce court in Ontario should not affect the consideration of these bills. I have no quarrel with his view; I agree with him thoroughly in that respect, as to a court where these matters could be tried. But I do think that to delay the work of this house by an examination of these cases in detail—if that is the idea—is hardly necessary as a means of safeguarding the interests of those concerned.

Mr. WOODSWORTH: May I ask, then, whether the government is prepared to afford facilities for the discussion in this house at this session of a bill regarding the divorce court?

Mr. STEWART (Edmonton): The government has no desire in the world to thwart the discussion of any bill; that is not the object in view. The government is perfectly willing that there should be the fullest discussion of matters of this kind. But to pick out any particular measure for discussion at length, and to fix upon that one as a precedent, is a matter involving some difficulty.

[The Chairman.]

Mr. WOODSWORTH: I would call attention to the fact that this was done last year.

Mr. STEWART (Edmonton): I repeat, there is no desire to thwart the discussion of any measure of great public interest, such as a proposal with regard to the establishment of a divorce court in Ontario. Speaking for myself, I should be very glad to see the discussion take place on the bill which deals with that matter.

Mr. EDWARDS (Frontenac): What progress has been made with the bill before the senate, the object of which is to establish a divorce court in Otario? Will that bill come before this house at this session?

Mr. CANNON: It is before the house now.

Mr. EDWARDS (Frontenac): When it comes before the house I presume my hon. friend (Mr. Woodsworth) and the rest of us will have an opportunity to discuss this point.

The CHAIRMAN: I must point out that at the moment there is nothing before the committee and this discussion therefore is out of order.

Mr. STEWART (Edmonton): I was hoping that my hon. friend would not press his objection.

Mr. McGIBBON: Possibly there is some merit in what the hon. member for Winnipeg North Centre (Mr. Woodsworth) has said, and if a special committee were appointed consisting, say, of the hon. member for Winnipeg North Centre, the hon. member for Lisgar (Mr. Brown) and the hon. member for Nelson (Mr. Bird) to deal with the matter, it might result in something.

Mr. DUNNING: It would appear, Mr. Chairman, that we can make better progress by discussing the bills individually. If there is an objection to taking them en bloc we may as well proceed with them individually; it would save time.

Mr. CAHAN: Order No. 34, Bill No. 27, letter A of the senate, which is the measure respecting the proposed divorce court in Ontario, cannot come before the house during this session unless the government is prepared to facilitate its discussion. The position taken by the hon. member for Winnipeg North Centre is—

The CHAIRMAN: I regret having to interrupt the hon. member, but I would point out that we have a considerable bulk of bills before us and we are losing valuable time.

Mr. CAHAN: You are liable to lose very much more time.

The CHAIRMAN: There is nothing before the committee and therefore the discussion is out of order.

Mr. CAHAN: I will move, then, that we take the bills one by one. Speaking to that motion, I wish to say—

Mr. DUNNING: On a point of order, I must point out that there is no necessity for such a motion inasmuch as it merely proposes to adopt what is the regular procedure of the committee. A motion would be necessary to do otherwise than what my hon. friend is proposing.

The CHAIRMAN: Under the circumstances, I will call the first bill, No. 74.

DOROTHY ESTELLE MCCUTCHEON

Bill No. 74, for the relief of Dorothy Estelle McCutcheon.—Mr. Casselman.

On section 1—Marriage dissolved.

Mr. CAHAN: On this motion I wish to say this. I think I appreciate the temper of this house so far as this question is concerned. Bill No. 27 from the senate proposes the establishment of a court in the province of Ontario for the consideration of divorce cases. That bill came from the senate during the last session but made no progress in this house. It is before the house at the present time and again it is making no progress, and the temper of this house—at any rate of a considerable number of hon. members—is that these senate bills shall be discussed one by one, if it takes weeks, in order to force some understanding as to what is to be done with that bill. It seems to me therefore that it would facilitate the discussion of these matters if we could have some undertaking on the part of the government—

The CHAIRMAN: I hesitate to interrupt the hon. member, but he must know, from his experience in parliament, that he is not in order at the present moment in discussing any measure under public bills and orders. Just now we are considering private bills.

Mr. CAHAN: I am not discussing anything under public bills and orders. In the consideration of this particular bill before us I am simply pointing out that the opposition is not to the bill itself. But there is a feeling in the house—and I have heard a considerable number discussing the matter from time to time—that these bills should not be facilitated in any way unless there is to be an understanding regarding senate bill No. 27.

Mr. IRVINE: Who is sponsoring this bill?

The CHAIRMAN: The hon. member for Grenville-Dundas (Mr. Casselman).

Mr. IRVINE: I would like to ask the sponsor of the bill to tell the committee the original cause of the trouble in this family. This is a very important question indeed; we are asked to vote on a bill which is going to break up a home, so I would like to know the full details in order that I may be able to vote intelligently. I insist that the sponsor of the bill give us some details; we do not know the evidence which was given before the senate committee and there are a lot of things I would like to know about the bill. I want to know the original cause of the trouble from the beginning to the climax.

The CHAIRMAN: Shall section 1 carry?

Mr. WOODSWORTH: No, Mr. Chairman. I object to being a rubber stamp, and I desire to have the sponsor of this bill give us some information, as would be done with any other bill. We have not had an opportunity to discuss the bill, and if we are to act reasonably I think we should have that information.

The CHAIRMAN: I may say that this bill, together with the others, has been before the private bills committee, and it is customary to accept bills coming from that committee. The sponsor of this bill is not in the house at the moment.

Mr. WOODSWORTH: Then I would ask that the bill stand until the sponsor is here.

The CHAIRMAN: Is it the desire of the committee that this bill shall stand?

Some hon. MEMBERS: No.

Mr. EDWARDS (Frontenac): I do not think my hon. friend can be really serious; I cannot believe that he wants this house to listen to all the evidence taken in each of these divorce cases. I quite agree that Dorothy Estelle McCutcheon should have been able to appeal to an Ontario divorce court rather than to the Senate of Canada in order to get the relief given by this bill, and that Adelaide Marie Moore should have had the same opportunity. That is a point which we should like to discuss, but if those hon. members in whose names these bills stand have

to give a summary of the evidence given before the senate divorce committee, I must say they have my profound sympathy in their task. It will challenge all their tact and ability to present that evidence in such a way as we could listen to it, and in such a way as those in the galleries could listen to it. Really I cannot think the hon. member is serious in wanting that evidence gone over in this house; I do not think any good purpose would be served by so doing. The question of an Ontario divorce court has come up time and again; it was passed upon by the senate this year. The government should recognize the wish of the people to have such a court established in Ontario, and we should have an opportunity to discuss that question.

Mr. WOODSWORTH: If the hon. member for Frontenac is really very much afraid of the evidence which might be brought forth I am quite willing to move that the galleries be cleared in order that we may hear the evidence.

The CHAIRMAN: Is it the desire of the committee that bill No. 74 shall stand?

Some hon. MEMBERS: No.

Sir GEORGE PERLEY: I would like to say one word to my hon. friend. I believe every member of this house thinks we should discuss this question of the establishment of a divorce court in Ontario, and it should be discussed very seriously. It is true that the bill which came from the senate was passed by that body early in the session, but it has been sponsored here by a private member and therefore appears under public bills. At the same time it must be remembered that the evidence in this case and in all these cases has been printed and distributed to all the members of this house, and if my hon. friend wants to go over that evidence he is at liberty to do so. My own feeling is that the senate goes into these matters very carefully, and it never has been the custom in this house to go into them unless some particular case about which there is trouble is brought up for discussion. Our system here has been to accept the evidence taken before the senate committee and to accept the findings of that committee, because they go into these matters very carefully. It seems to me very hard on the people who have gone before the divorce committee and proved their case to have that bill gone into here again. I think we should carry out the suggestion made by the chairman and pass these bills as they have been brought down by the senate, unless there is some difficulty with some bill which a member of the house wishes particularly to discuss.

[Mr. J. W. Edwards.]

The CHAIRMAN: The question immediately before the committee is whether or not we shall proceed with this bill. All those in favour of proceeding with the consideration of Bill No. 74 will please say, Yea.

Mr. WOODSWORTH: I submit that even the Chair cannot proceed in this arbitrary manner to prevent discussion on a bill before the house.

The CHAIRMAN: There is no desire whatever to do that.

Mr. WOODSWORTH: It looks very much like it to me.

The CHAIRMAN: Bill No. 74 is before the committee at the moment. All those in favour of proceeding with consideration of Bill No. 74 will please say, Yea.

Mr. WOODSWORTH: The discussion is still going on.

Mr. DUNNING: Until it is decided whether or not we shall proceed with this bill nothing is before the committee. Once the question is decided my friend will be perfectly free to discuss the matter.

Mr. WOODSWORTH: The bill is before the committee.

Mr. DUNNING: The bill is not yet before the committee.

Mr. WOODSWORTH: Yes; we are discussing section 1, and we have a perfect right to discuss it as we have a right to discuss any other bill.

Mr. POWER: I rise to a point of order. The sponser of this bill is not in the house, so I suggest that we cannot proceed. I think this bill should stand and that we should take up the next bill.

The CHAIRMAN: I think my hon. friend is wrong in his position; the bill is before the committee and it is for the committee to say whether or not we shall proceed in the absence of the sponsor. If we decide that point we can proceed.

Mr. POWER: Then I would ask who moved that this bill be before the committee? It has been called, but someone has to move to bring it before the committee.

Some hon. MEMBERS: No.

The CHAIRMAN: The bill appeared on the order paper in the regular way; it is before the committee in the regular way at present, and it is for the committee to decide whether we should proceed with the consideration of the bill.

Mr. WOODSWORTH: I submit that that is an extraordinary position to take; if we are not to proceed with it the motion should be that we refuse to consider it.

The CHAIRMAN: I think my hon. friend is a little mixed in the procedure. We were considering the bill when he, or some of his friends, objected, and now it is for the committee to decide whether or not we will proceed. If the hon. gentleman would allow that question to be decided we would get somewhere.

Mr. WOODSWORTH: I do not think I am very much mixed in the procedure. The first section was called; we were discussing that section and we asked that before the bill be proceeded with the sponsor of the bill be here to give us some information. I think that is a reasonable request, and if he is not here the bill should stand until he comes.

The CHAIRMAN: I put the question to the committee whether or not we should proceed in the absence of the sponsor, and I took it that the committee wanted to proceed. I am now asking the committee to decide the point as to whether or not it is the desire of the committee to proceed to a consideration of Bill No. 74. All those in favour of proceeding with Bill No. 74 will kindly say, Yea.

Some hon. MEMBERS: Yea.

Some hon. MEMBERS: Nay.

The CHAIRMAN: I would ask hon. members to stand so that the clerk may count them.

And on the count being taken:

The CHAIRMAN: Yeas, 48; nays, 13. The committee has decided to proceed with the consideration of the bill. Section 1 has been called.

Mr. WOODSWORTH: I should like to know under what rule we proceed with this bill when its sponsor is not in the house.

The CHAIRMAN: I do not know that there is any rule in our rule book which says that the sponsor must be in the house. The committee has charge of its own work and it has decided to proceed with the bill.

Mr. POWER: I do not know whether the bill has been printed in French. If it has not I do not think we can consider it. I do not think the evidence has been printed in French, and that is another reason why we cannot proceed with the bill.

The CHAIRMAN: My hon. friend should have raised his objection before the second reading of the bill.

Section agreed to.

On section 2—Right to marry again.

Mr. IRVINE: In the absence of the sponsor of the bill I suggest that either the chairman of the private bills committee or the chairman of this committee should enlighten us as to what we are dividing on and what this clause proposes. I notice that the chairman of the private bills committee has just come in. I would ask him, in the absence of the sponsor of the bill, to tell us what the trouble is. We want to know what has happened in this particular case, and what caused the family disruption.

Mr. PARENT: My hon. friend informed the committee that I had just come in. Well, he cannot be surprised if I do not know what he is talking about.

Mr. IRVINE: The matter before the committee at the present time is a bill sent down to us from the senate, and which has been considered by the private bills committee. It is a bill for the relief of Dorothy Estelle McCutcheon. We want to know what the facts are so that we can give an intelligent vote. As there is nobody else here who is in a position to give us information, I direct to the chairman of the committee my question for enlightenment.

Mr. POWER: The discussion affords ground for the objection I made a few moments ago. That objection was not quite overruled because I did not make it in a formal way. I suggested also that the evidence was not printed in French. I cannot tell what the facts are unless I read the evidence in French. I have been told that matters of this kind appear much better in French than they do in English, and unless the evidence in this case is before us in French, I must make a formal objection to proceeding with the measure.

Mr. STEVENS: I have been a member of this house for eighteen years and during that time I have been opposed to the system of granting divorces through the medium of parliament. I have consistently refused on all occasions to take any part in the passing of a divorce bill. I have done that as consistently as any hon. members of the house who claim to be particularly prejudiced against this class of legislation. I agree in large measure with the view expressed by the member for Winnipeg North Centre (Mr. Woodsworth), that one glance at the order

paper must convince one that the passage of these bills in this manner, there being at least seventy-five of them in one string on the order paper, is not calculated to increase respect for the procedure adopted here. I recall twelve years ago a lengthy discussion in this house on the bill to provide for a divorce court. That proposal has not advanced during the long period which has intervened, and I do submit that while the efforts of my hon. friends to my left may not have my approval or the approval of the house in full measure, there is some justification for their course. They say: We object to this kind of procedure because it is not conducive to the good name of the house. I direct my next observation with all due respect to the Prime Minister and to the government. I think the Prime Minister ought to be in his seat. He ought to be here as the leader of parliament to note the difficulty in which the house now finds itself, and the very great danger of making sport out of perhaps some of the most serious breaches that are brought to the attention of parliament. We have undoubtedly during the last half hour been making parliament more or less of a farce in the case of seventy-five bills that I hold in my hand and anyone of which might very well be and is undoubtedly a serious human tragedy. Let me say this in answer to the request made by the hon. member for Wetaskiwin (Mr. Irvine) for certain details. I might preface that word with the word "sordid" and say "sordid details". I am sure that neither I nor any other hon. member desires to have these details read to the house. In fact, if he will glance at the language in the preamble to this bill, he will find there a complete answer to his query, an answer that I am quite sure no one desires to read nor to treat frivolously; but there it is.

This brings me to the question of our method of procedure in dealing with this bill as with other similar bills. These unfortunate people, in one respect blameworthy people, bring their suit in the senate and before a committee of the senate their case is tried. There is no committee of parliament that is held in higher regard throughout the Dominion of Canada than the committee of the senate which sits on divorce.

Mr. DUNNING: And no court.

Mr. STEVENS: I was coming to that. There is no committee of parliament that discharges its duty more faithfully and with more judicial care, thought and procedure than the committee of the senate on divorce. Furthermore, I had occasion this week to discuss the matter with two very able lawyers, friends of mine, not members of the house, and I question whether there is a divorce court in provinces where such courts exist, or any other court in Canada that treats the subject matter brought before it more carefully and judicially than does the divorce committee of the senate. Therefore I submit to my hon. friends that this case, the immediate bill before us, being Bill No. 74, letter E of the senate, having gone to that court, having been dealt with, the evidence having been heard in all its sordid details and the bill having been passed on to us, it is unnecessary for the house or for the private bills committee to go into extreme details in the matter unless the decision of the senate committee is called in question. In such a case the House of Commons acts in a measure as a sort of court of appeal, but in none of these cases has the bill been called in question. In every instance, so far as I know, both sides have concurred in or at least have not complained of the decision. I suggest that we should cease the controversy. On the one hand I appeal to the government as the leaders of the house—if the Prime Minister were in his seat I would appeal to him frankly to face the situation that has arisen and that will arise again next year—I have forgotten the number but I think there are two hundred and some odd divorce bills before parliament this year—and to allow parliament to disentangle itself from the mess in which it finds itself involved. On the other hand I appeal to my hon. friends to my left to allow these bills to pass in the usual orderly manner so that we may proceed with the business of parliament and not make a farce out of what is a most serious human tragedy.

Mr. DUNNING: I rise largely to concur in the main with what the hon. member for Vancouver Centre has just said. I desire however to point out that even if the senate bill, which now stands as a public bill, were dealt with and passed by the house, the problem of the house dealing with divorce bills would not be entirely eliminated. Under our rules it would still be possible for any hon. gentleman to do what hon. members have been doing to-night, because divorce would still be granted with respect to the people of some provinces, one province at any rate, in the manner which has been prevalent in Canada since confederation. We would merely to some extent lessen the difficulty; we would not altogether remove it.

Mr. EDWARDS (Frontenac): We would remove it to a large extent.

Mr. DUNNING: I agree that we would remove it to a large extent. I would point out however that it is and has always been possible for obstruction of the kind we have experienced to-night to take place, and I am finding no fault with hon. gentlemen. I know their motive is to force this question. What they desire to do is to substitute another court for the court of parliament in connection with this matter. But I submit that the hon. member for Vancouver Centre was entirely right in his description of the dignified and proper manner in which these cases have been tried. It is not correct to allow the impression to go out to the country that parliament does not give proper and judicial consideration to these divorce bills. It is true that it has not been the custom of this chamber to give such consideration. The court has been set up in the senate for many years and the judicial committee of the senate which tries these cases supplies us with the evidence. When the bills come before this chamber it is competent for every hon. member to read the evidence in connection with every case and to make a specific objection on a specific bill if in his judgment the evidence there recorded does not warrant the action of parliament in the matter. Therefore while we may have objections to this method of granting divorces, we should not convey to the country by our actions or by our speeches the impression that divorce is lightly granted by the parliament of Canada. In reality divorce is less lightly granted by parliament than by any court in Canada or indeed by any court that I know of anywhere else. Whatever objection we may have to the procedure, there is possible through the machinery of parliament, a more complete check upon divorce than exists in the machinery of the courts. I do not think the lawyers in the house will disagree with that statement. I join with my hon. friend from Vancouver Centre in appealing to the committee to maintain the dignity of this House of Commons and to proceed in the regular manner with these bills, having regard to the evidence which is printed and in our hands with respect to every particular case.

Mr. POWER: Just before nine o'clock may I remark that if I made what appears to have been a formal and technical objection, I did so in order to add weight to the words of the hon. member for Wetaskiwin who said that when a person introduces a bill of this kind, he should at least be present to see it through the House of Commons.

Progress reported.

ELECTRICITY INSPECTION ACT

The house resumed from April 16 consideration in committee of Bill No. 36, to amend and revise the Electricity Inspection Act—Mr. Malcolm—Mr. Johnston in the chair.

On section 34—procedure.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): When this bill was last before the committee, objection was taken to section 34 by the hon. member for North Simcoe in connection with the judges before whom these cases should be tried. I have an amendment to submit to paragraphs (a) and (b) of this section which has been drafted by the law clerk, and has been submitted to the hon. member for North Simcoe to meet his objection. I move to substitute the following for paragraphs (a) and (b):

(a) Before any justice of the peace, police, district or stipendiary magistrate for the district, county or place in which the offense was committed if the penalty does not exceed twenty-five dollars; or

(b) before any two justices of the peace, police, district or stipendiary magistrate or any magistrate having the power or authority of two or more justices of the peace, if the penalty exceeds twenty-five dollars.

I may inform the committee that this meets with the objections of the hon. gentlemen opposite who wanted the section changed to meet existing conditions.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

YUKON QUARTZ MINING ACT

The house resumed from April 18 consideration in committee of Bill No. 196, to amend the Yukon Quartz Mining Act—Mr. Stewart (Edmonton)—Mr. Johnston in the chair.

On section 1—Annual royalty payable to the crown.

Mr. BLACK (Yukon): Representing the constituency in which this legislation when enacted will solely apply, I am happy to say that I can commend it to the house. In principle and in effect this is legislation which has been asked for by the people of that constituency now for some years past. It has been my duty, as representing that district, to present in successive years the views of the mine owners, the miners and producers of ore in that territory to the Minister of the Interior.

It may seem strange to the house that the people of any community should be seeking legislation that imposes taxation, for that is what this legislation in effect does. It would not be asked for if it were not that the bill not only imposes taxation, but eliminates another form of taxation which is on the statute book at the present time. The taxation now to be imposed is in substitution for taxation which is unfair, impractical and exorbitant, and which, if exacted, would be disastrous to the industry upon which it was imposed, and because on the face of it, it would be disastrous, the legislation although it has been on the statute book for some years past has never been enforced.

The effect of this bill is to impose a special sales tax on the proceeds of ore produced and mined, exported and sold from Yukon territory. The people of the Yukon, just as the people of the rest of Canada, would welcome the abolition of the sales tax, but if in the wisdom of the government it seems necessary to impose a tax on the natural resources which are being developed in that part of the country, then the policy laid down by the legislature of the province of Ontario in its Taxation of Mines Act, of which the present bill is almost an exact copy so far as it goes, is considered to be the best possible way of dealing with the situation.

The exacting of royalties on minerals produced in the Yukon is not a new venture on the part of the government. Almost as soon as it was discovered that that part of Canada contained mineral deposits the government enacted legislation imposing taxation. As far as I am aware, as early as July 29, 1897, the first order in council was passed by the then government imposing taxation on the output of mines in that part of the territory then included in the Northwest Territories. It was not a modest tax. The first order provided for taxation of 10 per cent on the gross output of mines producing up to $500 a week; on mines producing over $500 a week the taxation was 20 per cent. In those days that taxation was collected in specie. The tax collectors went about with pack trains of horses and mules from claim to claim and exacted the amount of tax in gold and gold dust. It was a common sight in those old days to see the caravans of the tax collectors coming into town loaded with gold taken from the mines by way of taxation. This tax was ultimately reduced to a tax of ten per cent straight, then to five per cent, and at last to 2½ per cent, at which rate it remains to this day. The tax was based on an arbitrary value placed on gold of $15 an ounce. That may seem a low value, but as a matter of fact the placer gold produced from the various sections of Yukon runs in value all the way from $12 to $18 an ounce; so $15 as a general average is about right.

In 1903 legislation by way of order in council placed the rate of taxation on minerals from lode mining at the same rate as that levied on placer gold. In those days there was no lode mining; therefore no tax was collected. In 1908 by order in council iron ore was exempted from taxation for a period of twenty years. Why, only the government of that day knew. Probably someone had a scheme for developing iron ore and wanted to get rid of the tax. In 1910 an order in council was passed exempting copper ore from taxation for ten years; in 1911 a similar order in council was passed exempting gold from lode mining from taxation for a similar period.

During the war years an embargo was placed on the exportation of minerals of all sorts from Yukon. This was all right as to gold, because we could market and handle this precious metal within Canada; but as to the other minerals, it was found to be impracticable, because we did not have the refineries or smelters or the machinery with which to treat those ores, with the result that the embargo had to be lifted and special permits given for the exportation of silver, lead and other minerals.

In March 1922 an order in council was passed imposing a royalty charge or taxation of 2½ per cent on various minerals, and placing an arbitrary value on those minerals. For instance, gold was valued at $15 an ounce—2½ per cent at that valuation meant taxation of 37 cents per ounce; silver at 60 cents an ounce, which amounted to 15 mills per ounce; copper at 10 cents per pound, which amounted to 30 cents per hundredweight; lead at 4 cents a pound, which amounted to 10 cents per hundredweight; zinc at 4 cents per pound, which amounted to 10 cents per hundredweight. Those who are familiar with the values of metals on the money market to-day will observe that silver is valued over and above its present market value, and so is copper, while lead is slightly below.

In June 1922 an order in council was passed exempting silver and lead from this rate of taxation imposed in that year for three years, unless in the meantime a smelter should be constructed in Yukon territory. An an encouragement to establish smelters I could never understand the object of that order. From year to year during 1925, 1926 and 1927, subsequent orders in council were passed suspending the imposition of the tax imposed by the order of March 1922, until on January 1 this year the exemption ceased, and now that rate of

taxation is in full force and effect on the gross output of mines in Yukon. That is, they pay on those values whether the operation wins or loses.

This bill imposes a more equitable method of taxation, and it goes further in that it removes what is a species of government by order in council. The imposition of those rates of taxation was all by way of order in council, and the bill as originally introduced this session by the Minister of the Interior merely declared the principle of taxing the annual profits from mines, and left the working out of the collection and calculation of that taxation to order in council. I compliment the minister on having withdrawn that feature of the bill and placed all the details upon the statute book, so that now there will be no further uncertainty in the matter.

Government by order in council is a sore spot in Yukon. For many years government in that territory was largely carried on by order in council, and this was largely responsible for the unrest and dissatisfaction that existed in the early years of that camp. For instance, large and valuable mining concessions were given away by order in council without the slightest justification; whereas if they had had to pass this house and the senate they never would have gone through. The size of claims was regulated by orders in council; mining claims would be 100 feet square to-day, 250 to-morrow, and 1,000 the next day. Those orders in council were passed here at Ottawa, doubtless upon the advice of local people who did not give the government of the day proper advice. Probably the Yukon Placer Mining Act of 1906, which was passed after a long period of agitation by the miners and others interested in Yukon, did more to establish confidence in mining and to do away with the unrest and dissatisfaction in that territory than anything else that had been done up to that time.

When in 1924 the industry of lode mining had assumed importance in Yukon, it was my duty and privilege to introduce into this house the Yukon Quartz Mining Act. As a private member I was not then able to deal with the subject of taxation as embodied in the Yukon mining regulations, and it remained under order in council until now, when the Minister of the Interior has introduced this bill, No. 196, to regulate the taxation of the profits of lode mining in Yukon territory.

The producers of ore have considered the subject of taxation. Those who are the most deeply interested in the industry, those who have the most capital invested in it, agree with the government policy that the natural resources now being removed from that territory in large quantities in the shape of silver and lead ores of great value should pay a certain amount of taxation into the exchequer. The chief mining company in that territory is the Treadwell Yukon Company, mining also on a very large scale at Sudbury, Ontario. As the minister explained in introducing the bill, after consultation with the management of that company and with others interested in mining, the government has decided to adopt this method of taxation. It is only comparatively recently that lode mining has assumed important proportions in Yukon. In 1914 and the years immediately succeeding, when the territory had been practically depleted of manpower because of the war, the first discovery of valuable ore was made in that territory. About a quarter of a million dollars was taken out in a very short time from one claim know as the Silver King. Unfortunately, the method of mining in that instance was what is known as high grading: the high grade ore was taken out, no capital was put in to further develop the property, and it lay idle until very recently. In 1919 an important discovery of high grade galena ore was made in that territory. Since that date the industry has continued to grow and is now in a highly encouraging condition.

The greatest difficulty the industry has to face in Yukon is the remoteness of its situation—the great distance of the ore, in place, from the smelters or the refineries. So far as quantities and values are concerned, there is not very much left to be desired. It is only distance that works against the immediate capitalization of the deposits of ore in that territory. For the most part the ore is mined at an elevation of from four to five thousand feet, some forty miles from the river, which is the main artery of transportation. All supplies have to be hauled in and the ore freighted to the river by tractors, the ore and concentrates being sacked there and loaded on to barges, run down the river two hundred miles, and then conveyed via the Yukon river to the railway. It is hauled over the coast range by railway, loaded on to freighters on the Pacific coast, and freighted down to smelters in the state of Idaho. This Canadian ore cannot find a market in the Dominion of Canada and therefore it has to be taken all the way from the Yukon down into the state of Idaho and there refined and marketed.

Up to date the output from that district has been something over $6,000,000 in silver and lead. For the year 1927, from eleven

shippers, that is to say eleven operating mines, one on a large scale and the others on more modest lines, the quantities and value of silver and lead ore shipped from that territory were:

	Tons	Value
Concentrates	2,689	$1,031,690
Ore	1,425	241,290
Total		$1,273,980

For the year 1928, on a very close and accurate estimate, the shipment will be:

	Tons	Value
Concentrates	3,650	$1,390,000
Ore	2,670	620,000
Total		$2,010,000

This represents an estimated increase for the year 1928 of about three-quarters of a million dollars. The average value of the ore per ton shipped this year from the territory is $232 which, if the ore were more accessible or located in this part of the world, would create an excitement greater than that caused by the discoveries in northern Ontario and Quebec.

In addition to these exports the existence of thousands of tons of ore has been demonstrated, and the prospects are that ore will be discovered in such quantities as to justify the establishment of smelters and refineries and possibly the extension of a railway into that country. There is one feature of the situation which I should like to call to the attention of the government, and particularly of the Postmaster General (Mr. Veniot). I refer to the desirability of introducing an airplane service into Yukon territory. The Postmaster General at the present time has before him a proposal whereby an airplane mail service can be introduced in the Yukon without costing the treasury of the country one cent in addition to the present cost of the mail service in that territory. I desire to quote briefly from a letter from the superintendent of a mining company in Yukon concerning the use of airplanes in connection with prospecting for mineral deposits. Referring to the use of airplanes for this purpose he says:

> This does not mean in any wild and uninhabited country but if you will look on any map of this territory you will notice three large blank areas, one between the Yukon and Pelly rivers which includes lake Taltmain, lake Drury and Little Salmon lake. Few rivers are shown in this area and what are shown are indicated flowing the wrong way. Another area is between the Pelly and McMillan rivers with the Ross on the southeast. The third area includes the McArthur group of mountains, is between the McMillan and Stewart rivers. A few creeks are shown in this third area but I understand they flow in the opposite direction from those shown. Any one of these three areas is more accessible than the Mayo district and as near as I can learn from studying various geological reports of the Yukon and descriptions from trappers and others who have been through these areas. The rock is very favourable for mineral deposits—not particularly for placer but for gold, silver and lead lodes. Some lead and silver has been reported from the Ross district and some gold quartz from the Pelly. With a plane the company could do more prospecting in these areas in one year than it could in ten by the old poling boat and traveling afoot methods.
>
> I trust the government will be able to extend its aerial service through this territory before long. It is very much faster and cheaper than the packhorse method. In studying over several maps I was very much surprised that the very centre of this territory had been overlooked by government geologists. If we are fortunate enough to get a plane I would like to make some arrangement with the Geological Department whereby they could send a man with the necessary equipment to do the aerial mapping of one or more of these districts and we would supply the pilot and gasoline.

That is a suggestion for the Postmaster General in connection with the effort now being made for the establishment of an airplane mail service in that territory, and I trust he will see his way clear to consider it favourably in co-operation with the Geological branch of the Department of the Interior, so that before long we may have an airplane service established there. The great mineral deposits in that territory warrant some effort on the part of the government in aiding prospectors and miners in opening them up, There is a vast store of mineral wealth there which will add to the commerce and trade of this country. Everything must be imported into that region for the development of these mines; even oil is imported by the operators of the silver mines for use in their engines. That country provides a good market for all kinds of Canadian goods; they produce nothing but minerals and in order to produce those minerals they must have a supply of tools, machinery, food and everything else which is used in an operating mine. The government would do well to direct its attention to aiding in further development of the mineral resources of that territory. The bill now before the committee will go a long way towards encouraging the development of lode mining in that territory in that it is a relief from an unfair system of taxation. There may be a few suggestions which I would like to offer to the minister in committee, but after all this is new legislation even in the province of Ontario. It was only placed on the statute books of that province about a year ago and there has not been

time as yet to try it out. However, I venture to say that it will work satisfactorily and will be of great benefit to the mining industry of the territory to which it applies.

Mr. STEWART (Edmonton): In reply to the hon. member for Yukon I would say that that was one of the reasons we thought it wise to read the provisions of the Ontario act, since it is new legislation. However, knowing the desire of the mining population in particular to have a statute which cannot be changed, we have decided to incorporate the statutory provisions of the Ontario act into our legislation, together with the small changes required so far as the office of gold commissioner is concerned. So I would ask that we give this legislation a trial for one year; if we find some unworkable provisions they can be amended later, but this has been given very careful consideration by the geological survey, by the mines branch and by the Department of the Interior, and we have profited by the experience of the province of Ontario.

Section agreed to.

On the title:

Mr. BENNETT: It seems to me it might be well to add, at the end of the regulations, words to indicate that such regulations shall be published in the Canada Gazette. At the end of the regulations as now set out in the reprinted bill there is a clause which provides that additional regulations may be made, and I think it desirable to provide that these shall be published in the next issue of the Canada Gazette.

Mr. STEWART (Edmonton): I propose doing that with all our regulations, particularly those affecting the mining interests and those having to do with forestry. That is my intention.

Mr. BENNETT: It would be better to have that stated in the act, but the minister has said he will do it and I know he is anxious to get his bill advanced to-night. For the moment it will be quite satisfactory to let it go at that, because he will probably deal with the whole problem at another time.

Title agreed to.

Bill reported, read the third time and passed.

ST. JOHN HARBOUR COMMISSION

LOAN OF $5,000,000 FOR TERMINAL FACILITIES

The house resumed from April 19 consideration in committee of the following proposed resolution—Mr. Cardin—Mr. Johnston in the chair.

That it is expedient to authorize a loan to the harbour commissioners of Saint John in an amount not exceeding $5,000,000 to enable the corporation to construct such terminal facilities as are necessary properly to equip the port of Saint John, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Mr. CARDIN: In view of the details which I gave yesterday in regard to this resolution, and in view of the fact that when the bill is introduced it will have to go to committee where we shall have the opportunity of getting all the details, I suggest that the resolution be put through now and that I be given permission to introduce the bill, with the understanding that all details required will be furnished when the bill is in committee.

Mr. BENNETT: I have only one observation to make with regard to the statement of the minister. This legislation involves the payment of public money to this harbour board and contemplates the delivery of the securities of that board to the Minister of Finance. I submit that the Duncan report did not contemplate that sort of national port development; it contemplated a direct expenditure of public money for the purpose of developing the ports of St. John and Halifax.

Mr. VENIOT: Under a harbour commission.

Mr. BENNETT: Under a statutory commission. This contemplates a harbour commission, but the Duncan report contemplated and stated in terms a statutory commission. In my judgment Sir Andrew Rae Duncan had in mind a statutory commission which would be an administrative body, not a body charged with the responsibility of issuing securities which would not be of value to this country. If this harbour cannot earn 5 per cent upon $5,000,000, as it may not, and as is not intended it would by the Duncan report any more than Quebec has been able to do so, it seems to me an improper thing that it should issue securities and place them in the treasury against grants of public money, when we know that so far as the payment of interest is concerned the securities are of no real value. That is the point we endeavoured to make yesterday, and I cannot help but think that the principle with respect to both Halifax and St. John is not sound, because it imposes an obligation upon those ports

which we do not expect they will be able to discharge. We have imposed such an obligation upon the port of Quebec, and obviously it is not expected that the port of Quebec will be able to discharge that obligation. So it does occur to me that if we are to make a national port, as the words were used by Sir Andrew Rae Duncan, we should do it directly, and not by this indirect means which is adopted for the purpose of placing in our treasury securities which are without value. That is the point I desire to make with the minister, because there is a very serious principle involved in it. That has led to all the difficulty in Quebec; there can be no doubt about that. If we had continued to expend public moneys at Quebec as we have done at other ports at the head of the lakes, without taking promises to pay from the port, the present situation would not have arisen. The difficulty with port administration under a commission is that they become political commissions rather than national port commissions; the minister knows that very much better than I, because in small communities such a commission is bound to be a political commission. We must remember that when the statute was first passed it contained a provision whereby at least one of the commissioners was elected by the community. I daresay the minister recalls those days when there was an election held for the selection of a commission by the ratepayers of the community. Now the real truth under existing conditions is that as soon as there is a change of government there is a change of the commission, and the harbour commission instead of being a body constituted to develop the port becomes nothing more or less than a political commission. I am not saying that of one government only; I am very careful not to do so, because virtue does not rest in one particular set of men and lack of it in another. The real fact is that the circumstances and conditions under which these commissions discharge their duties lend themselves to political purposes, very often to the finding of employment for political followers. That, as I say, is not applicable to one side more than to the other, but the fact remains that it operates against the efficiency of the commission. Take for instance the harbour of Montreal. A change of government in 1911 was followed by a change of the personnel of the commission, and there was a change of government in 1921, followed by another change of commission. There was a change of commissioners in the harbour of Quebec in the same way. The harbour of St. John, so far as the commission is concerned, is now dealt with in the same way as Halifax. The commission is appointed from political followers pure and simple, all Liberals. Now a national port is not a Liberal port, it is not a Conservative port; it belongs to Liberals and Conservatives. Because a Liberal government is in power is no reason why only Liberals should find employment on the harbour commission.

Mr. CARDIN: It is not the case in Montreal.

Mr. BENNETT: I did not say it was. I am trying to avoid a discussion of that phase of the controversy because I happen to have some evidence of a very striking character with respect to some ports in Canada. I am not for a moment saying that if the party that is out of power had the opportunity it would not do exactly what has been done by the party in power; I want to be perfectly clear about that. But I submit that any legislation that makes that possible is unsound, very unsound. Starting with a new venture—because it is a new venture, we are developing under the recommendations of a commission two ports as national, all year round ports—let us try to resist the clamour of those who represent that at election times they vote for us, and remember that there is an obligation resting upon us higher than the protection of these electors. It would be hard for the minister to look at it in just that way, I will admit.

There is one other suggestion. This afternoon the Minister of Railways pointed out that he had sent to a special committee the bill founded upon the resolution providing for the necessary funds to build terminals at Toronto. I should like the Minister of Marine and Fisheries between now and the second reading of the bill to be founded on these resolutions, to consider whether he does not think he would be doing a real public service by sending these three resolutions relating to Quebec, St. John and Halifax to that special committee. I think the minister told the house last night that there had been a suggestion for a larger sum with respect to both harbours.

Mr. VENIOT: With respect to St. John.

Mr. DUNNING: With respect to all of them.

Mr. BENNETT: The Minister of Railways says with respect to Regina they do not desire public expenditure.

Mr. DUNNING: I did not say that.

Mr. BENNETT: I am glad to see that Regina does not require anything.

Mr. DUNNING: It does.

Mr. BENNETT: Then I did not misunderstand the minister.

Mr. DUNNING: Like Calgary.

Mr. BENNETT: It wants a post office. May I suggest to the minister that if a little more consideration is given to this matter from the standpoint of the determination of particular items and evidence given as to just how the money was to be expended, that would create public confidence. The matter could be threshed out by hearing witnesses in a way that could not be otherwise possible. For instance the minister very frankly read to us the reports which he did last night, and he has some with respect to the port of Quebec. In that instance it was the old story of default in the payment of interest. In the present case it is a new venture. We would have an opportunity by a reference to the committee of examining witnesses with respect to the railway question, because the railways are affected. There is no doubt that having regard to closing the St. John gateway the national railway is tremendously interested in St. John harbour. I think the minister would agree too that it is the only railway that carries traffic to any considerable extent to Halifax; of course there is the Dominion Atlantic which carries traffic to Yarmouth or some other port rather than Halifax. Under these circumstances I should like the minister to take into consideration the suggestion I have made. I believe it would go far to satisfy the public mind with respect to the expenditures on all these ports. It would do something to indicate that the house was making an intelligent study of all the circumstances connected with them, because it would have before it, as the Minister of Railways remarked very properly, a transcript of the evidence given, and every member instead of having to ask questions in this committee would be able to read the evidence and satisfy himself in every particular with respect to the matters in question.

Mr. CARDIN: I think I am bound to answer the observation made by the leader of the opposition in so far as the recommendations of the Duncan report are concerned. I contend that we are following exactly those recommendations. To establish the truth of that statement may I quote these words from page 30 of the report:

> It is to be remembered, too, that even in Canadian ports—and particularly at Montreal where port development has reached a very high level indeed—considerable tonnage is being handled which is not Canadian, either in origin or in destination.
>
> We had, at our request, a private session with the Montreal harbour commission and, by hearing from them the steps they took to survey and stimulate production in their immediate territory as well as wider afield, we are confirmed in our view as to what harbour commissions (constituted of business and experienced persons) at Halifax and St. John could do in stimulating the trade of the maritime provinces.

Having had that conference with the harbour commission at Montreal the Duncan commission made that recommendation, and they discovered that an organization of the kind would be efficient and would prove satisfactory to the maritime provinces. As far as the expenditure is concerned I submit that the house is committed to the development of the ports of St. John and Halifax, and to the expenditure of money for this purpose—money which is absolutely necessary, because we read at page 29 of the same report these words:

> —it will be necessary to create facilities even ahead of expansion of trade.

These are the recommendations of the Duncan commission, and the house has accepted the obligation of carrying them out. Such being the case I submit with all deference to the leader of the opposition that notwithstanding the evidence which may be given before a committee we are bound to carry out what has been requested by the harbour commission. We cannot say that we have met the recommendations of the Duncan commission merely by the incorporation of a body to look after the affairs of the ports of St. John and Halifax when it is stated in the Duncan report that the present facilities are not adequate and it is recommended that those facilities be increased. What are we doing to-day? We are endeavouring to develop the facilities in accordance with a plan that has been prepared by very competent engineers. In view of the fact, theerfore, that the house is committed to the fulfilment of all the recommendations in the Duncan report, I submit respectfully, with all due deference to the views of the leader of the opposition who, I admit, is looking upon these matters from a broad point of view and with the idea of giving all possible assistance to the development of all the facilities existing in our Canadian ports, that we are committed to the point that nothing ought to be done to stop the passing of the measure and granting the request which has been made to us. Under these circumstances, with the details that I have already given, and in view of the fact that the conditions in the ports of St. John and Halifax are pretty well known and that an opportunity will be given later on to supplement the information which has already been given, I ask that I may be permitted to have the resolution carried and the bill introduced.

Mr. BENNETT: I thought I made it quite clear that I had no intention of interposing any serious obstacle to the passing of the resolution. I asked the minister to consider the suggestion I made for the purpose of dealing with it on the second reading, and I think the statement made by the Postmaster General as to a larger sum being sought would in itself constitute some reason why that should be so. I wholly concur in, and desire to associate myself and those who sit to the left of the Speaker with, the sentiment expressed by the minister that we must implement the recommendation made in the Duncan report. But the extent and purposes of present expenditures cannot be fully ascertained by all hon. members merely from the minister being able to answer questions. A committee is very useful even if it serves only the one purpose that, if a record is taken of what occurs before the committee, it is made very easy for every hon. member to have that knowledge which is sometimes denied him on account of backwardness in asking questions in the house or of difficulty in making himself heard or hearing what is said. I always regard a small committee of the house as having very great value. I observed that on at least one occasion in the British house, when a somewhat similar matter involving the expenditure of certain moneys was being considered, a small committee was appointed for the purpose of making a report to the house in order that there might be a record of the proceedings; because it is almost impossible for six or seven hundred members to be cognizant of everything that is going on. I offer the suggestion merely for the consideration of the minister and not for the purpose of obstructing the passage of the resolution. I endeavoured to make that clear yesterday in respect to another resolution, so that we may proceed with full information and knowledge of the facts and avoid committing the public to an expenditure which the public might regard as being unwarranted. If need be, the public can read for themselves the evidence that is adduced before such a committee. It is that principle I have in mind with respect to this matter, just as the Minister of Justice the other day felt that it was desirable that the question of judges' salaries should be considered by a select committee. There the public interest is involved without regard to party, and we might consider the question of our ports in much the same way. The question of the Toronto terminals, for instance, is a matter affecting everyone who travels, and the same thing is true in regard to ports of St. John and Halifax; they belong to the west as well as to the east. The tolls to be collected will depend upon the character of the expenditure and the broad vision of the engineers who superintend the work of construction. In fact I had almost made up my mind the other evening, having read these matters with some care, to suggest to the minister that the course pursued by the Minister of Railways with respect to Fort Churchill and Port Nelson, namely, the calling in of the greatest experts whose services he could command for the purpose of getting a report upon the harbour facilities, might be justified with regard to these harbours, having regard to the fact that, as I endeavoured to say yesterday, these are harbours that should be considered not from the standpoint of Quebec or New Brunswick or Nova Scotia but from the standpoint of the whole of Canada. If they are to succeed far beyond being merely ports for the incoming and outgoing of ships, which is not the important matter; if the trade of Canada is to be served by them, we should try to get the last word in technical service and advice with respect to the development of the ports. Probably upon this continent you could get expert advice of the highest character with respect to ports of that kind, just as the Minister of Railways last year sought the opinion of an estuarial engineer in connection with the Hudson bay ports. I had that suggestion in mind; whether or not it is of value is another matter, because the minister knows better than I do the character of the advice he will receive from his engineers. But I do not believe we can afford to play with these matters and run the risk of our money not being properly expended, having before us the interests of the country as a whole with respect to these harbours. That matter might be considered by the minister between now and the second reading of the bill. I have no further observations to interpose with respect to the passage of the resolution as such.

Mr. VENIOT: Before this resolution is passed I should like to say a word in connection with it. I am not going to undertake to discuss the merits or demerits of the proposition set forth by the leader of the opposition as to how this money should be expended, but I do not think I would be doing my duty as a representative of the province of New Brunswick if I allowed the impression to be left on the committee to-night and to go abroad by the words of the leader of the opposition that St. John harbour would not be able to pay any part of the interest on the loan that would be made to it.

Mr. BENNETT: I did not say any part.

Mr. VENIOT: Or even the whole of it. If St. John harbour is developed as it should be in order, together with Halifax, to take care of transatlantic shipments, especially in the winter time, there is no reason to suppose that as regards the amount of money necessary to prepare the port of St. John for that transportation it cannot secure sufficient revenue to pay at least the interest, if not the sinking fund. St. John harbour is, or was prior to a year ago, the only harbour in Canada owned directly by a city. Under a royal charter that harbour was conceded to the city of St. John, and the Department of Marine and Fisheries had no control in any way over that harbour. Over a period of several years, considering that in years gone by, at least prior to 1910 or 1911, St. John harbour was not getting sufficient recognition from the different governments at Ottawa, the corporation of the city of St. John undertook to improve the harbour at its own expense, and to that end it expended in the neighbourhood of between $2,000,000 and $3,000,000. It paid the interest on that expenditure and it set aside a sinking fund to the extent that last year there was in that fund an amount of $667,000 to meet maturing bonds. Not only did it pay interest and provide sinking fund payments, but each year it had a surplus, and its surplus would have been greater had it not been that in 1925, St. John, seeing that it was necessary to divert Canadian export trade to Canadian ports and not being able to get a proper freight rate which would warrant grain going through that port, diminished its side wharfage and top wharfage charges on grain from six cents to one cent a bushel in order to encourage the western farmers to ship their freight through Canadian ports. Had St. John not done that, its surplus in 1925, 1926 and 1927, after meeting interest and sinking fund payments, would have been a great deal larger. But St. John was acting from a national point of view; its interest was the development of Canadian ports, and the encouragement of Canadian trade to go through Canadian ports. I think all will admit that it is diversity of freight that makes up the revenues of a port. Any port on the Atlantic that depends entirely for its revenue upon the shipment of grain cannot be a financial success. Last year 25,000,000 bushels of wheat passed through the port of St. John. It had six million tons of export trade and one and a half million tons of imports.

Mr. BENNETT: Is not the minister wrong about six million tons of exports other than grain?

Mr. VENIOT: I did not say other than grain. Grain did not amount to more than 850,000 tons of the 6,000 000 tons exported. St. John's trade is not all transatlantic. St. John has a large exportation of farm products to other than transatlantic countries. Furthermore, for its size St. John is equipped to-day for the cattle trade in a way that no other port in Canada is equipped. There is room in our newly constructed sheds at St. John to-day to accommodate at one time 1,353 head of cattle. St. John has also some of the best frost-proof warehouses to take care of agricultural produce, such as potatoes and other produce which has to be shipped in winter to prevent perishing. With all these advantages, and with the amount of money that St. John is asking for to-day, $5,000,000 —it is true that they did ask for $10,000,000, which would have completed the program in five or six or perhaps seven years, and would have put the port in a position to handle double the grain and double the mixed freight which it is handling to-day—when you consider that Vancouver, with all its facilities and improvements, handled 43,000,000 bushels, I believe, of grain last year, and that St. John handled 25,000,000 bushels—and the quantity would have been much larger last fall and this winter had it not been for a restriction, if I may use that term, on the exportation of grain transatlantic—you begin to realize the possibilities of the harbour of St. John.

It is true that large sums of money have been expended by the government in the past on the harbour of St. John. I am not going to say that the money has always been judiciously expended. But leaving aside the Courtenay bay proposition and taking St. John harbour as we look upon it to-day, together with the improvements that are to be made on the west side, where the Canadian Pacific is bringing large quantities of grain and has not the facilities necessary to bring larger quantities, and considering that the Canadian National has no way of reaching the west side of the harbour except with the special privilege of running over the lines of the Caandian Pacific from east to west; considering also that St. John is prepared as a city to-day, if I can believe the officials of the city, the mayor and the commissioners, and I believe that I can, to expend still further sums of their own in aiding the railways and giving greater facilities in the way of a bridge across the harbour so that the

Canadian National may have extended privileges on the west side—all these things considered, I feel that St. John deserves a great deal of praise for what it has done, and further that any sum of money which this parliament may vote to St. John will be judiciously expended.

The leader of the opposition referred to the political aspect of these commissions. It is true that when this new commission was appointed it was tainted with Liberalism.

Mr. BENNETT: Not tainted, surely.

Mr. VENIOT: But it is also true that the full harbour organization of the city of St. John, without regard to political affiliations, was taken over by the present harbour commission; not one single dismissal was made. Let me go further. The engineer in charge of the harbour works in St. John to-day is the same engineer who was in charge of expenditures in the main harbour, the present harbour for which we are seeking improvements. He is the engineer of the Department of Public Works who has been in charge of those works during the last eight or ten years. His name is Mr. Gray, and I think I am safe in stating that no more efficient and no more capable engineer on harbour construction and improvements can be found in the Dominion of Canada. He has had a vast experience. No engineer could possibly be obtained to-day who knows more about the peculiar tidal conditions in the harbour of St. John and the bay of Fundy than does the present engineer, due to the long experience he has had there.

The work in St. John perhaps will be more costly than in any other harbour in the Dominion, for this reason: the heavy rise and fall of the Fundy tides necessitates the construction of piers of a much greater depth and far more costly than are required in any other harbour in the Dominion.

When the bill is in committee I expect to go into further details, but lest I may not have that opportunity let me say now that so congested are conditions in the harbour of St. John that in December, 1926, and January, 1927, ships coming in for grain and other cargoes lost no less than 155 days demurrage, mostly because they were lying in the stream awaiting berths. That is the condition. St. John and Halifax are the only two ports on the Atlantic coast through which Canadian trade can go in and out during the winter season. May I point this out also, that in the winter time the United States ports of Portland and Boston are losing so much of their trade to Halifax and St. John that there is a movement on foot in the senate at Washington to devise some means of preventing this loss. To my mind Halifax and St. John, being the only Atlantic ports that are open the year round, like Vancouver on the Pacific, are really our two national ports on the Atlantic coast, and for that if no other reason they should receive all the encouragement that I feel this house will give them.

I wish to thank hon. members on both sides for the very generous support they accorded to the maritime provinces last winter when their case was before the house. I do not accept the remarks of the hon. leader of the opposition as made in a spirit of criticism or opposition to this grant, but rather in an endeavour to find a better method of carrying on these works. Speaking for myself, I court the most rigorous investigation of all expenditures for the development of the harbours of the maritime provinces.

Mr. RALSTON: Mr. Chairman, I would not have the committee think from what the hon. leader of the opposition has suggested with regard to the personnel of the commission that I do not consider those gentlemen in every way qualified for their job.

Mr. BENNETT: I did not mention their qualifications—except politically.

Mr. POWER: Is it a qualification?

Mr. RALSTON: My hon. friend stated that they were politicians, leaving the impression on the committee that they were appointed primarily because they were adherents of the Liberal party. My hon. friend the Minister of Marine and Fisheries (Mr. Cardin) does not happen to know those gentlemen personally as I do. The leader of the opposition probably knows them pretty well, and I think he will join with me in what I am about to say, because I quite realize that he did not single them out particularly because of their political views. But I want to take the committee into my confidence to convince them that political considerations had not primarily to do with the appointments. In the city of Halifax there has been a good deal of criticism of the government for their selection of those gentlemen, simply because they were not regarded as dyed-in-the-wool, hard-shell partisans. It seems you are damned if you do and damned if you don't. Our endeavour was to select as commissioners those who had the widest experience and the best qualifications, which, combined with their personality and long residence in the city, admirably adapted them to discharge the duties of their office. Mr. Peter R. Jack, the

chairman of the commission, was born in the city of Halifax; he is a bright, energetic, young business man and has been associated with many of the most progressive activities of the city, and I think everyone agrees that he is well qualified for the position. Mr C. W. Ackhurst is a shipping man, has been connected with the waterfront all his life, and is a very able and efficient man of business. Mr. John Murphy was controller for two or three terms, and then mayor of the city for two terms, and is regarded as one of the ablest of its citizens, thoroughly imbued with its civic spirit and point of view. Those are the type of men appointed to administer the harbour. True, they happen to be Liberals, but I do not think that should be regarded as a disqualification, provided they have the proper business experience and capacity to discharge the duties of their office. That a man happens to be an adherent of the party in power has never been regarded as a disqualification for office by this or any other government, provided he possessed the requisite qualifications for appointment.

I may be permitted to read to the committee the resolution which was passed by the Halifax board of trade immediately after those gentlemen were appointed. And I can assure you, Mr. Chairman, that the Halifax board of trade is not by any means composed wholly of supporters of the Liberal party.

Mr. BENNETT: Judging by the last election.

Mr. RALSTON: Judging by the last election, as my hon. friend interjects. I do not think there can be the least doubt about that. At any rate I have no doubt myself. This is the resolution:

> This board appreciates Hon. J. L. Ralston telegraphing them of the appointment and personnel of the Halifax harbour commission and wishes to commend him on his selection and assure him of the board's assistance and co-operation; also,
>
> The board wishes to congratulate the harbour commissioners on their appointment and assure them of the fullest co-operation and assistance.

That is the personnel of the Halifax harbour commission to whom this house will be asked to vote a certain sum of money when the bill is introduced, and I can honestly, sincerely, and frankly say that I believe those men are amply qualified to discharge the duties of their office, even though they may happen to be adherents of the Liberal party.

Mr. BENNETT: I am sorry, Mr. Chairman, to have to make another observation in respect to this matter. The point I was endeavouring to make was that the political character of the commission involves political patronage in the expenditure of moneys, and all we on this side have been suggesting is the desirability of assuring one hundred per cent of effort for every dollar of expenditure.

Mr. RALSTON: May I interrupt my hon. friend? If the statutory commission is appointed at all, would my hon. friend suggest that something should be inserted in the act that the appointees be not supporters of the government?

Mr. BENNETT: No. The Minister of National Defence is too astute to put that construction on what was said. I pointed out that originally the constitution of harbour commissions provided for the election of at least one member. That was done away with and the appointment of partisans substituted. I was careful to say that either party would do the same thing; I did not say that my hon. friend's party was responsible.

Mr. RALSTON: I did not suggest it.

Mr. BENNETT: I pointed out that the appointment of your own partisans assured patronage being relied upon in connection with expenditures, and we in this house know that in small communities the tendency is to prevent a hundred cents of effort resulting from a dollar's expenditure. This being a national port, so vastly different from anything else we have, a port in which we are all interested, I am sure the minister realizes that the pressure put upon him—the minister from Nova Scotia—to have his friends looked after with respect to the work of the harbour will be very great indeed. I am sorry to say it is so, human nature being as it is. I see my hon. friend the Postmaster General (Mr. Veniot) smiles, for he knows just what it means in New Brunswick—and just what it will mean in Nova Scotia also. That patronage evil might be overcome in two ways. First, the personnel of the commission should not wholly reflect the view of the party in power. This practice is followed in England, as my hon. friend knows. For example, the head of the port authority of London on one occasion was certainly everything else than a supporter of the particular government of the day, and the government itself, except through the Board of Trade, had nothing to do with the matter at all. Secondly, it is desirable that this parliament should have some control over that expenditure, direct through the Auditor General and through the public accounts committee. My hon. friend from Vancouver Centre (Mr. Stevens) and I placed that before the house two years ago with some degree of force. Once more I say to the Postmaster General

so far as New Brunswick is concerned, that every hon. member in this house is to my knowledge in favour of these expenditures in St. John; but what we fear is that the result of this effort will not be to get 100 cents of value for 100 cents of expenditure. And I need hardly say to my hon. friend that those of us who are familiar with what has transpired in days gone by in the public accounts committee and in other investigations as well have some reason to realize that public moneys expended, not by the city of St. John but by the government of Canada, in connection with dredging contracts for instance, were not wholly beyond suspicion. I will use only the words that came out in connection with one or two investigations, and the Postmaster General will understand the rest of it. And that was not limited to any particular class of individuals.

Mr. VENIOT: Or to any particular party.

Mr. BENNETT: Exactly. I want the minister to understand that I was only suggesting that St. John might not pay interest. But if we expect to recover the interest it will involve the payment of tolls, wharfages and other charges such as might make it disadvantageous to the port; and I want the lowest possible tolls to be exacted and the lowest possible dues to be charged, for a reason I did not care to mention, but which I communicated to my hon. friend to my right, namely, the effort of seaboard ports on the United States front to take away from us a part of the traffic we now have. For this reason we shall have to maintain the lowest possible tolls and charges to insure success in our operations. Therefore we must not regard these moneys as loans in connection with which interest and sinking fund are to be taken care of, but rather as contributions made by the parliament of Canada towards the development of a national port. I am sorry if I did not make that clear, for it was the purpose of my observation. Regardless of what the return may be, the most efficient method should be pursued, under the direction of the most competent engineers, and the charges imposed should have some regard to the service rendered, irrespective of the question of interest or sinking fund. I do not think the minister should place in the treasury of the country the bonds and debentures of these commissions and find himself, in a year or two, faced with the statement, "We are unable to pay interest because the tolls are not sufficient to enable us to do so." I do not want to see this port labouring under the handicap that has hampered the port of Quebec, as indicated by the minister yesterday. That is the position I take with respect to this matter and which I wish to make quite clear. The Postmaster General misunderstood me if he thought for a moment that I suggested that the harbour of St. John could not earn charges, for it undoubtedly could if the tolls were high enough. But that might have an adverse effect on its traffic, and our business is to provide traffic, making these facilities thoroughly effective and useful in the national interest of Canada.

Mr. ROBB: Was it not argued yesterday that the port of Quebec should earn enough to pay interest on the money?

Mr. BENNETT: What was argued was that the port of Quebec, had it been efficiently conducted and a proper ratio of gross and net earnings preserved, as has been done in the case of St. John, would have paid interest on the present investment. St. John last year not only took care of interest and sinking fund but it had a surplus of $40,000. That port had net earnings of $218,000, including interest and sinking fund charges, as against $257,000 odd of gross earnings. The argument that has not been answered and cannot be answered is that the expenditures in Quebec were out of all proportion, as between net and gross earnings, to any other port in Canada. And what is more, there is the report of the audit board, set down in black and white, to which no answer was made. That report bears out the argument.

Mr. BELL (St. John-Albert): Regarding the resolution before the committee with reference to the proposed loan to the harbour commission of the port of St. John, I wish to place myself on record as strongly supporting the proposal. The harbour of St. John was taken over by the present board on August 1 last. The board as at present constituted is composed of men of ability and character, together with an engineer of the highest standing in the profession—I refer to Mr. Alexander Gray, late Dominion engineer at the port of St. John. The loan asked for is not as large as was recommended by the harbour board, having been reduced by half; and it is to cover a period of three years. The vote as at present proposed is the outcome of the creation of the Duncan commission, whose report bearing on the question of port development and equipment contains the following statement at page 29:

> We are satisfied that neither at Halifax nor at St. John—although developments at St. John have been more extensive than at Halifax—is

it possible, in present circumstances, to secure adequate port development. We recommend that, in respect of each of these two harbours, the federal government should establish a statutory harbour commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer. The development of a port is as much a matter of mechanical and technical equipment, business organization and practical administration, as is the development of any extensive manufacturing or industrial business.

The winter port traffic started in St. John in 1901. In that year the total revenue of the port was $40,630. In 1927 the total revenue was $257,704.97. During the last ten years the development of the winter port traffic has been hampered by lack of adequate berthing facilities. In 1926-27 one ship had to wait twelve days for a berth and another eight days. Due to lack of facilities in the winter port season of 1926-27 transatlantic steamers were held up for a total of 155 days. With the present inadequate equipment much business is lost. Berths, warehouse room and elevator storage are urgently needed if the business of the port is to increase at a normal rate. The proposed improvements call for pier accommodation, representing from five to six steamships. A grain elevator is urgently needed as are also transit sheds with office accommodation. The estimated cost is $5,000,000, the work to extend over a period of three years. I am convinced that a straight government loan would be much better than an obligation on the part of the harbour board. I should not like to have the board undertake any obligation on which they could not meet interest.

I might say in support of what the Postmaster General has stated that undoubtedly, with the new facilities that will be provided, and having in mind the additional expenditure which later on will probably be involved, through the erection of a bridge across the river, the Canadian National and the new terminals which will also be established will greatly facilitate the export and import business. I trust that the house will give the most favouralbe consideration to this resolution and provide the St. John with what is necessary to assist it in its worty effort to develop trade through that port.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 216, to provide for a loan to the St. John Harbour Commissioners.

Motion agreed to and bill read the first time.

56103—143½

HALIFAX HARBOUR COMMISSION

LOAN OF $500,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Halifax in an amount not exceeding $500,000, to enable the corporation to construct such terminal facilities as are necessary to properly equip the port of Halifax, upon approval by the governor in council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan.

He said: The harbour commissioners of Halifax request this money to provide for improvements and additional equipment to wharves, piers and sheds to an amount of $290,000; improvements to elevator system, including conveyor galleries, $60,000; additional port equipment, including a locomotive train and a fuel oil bunker plant, $150,000, making a total of $500,000.

Mr. BENNETT: I understand that the present facilities belong to the Dominion?

Mr. CARDIN: The present facilities belong to the Canadian National Railways, and the harbour commission is negotiating with the Canadian National Railways to have these facilities placed under the control of the commission.

Mr. MILLAR: Is the minister in a position to give us the amount of grain which went through that port last year?

Mr. CARDIN: I have not that information before me, but I will have it when the bill is in committee.

Mr. MacNUTT: I would ask the minister if the harbour commissioners of Halifax are working under the same arrangement with the government as are the commissioners of St. John. The minister will remember that the city council and the board of trade of Halifax refused to accept the appointment of this harbour commission for a year or more, due to some disagreement as to the exact interpretation of the recommendation of the Duncan commission.

Mr. CARDIN: The position in Halifax is exactly the same as that in St. John; the commission is constituted in the same way and has the same powers. I well remember that a delegation came to Ottawa from Halifax asking that that port be considered as a purely national port, that the expenditures be made by the government without tolls or dues being charged and with no interest to

be paid back to the government That was the contention of the representatives of the board of trade, but after discussing it with them we decided to proceed as we had procedeed at St. John, and the Minister of National Defence stated a moment ago that after the appointment of the Halifax commissioners the board of trade declared themselves satisfied and ready to co-operate with the board which was named to look after the affairs of that port. So at present there is a complete understanding between the public bodies of Halifax and the harbour commission as it is now constituted.

Mr. EVANS: As this makes a total of over $14,000,000 which is to be spent for the development of these eastern ports, I would ask the government if they have any policy with regard to the movement of grain from the west, since these developments are made particularly to handle that business? If the lower rates on the Transcontinental railway have any effect at all they will undoubtedly benefit the ports on the Atlantic coast, and in that case it seems very unwise to spend such a large sum of money on the port of Quebec since the facilities of that port never have been used to their full extent. Do the government intend that the port of Quebec or the ports on the Atlantic shall receive a greater amount of grain, or what do they intend?

I would also point out that we have seen fit to direct a great part of our wheat through United States ports as the most feasible route to the markets of the world. If there is to be winter handling, which the Minister of Railways said yesterday was so profitable, why should we store wheat at Quebec? If the grain is to move over the Transcontinental railway at all it is certain to go to Halifax or St. John, and it seems to me that the government should formulate some direct policy with regard to those ports rather than spend such sums as $5,000,000 and $8,500,000 indiscriminately on the same port without knowing whether or not it will be used to its capacity.

Mr. DUNNING: Perhaps I might be permitted to answer my hon, friend in that regard without attempting to lay down any fixed policy on behalf of the government, because these are largely matters of development. I would point out that there is a difference between making provision for winter storage and for winter handling. In the nature of things there will be comparatively little winter storage at a port which is open during the winter; there is comparatively little winter storage at Vancouver or at Halifax and St. John. On the other hand, at interior ports, both in the United States and in Canada, there is an increasing tendency to provide for winter storage in order that grain may be in a strategic location for spring shipment. In that connection it has been found more advantageous than would be the case, in the national interest of Canada, to store grain for the winter in United States winter storage terminals. A number of years ago a company, with which I believe the leader of the opposition was connected, was a pioneer in the direction of providing winter storage for grain within Canada, instead of using to such a large extent United States facilities located at United States lake ports, and other interior ports, for that purpose. And so in Canada we have been gradually building up two types of facilities, one for the continuous handling of grain at ports which are open the year round, and the other winter storage facilities as close as possible to the channels of world trade at places which are not open the year round but are closed for a considerable portion of it. Montreal has gone in for winter storage to a far greater extent in recent years than formerly. Utilization of the winter storage at Quebec, filled to almost its full capacity for the first time, is further evidence of the use which the trade and the pools will make of winter storage as near as possible to the outlet of navigation. If the trade is there for them I think it is of considerable advantage to have in Canada enough winter storage to take care of Canadian grain, and as a matter of fact as much American grain as can come. That is the broad answer I make to my hon. friend.

Mr. EVANS: I could understand the minister's explanation if we stored this grain at great milling centres such as the United States have, but I do not think the example of the United States should be followed in this case, because none of the hard wheat leaves the United States, and the best of the other wheat is used within the country.

Mr. DUNNING: I do not think my hon. friend quite understood me. The provision which has been made in the United States for winter storage in recent years has been made for the storage of Canadian rather than of American grain. That is true especially of the port of Buffalo.

Mr. QUINN: May I ask the minister if this vote of $500,000 for the Halifax harbour commission will make provision for the salaries of the commission and the staff?

Mr. CARDIN: No, this vote is to build additional equipment, wharves and so on, in the port of Halifax. It does not provide for the salaries of the commissioners. They are paid out of the revenues of the port.

Mr. QUINN: Have the salaries of the commissioners been fixed?

Mr. CARDIN: Yes.

Mr. QUINN: What are they?

Mr. CARDIN: The president's salary is $4,000 and that of each of the two other commissioners $3,000.

Mr. QUINN: And the salaries will be paid out of the revenues?

Mr. CARDIN: Out of the revenues of the port.

Mr. QUINN: And also the salaries of the staff?

Mr. CARDIN: Yes.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 217, to provide for a loan to the Halifax harbour commissioners.

Motion agreed to and bill read the first time.

FEDERAL DISTRICT COMMISSION

IMPROVEMENT AND BEAUTIFICATION OF OTTAWA

Right Hon. W. L. MACKENZIZE KING (Prime Minister): I wish the house to consider the resolution, appearing as No. 22 on the order paper, with respect to the Federal District Commission. I may say that if the house is prepared to pass the resolution there will be ample opportunity of debating the principle of the bill and all matters of detail in committee. I think we might pass the resolution and introduce the bill.

Mr. BENNETT: Agreed.

Mr. MACKENZIE KING moved:

That the Federal District Commission Act, 1927, be amended to provide,

1. That the period for the payment of the annual grant to the Federal District Commission at present fixed at sixteen years from the first day of April, 1927, be extended to thirty years from the first day of April, 1928, the said annual payment to be reduced to the sum of $200,000.

2. That the Minister of Finance may provide for the purposes of the commission by the sale or other disposition of securities of the commission, guaranteed as hereinafter provided, an amount or amounts not to exceed in the aggregate $3,000,000, or he may, with the approval of the governor in council, pay to the commission, out of the consolidated revenue fund, such sum or sums, not exceeding $3,000,000, as may be required for said purposes, or may make such provision partly in one way and partly in the other. The governor in council may authorize the guarantee of the payment of principal of and interest on any such securities, the proceeds to be deposited to the credit of the Minister of Finance in trust for the commission and released by the minister in his discretion for the purposes of the act;

3. That the Minister of Finance may provide out of the consolidated revenue fund such sums as may be required to pay interest on the said securities and also such sums as are required for the purpose of establishing a sinking fund or for retiring the said securities by annual instalments;

4. That the provisions of the Expropriation Act, instead of the Railway Act shall be made applicable to expropriation proceedings of the commission.

Mr. GARLAND (Bow River): The Prime Minister's suggestion is agreed to without prejudice.

Mr. BENNETT: That is what I was rising to say, because there are some hon. members whom I would not care to bind in any sense who desire to make some observations on this matter, and the statement of the Prime Minister, I think, absolutely protects them in that regard.

Mr. MACKENZIE KING: Absolutely. This is just to allow the bill to be introduced.

Mr. BENNETT: Pro forma.

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

Mr. GARDINER: Would the Prime Minister make a short explanation of the proposal?

Mr. MACKENZIE KING: The bill to be based on the resolution proposes to reduce from $250,000 to $200,000 the amount granted to the commission as an annual appropriation. It is estimated that at the present time something like $150,000 a year is required for the maintenance of the work already done by the commission on parks and driveways. For the period of time to which reference is made in the resolution it is probable that an amount equal at least to $200,000 a year will be required for maintenance alone. It is proposed that any small amount over and above what is required for maintenance should go to meet small incidental capital expenditures in connection with the work of the commission,

such for example as the construction of greenhouses. The rest of the resolution is a proposal that there should be voted by parliament for capital expenditures by the commission, a total sum of $3,000,000, to be provided either by payment out of the consolidated revenue fund of Canada, or by the issue of securities to be redeemed over a period of thirty years. The intention of the government, if parliament approves, is to provide at once, by way of capital expenditure, chargeable to the public debt, the sums necessary to meet the cost of expropriating what is now known as the Russell house property, including the Russell theatre property. Other capital expenditures would be met by the issue of securities to be redeemed over the period of thirty years. It is hoped that parliament will approve a plan of providing for the construction of a confederation park in the centre of the city by the expropriation of a few buildings at present situated between Sparks street, Laurier avenue, Elgin street and the canal. It is not proposed that all of the buildings will be expropriated but only some that can be taken over to the advantage of all concerned. At the present time, as hon. members know, there is on Laurier avenue a large open space in the nature of a park, known as Cartier square. Below Cartier square there is the property, owned by the Ontario government, on which the Normal model school and Normal school buildings are situated. Adjoining parliament hill is Major Hill park. The members of the commission feel that if the property between Cartier square and Major Hill park could be acquired and transformed into a park there would be in the heart of the capital, one large central park, and this open space would lend a character to the whole city which would have its effect in the ultimate beautification and development of the capital.

Mr. BENNETT: Has the commission any revenues at all?

Mr. MACKENZIE KING: I think not.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 218, to amend the Federal District Commission Act, 1927.

Motion agreed to and bill read the first time.

On motion of Mr. Mackenzie King the house adjourned at 10.55 p.m.

Monday, April 23, 1928

The house met at three o'clock.

RESIGNATION OF SIR HENRY DRAYTON

Mr. DEPUTY SPEAKER: I have the honour to inform the house that the Speaker has received the following communication:

House of Commons.
Dominion of Canada.

To the Honourable the Speaker of the House of Commons.

To wit:

I, Henry Lumley Drayton, member of the House of Commons of Canada, for the electoral district of West York, do hereby resign my seat in the said House of Commons, for the constituency aforesaid.

Given under my hand and seal at the city of Ottawa, this twenty-third day of April, nineteen hundred and twenty-eight.

H. L. DRAYTON (L.S.)

Witness, S. CHARTERS.
Witness, R. B. BENNETT.

The Speaker also received the following letter:

The Honourable, the Speaker of the House of Commons, Ottawa, Ont.

DEAR MR. SPEAKER:

I enclose herewith my resignation as member of the house. This course, severing as it does many happy associations, I find necessary owing to my acceptance of the chairmanship of the Liquor Control Board of Ontario.

May I thank you and the members of the house for the kindness and consideration always shown me, and for the lasting friendships I am proud to think I carry with me.

Yours sincerely,

H. L. DRAYTON.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with respect to the communication which you have just read I should like to assure my hon. friend opposite (Mr. Bennett) that all of us on this side of the house join very sincerely with him in regretting the resignation of Sir Henry Drayton as a member of the house. While Sir Henry Drayton was opposed to us politically, and differed from us on many matters of political opinion, differences were usually so expressed as not to tend to lessen the ties of friendship existing between hon. members on both sides of the house. I might almost say that no member of the house had more personal friends among members of all political parties than the member for West York. Sir Henry some years ago in order to serve his country in parliament resigned the position of chairman of the railway commission, a very

important position in the public service of Canada. He did so, I believe, from the highest and most public spirited of motives, and since that time he has continuously served in parliament as a minister of the crown or an honourable member of this house. Sir Henry is now returning to duties somewhat similar in character to those he discharged on the railway commission. As chairman of another very important commission, I am sure he will bring to his new task that exceptional personal and professional equipment which marked his tenure of office as chairman of the railway commission. We all wish him every success in his new field of public service.

Hon. R. B. BENNETT (Leader of the Opposition): On behalf of myself and those associated with me who sit to your left, Mr. Speaker, I desire to thank the right hon. the Prime Minister (Mr. Mackenzie King) very sincerely for the kind references he has made to Sir Henry Drayton, who until a few moments ago was the member for West York. With all that the Prime Minister has said with respect to Sir Henry Drayton, it is of course our delight to agree. To his public duties he brought a highly trained mind. He was an experienced lawyer and an able administrator, and his experience as chairman of the Board of Railway Commissioners gave him an insight into Canadian business, and a knowledge of conditions throughout the country, unrivalled at the time he accepted the very onerous and responsible duties of Minister of Finance of Canada. At that time it was exceedingly difficult to induce any man of standing to undertake so large a responsibility, having regard to the then condition of our country. Sir Henry Drayton had, as the Prime Minister has said, a very high sense of his duty to Canada, and the discharge of that duty occasioned him a great deal of worry and anxiety. Like most public men, now that his services in this chamber have ceased they are more truly recognized at their real worth, alike by his friends and his opponents. I am sure we are very deeply grateful to the Prime Minister and those who sit with him for the kindly references they have made to our colleague, and their appreciation of what the house has lost. His departure, however regrettable it may be to members of the house generally, will be much more keenly felt by those of us who have been so intimately associated with him in parliament.

Mr. ROBERT GARDINER (Acadia): We in this corner of the house desire to be associated with other members in expressing our regret at the resignation of the hon. member for West York, Sir Henry Drayton. It is quite true that Sir Henry has given very valuable service to his country, and while he is leaving this particular field, in which he had laboured so long and faithfully, he is nevertheless available for public service in another direction. When I first came to this house some years ago I think I received more encouragement from Sir Henry Drayton than from practically any other member of the house, and I shall always remember with great appreciation his kindly manner on all occasions. Once again I wish to say on behalf of those who sit with me how heartily we associate ourselves with other members in the house in this expression of appreciation of Sir Henry Drayton.

REPORT OF COMMITTEE

Seventh report of select standing committee on agriculture and colonization—Mr. Kay.

PRIVATE BILL

FIRST READING

Bill No. 215, to incorporate the Canadian Commerce Insurance Company—Mr. Bell (Hamilton).

QUESTIONS

(Questions answered orally are indicated by an asterisk).

TIMBER PERMIT

Mr. KENNEDY:

1. Who is the party that has the timber permit on sections 9, 16 and 17, township 56, range 12, west of the 5th meridian?
2. Is the timber classed as: (a) burnt; (b) partly burnt; (c) green?
3. What amount of timber has been cut on this permit up to December 31, 1927, and what amount of dues have been paid?

Mr. MOTHERWELL (for Mr. Stewart, Edmonton):

1. The north half of section 9, southwest quarter of section 16, and the southeast quarter of section 17, township 56, range 12, west of the 5th meridian, were included in fire-killed berth No. 3915, the timber thereon being sold to Mr. F. J. Hanson at public auction, by the agent of Dominion lands at Edmonton, on the 20th October, 1926.

2. The timber was classed as including fully fifty per cent fire-killed or would die from the effects of fire. Sale was made in accordance with the regulations.

3. 456,528 feet b.m. manufactured and 1,601 unmanufactured logs on hand. Advance dues of $65, with original deposit intact, paid. Balance of dues on timber cut is payable on sales.

IMPORTS AND EXPORTS OF COAL

Mr. SPENCER:

1. What were the total imports of coal into Canada during the year 1927?
2. What were the total exports of coal from Canada during that year?
3. What was the aggregate value in each case?

Mr. MALCOLM:

1.

Anthracite..	tons	4,107,854
	$	31,282,371
Bituminous..	tons	14,065,142
	$	29,439,815
Lignite..	tons	10,829
	$	44,254
Ex-warehoused for ship's stores.. ..	tons	503,529
	$	1,018,069
Total..	tons	18,687,354
	$	61,784,509

2. Canadian produce.

Lignite..	tons	27,782
	$	83,902
Coal, N.O.P..	tons	1,085,548
	$	5,806,357

Foreign produce—

Coal..	tons	6,522
	$	48,148

3. Answered in 1 and 2, above.

HISTORIC SITES AND PUBLIC PARKS

Mr. MacNUTT:

What amounts have been spent by the Dominion government in each province of the Dominion during each of the past ten years, respectively, for historic sites and public parks?

Mr. MOTHERWELL (for Mr. Stewart, Edmonton):

Canadian National Parks Expenditure

From April 1, 1918 to February 29, 1928

—	1918–19	1919–20	1920–21	1921–22	1922–23	1923–24	1924–25	1925–26	1926–27	1927–28
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
British Columbia—										
National Parks	24,314 27	34,931 14	163,127 75	254,836 01	293,056 41	173,584 64	118,271 00	203,380 52	327,880 21	238,121 38
Historic Sites						555 46	3,479 63	1,221 75	1,348 35	978 28
Total	24,314 27	34,931 14	163,127 75	254,836 01	293,056 41	174,140 10	121,750 63	204,602 27	329,228 56	239,099 66
Alberta—										
National Parks	258,690 07	462,637 66	548,541 65	605,442 13	601,378 27	793,990 97	772,092 28	745,234 77	704,168 13	682,721 62
Historic Sites						169 60	186 99	541 67	1,311 98	831 92
Total	258,690 07	462,637 66	548,541 65	605,442 13	601,378 27	794,160 57	772,279 27	745,776 44	705,480 11	683,553 54
Saskatchewan—										
National Parks				50 00	1,719 08	514 51	974 45	286 21	420 38	26,746 47
Historic Sites						1,399 98	1,542 04	172 85	530 35	56 39
Total				50 00	1,719 08	1,914 49	2,516 49	459 06	950 73	26,802 86
Manitoba—										
National Parks										
Historic Sites				52 53		350 00	451 64	254 49		382 88
Total				52 53		350 00	451 64	254 49		382 88
Ontario—										
National Parks	1,731 30	6,312 05	6,314 15	8,212 45	7,048 21	6,413 83	6,502 57	5,503 63	5,596 00	10,875 54
Historic Sites				539 25	3,245 80	5,021 02	3,473 07	3,906 68	4,448 52	3,366 35
Total	1,731 30	6,312 05	6,314 15	8,751 70	10,294 01	11,434,85	9,975 64	9,410 31	9,844 52	14,241 89
Quebec—										
National Parks										
Historic Sites				3,414 46	3,908 07	4,172 68	4,392 34	7,103 74	3,755 85	5,279 13
Total				3,414 46	3,908 07	4,172 68	4,392 34	7,103 74	3,755 85	5,279 13

Canadian National Parks Expenditure—*Concluded*

——	1918–19	1919–20	1920–21	1921–22	1922–23	1923–24	1924–25	1925–26	1926–27	1927–28
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
NEW BRUNSWICK—										
National Parks							5 98	55 98	325 30	1,977 97
Historic Sites				334 39	28 39	2,248 72	966 81	1,313 95	1,186 34	945 59
Total				334 39	28 39	2,248 72	972 79	1,369 93	1,511 64	2,923 56
NOVA SCOTIA—										
National Parks	1,095 10	2,213 57	2,247 65	2,091 62	3,798 69	2,886 78	1,292 09	1,336 80	1,908 71	3,733 71
Historic Sites					57 63	1,905 93	1,189 26	1,125 77	747 36	1,135 92
Total	1,095 10	2,213 57	2,247 65	2,091 62	3,856 32	4,792 71	2,481 35	2,462 57	2,656 07	4,869 63
PRINCE EDWARD ISLAND—										
National Parks										
Historic Sites							195 25	5 50		
Total							195 25	5 50		
HEAD OFFICE, *OTTAWA—										
National Parks	20,354 01	48,284 70	39,567 05	75,505 46	86,575 90	9,065 36	72,285 03	95,159 67	99,611 70	109,515 47
Historic Sites		191 40	434 35	3,232 39	6,175 46	5,558 73	10,244 43	13,751 18	9,233 44	8,805 42
	20,354 01	48,476 10	40,001 40	78,737 85	92,751 36	103,624 09	82,529 46	108,910 85	108,845 14	118,320 89
Grand Totals	306,184 75	554,570 52	760,232 60	953,710 69	1,006,991 91	1,096,838 21	997,546 86	1,080,355 16	1,162,272 62	1,095,474 04

*The amounts shown as head office expenditures cover salaries of staff at Ottawa, pamphlets for publicity, printing and stationery, travelling expenses, etc.

CAP ST. IGNACE POSTMASTER

Mr. CAHAN:

1. Was Joseph Bossinotte, late postmaster at Cap St. Ignace, dismissed on account of political partisanship?
2. If so, who made the accusations of political partisanship?
3. Were said accusations denied by said Bossinotte?
4. If so, was an investigation held?
5. If not, was an investigation asked for?
6. In the affirmative, by whom?
7. Why was such investigation not held?

Mr. VENIOT:

1. Yes.
2. The member for the constituency.
3. Yes.
4. No.
5. Yes.
6. Former postmaster.
7. Member for constituency stated that he had personal knowledge of the political activities of the postmaster.

SCHOONER ADMIRAL BEATTY

Mr. QUINN:

1. Was the schooner Admiral Beatty seized by the Department of Customs?
2. If so, what was the date of seizure?
3. Has the said vessel been released?
4. If so, on what date?
5. Was there a trial as the result of seizure?
6. If so, what was the result of the trial and judgment of the court?
7. Has the judgment of the court been carried into effect?

Mr. EULER:

1. Yes.
2. 31st July, 1926.
3. Yes.
4. 16th October, 1927.
5. Yes.
6. Seizure of Admiral Beatty and her cargo declared not justified. Further declared vessel and cargo should be discharged from the custody of the crown and delivered to their owners free from charge or expense incident to the detention. Certified that there was probable cause for the seizure. No order as to costs.
7. Yes, as respects vessel. Release of cargo has been offered but owner has not taken delivery.

AIR MAIL—MONTREAL AND TORONTO

Mr. HUBBS:

1. Has an air mail contract been given for carrying mail between Montreal and Toronto?
2. If so, were tenders called for said contract?
3. From whom were tenders received?
4. What is the name of the contractor?
5. At what date will said contract go into force?

Mr. VENIOT:

1. Yes.
2. No. The Postmaster General has authority under statute to make arrangements for conveyance of mails by air.
3. See answer to No. 2.
4. Canadian Airways, Limited.
5. About 28th April, 1928.

SIMCOE, ONT., POSTMASTER

Mr. CHARTERS:

1. Was I. D. Lawson, postmaster at Simcoe, Ontario, dismissed in February, 1927?
2. If so, for what reason?
3. On what date was the present postmaster appointed?
4. Upon whose recommendation was the appointment made?

Mr. VENIOT:

1. Yes.
2. On the ground of incompetency.
3. Chas. E. Eaid is acting postmaster since 31st January, 1927.
4. On recommendation of member for constituency—permanent appointment will be made by the Civil Service Commission.

UNOPPOSED MOTIONS FOR PAPERS

PURCHASE OF ALBERTA RAILWAYS

Mr. KENNEDY:

For a copy of all letters, telegrams, correspondence, reports and other documents passing between the Department of Railways and Canals and the Alberta government, and between the Canadian National Railways and the Alberta government with reference to the purchase of the railways of Alberta, by the Canadian National Railways, or by the Canadian Pacific Railway, or by the Canadian National and the Canadian Pacific Railway jointly.

CAP ST. IGNACE POSTMASTER

Mr. CAHAN:

For a copy of all documents, correspondence, and orders in council relating to dismissal of Joseph Bossinotte, late postmaster at Cap St. Ignace, county of Montmagny, Quebec, and to the appointment of his successor in said office.

OSHWEKEN, ONTARIO, POSTMASTER

Mr. SMOKE:

For a copy of all documents, correspondence, telegrams, orders in council, relating to the dismissal of Mr. J. S. Johnson, late postmaster at Ohsweken, Ontario, and to the appointment of his successor.

CANADIAN NATIONAL RAILWAYS—MR. JOHN MACKINNON

Mr. POULIOT:

For a copy of the report of the investigation in the case of locomotive engineer John MacKinnon, of Riviere du Loup, and of all the correspondence relating thereto.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I would point out that this motion evidently asks for something which has a bearing upon the relations between the management of the Canadian National Railways and one of their employees. It has not been the custom of this house to pass orders for returns of this character, in view of the fact that all matters of this kind are in the hands of the management.

Mr. POULIOT: Then I would ask the minister if an investigation took place in this particular case?

Mr. DUNNING: I have no personal knowledge of it. If my friend would drop his resolution, I will be glad to ascertain the facts and take the case up with him.

Mr. POULIOT: Very well.

Dropped.

RAILWAY ACT AMENDMENT

APPLICATION OF MONEYS FROM GRADE CROSSING FUND

Hon. C. A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to-morrow to consider the following proposed resolution:

Resolved, that the provisions of the Railway Act in regard to the railway grade crossing fund be amended to provide for the application of the moneys by the board towards the cost of actual construction work in respect of crossings at rail level in existence on the first day of April, 1909, and in respect of existing crossings constructed after that date where in any case an agreement, approved by the Board of Railway Commissioners, has been entered into between the railway company and a municipal or other corporation or person by which the municipal or other corporation or person agrees to bear a portion of the cost of the construction; and the total amount applied out of the fund in respect of any one crossing, where the cost of construction does not exceed $100,000 shall not exceed 40 per cent of such cost; and where the cost of construction exceeds $100,000 shall not exceed 40 per cent of such cost with a maximum of $100,000.

The grants or the unexpended portions thereof made under the statutes of 1909, c. 32, 1914, c. 50, 1919, c. 30, of $200,000 each year for twenty consecutive years from the first day of April, 1909, may be expended to aid construction work for the protection, safety and convenience of the public in respect of crossings in existence on the first day of April, 1909, and in respect of existing crossings constructed after that date where agreements have been entered into as aforesaid.

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

Motion agreed to.

[Mr. Pouliot.]

EMPLOYMENT OF PRISONERS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): In connection with the report of the superintendent of penitentiaries, I would direct the attention of the Minister of Justice to the fact that on page 15 a strong recommendation is made that prisoners be given employment in order that they may support their families, who are often in great want, and I ask if the government are giving serious consideration to this recommendation.

Hon. ERNEST LAPOINTE (Minister of Justice): The question is under consideration, and I assure my hon. friend that it is receiving serious consideration.

UNEMPLOYMENT IN WINNIPEG

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Last Friday in the city of Winnipeg some 1,500 unemployed persons, including a large number of recent immigrants, went to the provincial government buildings asking for help because they were destitute. I understand that a telegram was sent to the federal government asking that some action be taken in this connection, and I would ask what action is being taken by the government. It seems very strange to me that immigrants should be brought in when this state of affairs exists.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I had some private information from Winnipeg to the effect that there was a tendency on the part of labour to concentrate in that city this spring because of the publicity which has been given to various developments likely to take place during this summer in Winnipeg and in the country to the north of that city. I had a wire in regard to the delegation referred to by my hon. friend, and immediately I wired the commissioner of immigration at Winnipeg for information. I have his reply here, which I will read to the house:

Your wire re unemployed. Plenty of work available, in fact not enough hands to fill applications. Men marching streets of Winnipeg mostly local people who will not go to farm work. No new arrivals amongst them. Possibly a few of last year's arrivals who refuse farm work have joined the crowd. Will report later.

Mr. WOODSWORTH: May I ask whether the request of the provincial government will be complied with, namely, that the immigration hall at Winnipeg be opened for the registration of immigrants out of work? That seems reasonable.

Mr. FORKE: That is a matter that will require some consideration. On first thought I do not think it would be practicable to undertake any such thing; however, in the meantime I will give no definite answer.

Mr. WOODSWORTH: Then do I understand that no action is to be taken in this matter, affecting as it does 1,500 people, especially in view of the fact that the provincial government are asking that something be done immediately? If that be the case, Mr. Speaker, I give notice of a motion to adjourn the house to discuss the matter. It is highly undesirable that there should be nothing but absolute silence in the face of a situation of that character.

QUEBEC, SAGUENAY, CHIBOUGAMOU RAILWAY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to ask the Minister of Railways (Mr. Dunning) whether or not the government has made any commitments with respect to the Quebec, Saguenay & Chibougamou railway. I observe that in one of the leading financial journals it is stated that work has already begun on construction, that satisfactory financial arrangements have been completed; that the Canadian National has supervision over construction of the line and has a satisfactory operating agreement with that railway. It is also stated that Sir Henry Thornton is to be vice-president of the new road. I have followed the legislation as closely as possible this session and I have seen no indication that any bill with reference to the matter is to be introduced. I myself have no knowledge of it; possibly the minister can give the house some information.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The Dominion government has no financial relationship whatever with the Quebec, Saguenay & Chibougamou railway. My knowledge of that railway company is that it is a provincially incorporated company; it is not incorporated by federal charter. It is intended, I believe, to connect at a point which is at present served by the Canadian National, which would probably involve a traffic agreement. But there is no financial commitment; neither the government nor the Canadian National is in any way guaranteeing the securities of or is in any sense financially responsible for the Quebec, Saguenay & Chibougamou railway.

With respect to the report my hon. friend refers to—

Mr. BENNETT: Supervising the construction.

Mr. DUNNING: Yes; I have seen the reports in that regard. I have no official knowledge as to the matter, but this much unofficial knowledge I have: that the Canadian National, for the protection of their own interests, will be entering into an agreement with this company with respect to traffic and also with respect to supervision of standards of construction. With reference to Sir Henry Thornton becoming the vice-president of the company, I have no information, but I shall be glad to make inquiry as to that.

RURAL POSTMASTERS

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I wish to ask the Postmaster General (Mr Veniot) whether we may expect legislation this session dealing with an increase of commissions paid to rural postmasters. I think he indicated earlier in the session that such legislation would be introduced.

Hon. P. J. VENIOT (Postmaster General): Should the government decide to grant the request, legislation wlil not be necessary. The matter is under consideration. When the supplementary estimates are being dealt with the decision will be given to the house, with whatever details may be necessary.

TECHNICAL EDUCATION

INQUIRY RESPECTING CONTINUANCE OF AID TO PROVINCES

On the orders of the day:

Hon. R. J. MANION (Fort William): I asked three questions the other day regarding technical education. The final question was:

Does the government contemplate the withdrawal of financial support now provided under the Technical Education Act of 1919?

To which the answer was:

The act does not terminate until March 31, 1929.

I know that the question is really a matter of policy, but in view of the fact that members are receiving from all over the country communications opposing any withdrawal of the aid to technical education, it occurred to me that if the government had not definitely decided to discontinue the assistance to technical education it would be of some satisfaction to those interested throughout the country if a statement to that effect were made.

Right Hon. W. L. MACKENZIE KING (Prime Minister): At the time of the con-

ference between the members of the federal government and the provincial premiers and ministers the whole question of grants in aid of provincial undertakings was very fully discussed. It was the general view of the premiers and ministers of the provinces that they would like to receive in the form of a direct subsidy anything to which they were entitled in the way of aid from the federal treasury. They took the view that a grant from the federal government carrying with it an obligation on the part of the provincial governments to undertake part of the work was frequently embarrassing, and that on the whole it was not good policy that grants should be made conditional by the federal government. I must say that the representations of the provinces in that particular were pretty generally assented to; it was I believe the general consensus of view that the provinces should deal wholly with these matters, which come primarily within their jurisdiction, and that if the federal treasury were to assist them in any way the assistance should be by way of subsidy grant, thus allowing the provinces to dispose of the funds as they deem best.

With regard to the Technical Education Act, as my hon. friend knows, the intention as expressed at the time the act was introduced was to make from the federal treasury a contribution only over a period of years, primarily with the object of helping the provinces to inaugurate a system of technical education, and secondarily to insure in whatever they might undertake some degree of symmetry and uniformity among the provinces themselves. But it was never contemplated that the federal treasury should continue indefinitely to contribute to technical education. At the recent conference there was considerable discussion on the question of scientific and industrial research which, as my hon. friend knows, is closely allied to that of technical education, and in this connection it was felt that the establishment of scientific research laboratories should be undertaken by the federal government. The Minister of Trade and Commerce (Mr. Malcolm) has already intimated to this house that the government has decided to ask parliament to make a substantial grant towards establishing in the capital laboratories for scientific and industrial research, to serve the needs of the entire Dominion. We feel that if we undertake this obligation and establish scientific and industrial research laboratories on the scale which is intended—and the decision was reached after discussion with the provinces themselves—we are going as far as we should be expected to go in dealing in a combined way with scientific research and technical education.

[Mr. Mackenzie King.]

The aid given under the Technical Education Act does not expire until 1929. It was two or three years ago that the first notification was sent to the provinces that on the expiry of the present act its provisions would not be renewed, and the provinces have had ample opportunity, and still have ample opportunity, to make provision themselves for satisfactorily carrying on the work which has been undertaken. We may consider continuing assistance, for a period of time to correspond with that which the act was originally intended to serve, to provinces that have not taken full advantage of the act, but those that have been receiving aid for the full period of time under the provisions of this act will at the expiration of the act be expected to carry on the work for which this assistance was given them in order to enable them to make a beginning in a satisfactory way.

Mr. MANION: May I say just another word? I appreciate the statement of the Prime Minister, but would it be of any use under the circumstances for those interested to make representations to the government to reconsider the question, or to keep it open, since they have a year to deal with the matter?

Mr. MACKENZIE KING: I think it might as well be understood first as last that the matter is one of government policy. It is only part of the broader policy of seeking to have the provinces continue to deal with matters coming primarily within their own jurisdiction, a practice which came to be subject to some considerable variation only during the war period. At that time there were placed upon the federal treasury a number of obligations which had theretofore been provincial obligations. We feel it is going to be better for all concerned to have the Dominion parliament take care of those matters which are assigned to it under the British North America Act and have the provinces do the same with respect to theirs.

ILLICIT LIQUOR TRAFFIC

On the orders of the day:

Miss AGNES MACPHAIL (Southeast Grey): Has the attention of the government been called to a report in the Simcoe Reformer of April 12 to the effect that international rum runners are prepared to stage a bitter fight and have had a new bullet-proof speed boat built with modern armament? It is the only one of its kind, but five are ready

to leave Port Dover, and the United States officials are proclaiming their intention to meet these boats with armed boats carrying machine guns stationed at two-mile intervals along the shores of the United States. If the government has any knowledge of this, what do they propose doing to prevent unfriendly relations developing out of the situation?

Hon. W. D. EULER (Minister of National Revenue): I also saw in the newspapers the report as read by my hon. friend, but I took from it that if any such action is proposed, it is proposed by United States people, not by Canadian citizens. I see in that no effort to violate Canadian law.

Mr. E. J. GARLAND (Bow River): In the event of the boats just referred to being built in Canada, would the minister think that Canada was not involved in the matter?

PRISONS AND REFORMATORIES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 189, to amend the Prisons and Reformatories Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Application of certain sections of part IX extended to Nova Scotia.

Mr. LAPOINTE: This is a very simple bill. Part IX of the Prisons and Reformatories Act, section 148 states:

This part applies only to the provinces of New Brunswick and Prince Edward Island.

This is a mistake, because sections 155 to 160 inclusive, which are part of Part IX, apply specifically to the interprovincial home for young women at Cloverdale in New Brunswick and apply to Nova Scotia as well as Prince Edward Island and New Brunswick. This bill is for the purpose of correcting what is an obvious error in section 148.

Mr. BENNETT: Was this not in the statute before and in the revision, dropped out?

Mr. LAPOINTE: Apparently section 148 was not amended in order to make it consonant with sections 155 and following.

Section agreed to.

Bill reported, read the third time and passed.

[Miss Macphail.]

EXCHEQUER COURT ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 190, to amend the Exchequer Court Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Constitution of court.

Mr. LAPOINTE: This clause is made necessary on account of the fact that there are now two judges of the exchequer court, the president and a puisne judge. It is to make it clear that when the words "judge of the exchequer court" are used in any statute, they apply equally to one or other of the two judges.

Section agreed to.

On section 2—Official referees.

Mr. BENNETT: I am sure the Minister of Justice must agree with me that it is very odd that the section should have been left in any revision of the statutes, after all the official arbitrators were dead, and especially in the new statutes that came into force on the first of February of this year.

Mr. LAPOINTE: It is queer that this particular section should have been retained in the statute when the men to whom it applies were dead long ago.

Section agreed to.

On section 3—Jurisdiction in cases of patents, copyright and trade marks.

Mr. LAPOINTE: This is to give the exchequer court jurisdiction in passing-off actions as well as statutory actions for infringements of the Trade Marks and Designs Act. Those actions are common law actions while an infringement action is under a statute. The exchequer court has ruled that under the act as it stands, it has no jurisdiction in common law and has to apply the statute strictly and rigidly. Of course in relations between the crown and the subject when the crown is plaintiff or petitioner, it is specifically stated that the court has jurisdiction at common law or in equity, but in relations between subject and subject the court has no such jurisdiction. This is to give the exchequer court the same jurisdiction as the other courts have in the matter.

Mr. CAHAN: Does the term "common law" apply to the province of Quebec or exclusively to the English common law?

Mr. LAPOINTE: I think on trade marks and patents, it would apply to the province of Quebec as well.

Mr. CAHAN: Apply the English common law?

Mr. LAPOINTE: Yes.

Mr. BENNETT: I apprehend that this does not take away the jurisdiction of the provincial courts?

Mr. LAPOINTE: No.

Mr. BENNETT: That is perfectly clear?

Mr. LAPOINTE: Yes.

Mr. BENNETT: Any doubt I had was that, because I recall actions with respect to violations of patents and seeking indemnities being brought in the provincial courts, and I cannot think that this would take away the jurisdiction which must be concurrent with the exchequer court.

Mr. LAPOINTE: Exactly.

Mr. CAHAN: Inasmuch as two jurisdictions are created, one the exchequer court jurisdiction, and the other the jurisdiction of the superior court of the province of Quebec—

Mr. LAPOINTE: The high courts have already jurisdiction. Perhaps the point raised by my hon. friend as to the province of Quebec may be well taken. I cannot tell my hon. friend if, under the law as it is, actions at common law with regard to "passing-off" would apply to the province of Quebec.

Mr. CAHAN: At least it does not take away any jurisdiction which the courts of Quebec have at the present time?

Mr. LAPOINTE: Not at all. It is merely to give to the exchequer court something additional.

Section agreed to.

On section 4—Practice and procedure, how regulated.

Mr. BENNETT: This is not quite consistent with the attitude generally taken by my hon. friend the Minister of Justice, to make the practice of the high court of England as it existed on January 1, 1928, applicable to our courts. Would it not be better to let our courts frame their own regulations and have them approved by the governor in Council? It says:

[Mr. Lapointe.]

The practice and procedure in suits, actions and matters in the exchequer court, shall, so far as they are applicable, and unless it is otherwise provided for by this act, or by general rules made in pursuance of this act, be regulated by the practice and procedure in similar suits, actions and matters in His Majesty's High Court of Justice in England on the first day of January, 1928.

I must say I rather dislike that form of statute. That is only my personal view. We had the same thing in the Northwest Territories, as the minister will recall. I think it would be much better to permit the court to formulate its own rules, regulations and practice, but it might be well, having regard to the desirability of maintaining some uniformity in patent practice throughout the Empire, to say that in no case shall larger powers be conferred upon the judge or court than would be conferred upon them by the rules and regulations in force in England on the 1st day of January, 1928, rather than to have it as it now is.

Mr. LAPOINTE: As my hon. friend says, it is merely a question of date. The section already exists in our statute, and we are simply making it January 1, 1928, instead of 1907, because since that date there have been changes in the practice and procedure in England. My hon. friend suggests that it might be better if we had our own rules and regulations, but I would point out that this amendment is suggested by the judges of the exchequer court themselves, in order to make their practice more modern. Probably they will see to it that they have their own rules and regulations.

Mr. CAHAN: I am afraid they are not imbued with nationalist sentiment.

Mr. LAPOINTE: My hon. friend is wrong. We are making this change because we want to do it. That is autonomy. We are not being forced to do it; we are doing it of our own free will.

Mr. BENNETT: The real effect is merely to say that the exchequer court practice shall be governed by the English practice as of the 1st day of January, 1928?

Mr. LAPOINTE: Exactly, instead of 1907.

Mr. BENNETT: The practice of 1907 is, of course, somewhat antiquated having regard to modern rules that have been made to meet the changed conditions of business, but it does occur to me that it would be easier and simpler to amend our own rules. There is no court in England that is exactly the counterpart of our exchequer court. The high court of justice is divided into the chancery division,

the court of King's Bench, probate, admiralty and divorce, and the chancery division takes these patent cases, and the rules and regulations of the chancery division apply, except in cases otherwise expressly provided for, to all divisions, and would govern this practice. It all comes down to the courts determining whether or not a particular rule in England to meet conditions in England is applicable to conditions in Canada, which personally as a practitioner, now no longer actively engaged, I used to dislike very much, I think it much better to have our own rules sanctioned by our own court. We had the rules of the English court in the Northwest Territories in the early days, and we found it very inconvenient after a time, and passed our own rules and regulations.

Section agreed to.

On section 5—General rules and orders.

Mr. CAHAN: I would suggest to the minister that in paragraph (a) the words "practice and" be inserted before the word "procedure." I think practice differs in some respect from procedure, and I think the whole matter of practice and procedure should be subject to the general rules made by the judges in the court.

Mr. LAPOINTE: My hon. friend suggests using the words used in the previous section. Personally I do not see any strong objection, except that we are here simply using the language which is already in the statute, the only amendment being to say "judges" instead of "judge". We are not changing any other part of the section.

Mr. CAHAN: Inasmuch as we are withdrawing the exchequer court so far as possible from the practice and procedure which prevails in His Majesty's high court of justice in England, I think it would be wise to use the words "practice and procedure".

Mr. LAPOINTE: I have no objection, and I move accordingly, Mr. Chairman.

Mr. BENNETT: I think the words "practice and procedure" are the words in general use. The word practice was used by some of the English judges because a practice had grown up that was not governed by their rules and practice, and so they say "practice and procedure" universally in the English rules.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

FERTILIZER ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the house go into committee on Bill No. 72, to amend the Fertilizer Act.

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

Sections 1 and 2 agreed to.

On section 3—Information to be set forth on brand, etc.

Mr. BENNETT: Mr. Chairman, as I explained to the committee on a previous occasion with respect of some other bills introduced by the Minister of Agriculture, I have grave doubts as to their constitutionality. For instance, this bill prohibits sale and possession, and unless it can be said that these powers are ancillary to the general powers over agriculture given to this parliament by the British North America Act, I think the bill would share the fate of the government grading act, in some sections at any rate. I suppose, as the minister said on a former occasion, it might be all right to pass it;—

Mr. CHAPLIN: Take a shot at it.

Mr. BENNETT: That it might be all right to take a shot at it; but I suggest to him that the "shot" might come from another quarter.

Mr. CAHAN: Mr. Chairman, I do think the house should hesitate to pass bills of this character where there is grave doubt as to their being within the legislative competence of this parliament. We are really passing a criminal statute, and it places upon those who are conducting a perfectly legitimate business the burden of carrying to the highest courts of the land the issue of constitutionality, a burden that is almost intolerable. I regret very much that I was not in the house last week when another bill of this description was passed, for I believe it went far beyond our jurisdiction. If I were advising a client I should regard it as perfectly moral as well as legal to counsel him to defy such a statute from the very start. I see no reason why parliament itself should undertake an illegal act; it brings the whole of our statutory law into disrepute and forms an incentive to disregard law generally.

Mr. COOTE: Mr. Chairman, I think the same point occurred to some members of the committee; but as I understand this bill, it is simply amending an act, and if this measure is beyond the powers of parliament, I think

the act itself is in precisely the same position, and I do not see that we can make things worse by passing the bill.

Mr. MOTHERWELL: I think, Mr. Chairman, that on two other occasions I pointed out that several of these bills dealing with various branches of the Department of Agriculture have this question of constitutionality bound up with them. The original law has been on the statute books a good many years, and we have amended it once or twice, but its constitutionality has never been challenged. Consequently we proceed on the assumption that it is constitutional. The Live Stock Act was challenged on this ground. I immediately got in touch with all the provincial departments of agriculture and with one or two exceptions they passed concurring legislation. Should we meet a similar difficulty with regard to the fertilizer or any other act, then we shall take the same course, and if the provinces want the legislation they will pass the necessary concurring bills. I do not think it is advisable to cross the bridge until we come to it. We have not yet come to the bridge with respect to any of these pieces of legislation with the exception of the Live Stock Act.

Mr. CAHAN: The "bridge" to which the hon. minister refers is well nigh an intolerable burden for the ordinary agriculturist or merchant dealing in fertilizers. Why should you place the burden upon an individual of carrying litigation to the supreme court at a cost of thousands of dollars in order to ascertain whether the law is ultra vires of parliament or not? It seems to me that in respect of agriculture there is a good deal of joint and several jurisdiction, and that it would be wise in all these matters to bring the proposed legislation before the provincial governments and have them, if possible, pass concurrent legislation to dispose of all doubt. But I suggest that the minister, in introducing legislation of this kind, is not assuming a conciliatory attitude in respect of the provincial departments of agriculture, whose co-operation is necessary in order to give validity to his enactment.

Mr. MOTHERWELL: That position is well taken, only I happen to have done what is suggested; and I am under promise to do it with respect to the Live Stock Act. The committee on agriculture reported to-day regarding that act. The matter was taken up with the provincial ministers before we even drafted that legislation, and all other similar acts have gone before the Justice department. We have received the best advice they could give and in many instances they have even helped to draft the legislation. Why, therefore, should I anticipate that the Justice department is wrong by going to the provincial departments and asking them to delegate to us powers which we may already have, and which, according to the Department of Justice, we have? It is only when these powers are challenged that we should consult the provinces. Suppose I went to the Minister of Agriculture of either Quebec or Ontario and said, "I should like you to pass concurring legislation with respect to this matter". That minister would immediately ask, "Has it been challenged?" If I said, no, he would then ask why I wanted to anticipate difficulty.

Mr. CAHAN: We are challenging it now.

Mr. MOTHERWELL: The provinces are jealous of their powers and do not like to delegate them to us unless they want legislation badly enough, and it is only when legislation of this kind is challenged that it becomes necessary to have the powers delegated to us. I have found them agreeable.

Section agreed to.

Sections 4 to 7 inclusive agreed to.

Bill reported, read the third time and passed, on division.

ROOT VEGETABLES ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the house go into committee on bill No. 51, to regulate the sale and inspection of root vegetables.

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

On section 1—Short title.

Mr. GARLAND (Bow River): This bill was amended in the committee, and I do not find on my files a copy of the printed amendment. Unless that is available we cannot discuss the matter intelligently.

Mr. MOTHERWELL: I have not a copy of the amendment myself; I did not expect that we should take it up so soon. There ought to be some understanding in regard to the reprinting of these bills wherever they are substantially changed, and the leaders in the house, as well as the member in charge of the bill, should be supplied with copies.

Mr. GARLAND (Bow River): My recollection is that in committee this bill was materially changed. There were several amendments, one of which was particularly important. We should have a copy of the reprint before proceeding.

The CHAIRMAN: There are no lengthy amendments and I will undertake to read each amended clause fully, as we come to it.

Section agreed to.

Section 2 agreed to.

On section 3—Vegetables sold, etc., must comply with this act and regulations.

Mr. BENNETT: What I said in connection with the other bill, with respect to the constitutional right of parliament to enact legislation of this character, I now repeat. I do not think we should content ourselves with merely expressing our views privately, but we should publicly point out that there is a grave doubt regarding the constitutional power of this parliament to pass the bill in its present form. Such a statement is necesary in order that it might not be said that there was no one in parliament who apprehended the difficulties in connection with prosecutions that might be brought under such legislation.

Mr. MOTHERWELL: This bill also was submitted to the Justice department, and while there may be some constitutional doubt, as my hon. friend has said, the legislation has never been challenged.

Mr. BENNETT: Section 3 is entirely new.

Mr. MOTHERWELL: Why should we not continue the legislation until it is challenged? We have had the best advice from the department, not only under the present but under preceding governments, indicating that we are on sound lines.

Mr. BENNETT: Section 3, I say, is entirely new, and it prohibits the sale of vegetables by any person except under special conditions. This I consider an interference with the exclusive powers of the provincial legislatures.

Mr. MOTHERWELL: As a rule there are exemptions under all these bills.

Mr. CAHAN: Will the minister explain this bill? It seems to me to impose upon the ordinary agriculturist such intolerable conditions that it would be almost impossible for anyone to carry on the business of diversified farming as it is engaged in in the older provinces. You are making almost every farmer a criminal at the start if he carries on his business in the ordinary way to which he has been accustomed.

Mr. MOTHERWELL: There were on the committee a number of practical farmers who did not seem to be alarmed, especially in view of the exemptions provided in section 21. I was not in the committee at the time, but the suggestion was made, I am informed, that we might provide further exemptions if we found any hardship existing such as my hon. friend fears. Very often when you make an exemption people take advantage of it, so we have taken power to remove some of the exemptions, and if we find in practice that more are desirable we can increase the number. The reason we have extended our power in this respect is that these vegetables change from year to year, just as the commercial grades of western wheat change. In the west we have what is called the western grain standards board, which is given authority to specify grades from year to year according the peculiarities of the grain in that particular year. We find that this works very satisfactorily, and since vegetables also vary we have given the government power to establish grades on the advice of an advisory board according to the peculiarities of the vegetables for the particular year. More than half the grain in the west is dealt with in that way, and it is found to be quite workable. There are certain exemptions here, with which we can deal when we reach them. I do not think this is an occasion for alarm, although looking at this act superficially it does seem arbitrary. However, it is hedged about with enough provisoes that no one will get hurt, so far as I can see.

Mr. McGIBBON: Will the minister be good enough to tell us who requested all these regulations?

Mr. MOTHERWELL: We found that when we had a case in court the Department of Justice would invariably show us where the law was weak. This act has not been before the house for five or six years, and the evasions of the law have accumulated during that time. We have been shown how to stop these evasions, and we are doing so by these new sections.

Mr McGIBBON: I can assure the minister that this will not be a way to avoid trouble for his government.

Mr. CHAPLIN: As an example let us consider section 4. Under this section potatoes, onions, turnips, artichokes, beets, carrots and parsnips must be sold by weight. We all know that in markets all over this country, and especially in the older provinces, during one season of the year these articles are all sold in bunches, and later when the roots have matured they are sold by measurement and not by weight. These vegetables are never sold by weight; they are sold by

the basket, by the peck or by the bushel, but now that is to be changed. I am afraid we will have our standards of weights changed one of these days, if we are not careful; we may find ourselves using the metric system without knowing it.

Mr. MOTHERWELL: If my hon. friend had taken the time to read the act through he would have found the exemptions under section 21.

Mr. CHAPLIN: There are not enough exemptions.

Mr. MOTHERWELL: We can open it as wide as a barn door if we consider it necessary. My hon. friend should give the committee on agriculture some credit for knowing what they are doing; we thought this was a pretty good bill. There is a constitutional exception which may be taken to it, but this has been in practice from time immemorial.

Mr. BENNETT: These sections are new.

Mr. MOTHERWELL: Why should we expect that someone is going to gobble us up in this respect?

Mr. CAHAN: Why should you pass such a law which will include every market in the city of Montreal? If market gardeners carry on their business in their usual way, under this law our gaols will be filled with these men.

Mr. BENNETT: Or we will make a joke of the law.

Mr. CAHAN: That is so. The only exceptions made under section 21 deal with new potatoes, seed potatoes, green onions and pickled onions. We who live in apartments are accustomed to go to the market, either personally or by sending someone from the house, to purchase fresh vegetables beginning early in June. The persons who sell those fresh vegetables to us cannot carry on their ordinary business without being subject to these penalties for the commission of criminal offences. If the minister undertakes to enforce that law in the city of Montreal we will have a small revolution on our hands.

Mr. MOTHERWELL: Oh, well—

Mr. CAHAN: The minister may say, "Oh well", but why should he introduce a measure of this vexatious character which serves no useful end at all? If he is dealing with the export trade of the country and wishes certain grading with respect to that trade, we are prepared to take such a measure into most favourable consideration, but when you say that a person who has a little country place cannot sell a bushel of beets or turnips to his neighbour without weighing them, unless he commits a criminal offence, you are proposing ridiculous and preposterous legislation which this house should not favourably consider. The fact is that under the grading system proposed it will be absolutely impossible for the ordinary city market gardener to carry on business.

Mr. MOTHERWELL: I admit that that is quite a natural position to be taken by one who has not studied the question; the whole thing looks ridiculous. I will admit that freely, but this law has been applied to potatoes and onions for at least six years, and I have not heard of any Montreal market gardeners being gaoled because of it. We are now extending the principle to other vegetables; that is all we propose to do.

Sir GEORGE PERLEY: Has the law been enforced during that time?

Mr. MOTHERWELL: Of course. Some of these market gardeners have been fined, but I do not remember that any of them have gone to gaol, and I have seen no deputations protesting against the law.

Mr. EDWARDS (Frontenac): I wish to enter my protest against this legislation also.

Mr. MOTHERWELL: To which section is my hon. friend referring?

Mr. EDWARDS (Frontenac): I am referring to sections 3 and 4, and to section 21; perhaps as I go on I may take in a few more. The minister says there are certain provisoes under section 21 which remove from the bill its ridiculous character; he admits that it is ridiculous up to the last section, but states that section 21 removes the ridiculous features. That is one way to legislate. Let us look at that section for a moment, in conjunction with sections 3 and 4. Section 4 provides that potatoes, onions and other vegetables must be sold by weight, and if this is not done the market gardeners are liable to a fine or imprisonment. If a man wants to sell old potatoes they must be sold by weight, but if he is selling new potatoes he can sell them by the dozen or in any other way he may desire, because there is a proviso which protects potatoes coming on the market between July 1 and September 30. Suppose a man has seed potatoes for sale; if he can show that they are certified seed potatoes he may sell them, I suppose, in bulk or by measure, by the dozen or any way he likes.

Mr. DUNNING: By the bunch.

Mr. EDWARDS (Frontenac): Or by the bunch. Why the exception in this particular

case as compared with old potatoes? As the hon. member (Mr. Cahan) has pointed out, the market gardeners who come into nearly all our cities and towns are accustomed to selling their produce by the dozen or by the bunch; why should they not be allowed to do that? If a man has a cretain quantity of potatoes in bags why should he not be free to enter into a bargain with a buyer who wishes to take them as they are; why must he have them weighed? It seems to me the minister is assuming in this legislation that the people who go to market to buy potatoes, onions, beets and that sort of thing have not brains enough to protect themselves in making bargains with the farmers. All this restrictive legislation is most inconvenient to the farmer. The minister may say that the gaols are not full of farmers who have violated this act, but I venture to say that the government has made no attempt to enforce this part of it which the minister says has been operative for the last six years, otherwise the gaols would be full, because the people simply cannot conform to an act of this kind. The minister has not told us yet why this provision is necessary; at least if he has I have not heard it. Why does he propose to compel everybody to sell everything by weight? If it were a matter of export then I could understand the weight regulation, but I cannot understand applying such a provision to a little deal between two persons in a market town. Give them credit for a little common sense; do not hedge their operations about with restrictions which make them liable to fine or imprisonment. Will the minister tell us whence came the demand for this legislation?

Mr. MOTHERWELL: We had these questions all thoroughly discussed five years ago, but I have no objection to going all over them again. I judge from my hon. friend's remarks that he disapproves of selling by weight. Why is selling by weight necessary? Because we have no standardized bag in this country that I know of in connection with the sale of potatoes or any other vegetables. In some parts of Canada a bag of potatoes means 100 pounds, in others it is 90, 80, or even less. If I order so many bags of potatoes how am I to know what I am getting unless I know how much the bag contains? We have at least four different sizes of potato bags, and we are trying to get down to our recognized standard of weights.

Mr. EDWARDS (Frontenac): A man is coming to market with a load of potatoes. He finds when he comes to make up his load that he is short of what you call standard bags. He has some old sacks and things of that kind, so he fills them up with his potatoes and takes them into the market. Some of the sacks may contain two bushels, some two and a half bushels. Now, if I come along and want to buy those potatoes, and if I am willing to bulk the lot, using my own judgment as to how many potatoes are there, why should I not be permitted to do so? In any case, if I have any doubt about it I always have the right to demand that they be weighed, and if he is anxious to sell he is going to conform to my wishes and let them be weighed. Why tell him, therefore, that he must sell only by weight? An inspector, nosing around to find some justification for his job, sees me enter into that bargain with this farmer. I am satisfied, the farmer is satisfied, but the inspector reports that the farmer sold these potatoes without having weighed them, and he is liable to fine and imprisonment. That is the kind of legislation the government is asking this house to put through. I repeat that it is not only unnecessary, it is ridiculous; and the ridiculous feature of it is not eliminated by section 21.

Mr. MOTHERWELL: Well, there is nothing in the law to prevent a farmer from taking his potatoes to market in two-bushel bags, three-bushel or four-bushel bags, so long as he marks the number of pounds on the bag. We want to encourage selling by weight, which is the only sure way by which the customer may know what he is getting. I cannot imagine that a buyer would take a whole lot of potatoes, say, for $10; that is a hypothetical case—I do not think it would ever actually occur, because a buyer would want to know how many bushels there were in that lot. However, there is nothing in the act that I know of to prevent him from doing that. If it is a practice which may develop —farmers bringing in a load of potatoes and buyers taking them without knowing the size or weight of the load—well then, we will have to make an exemption to permit farmers to do that if they want to. I cannot imagine, however, that they will want to do it. So far as the bag is concerned, one reads the market reports in the newspapers and sees that potatoes were sold at so much a bag, but the size of the bag is seldom given and nobody knows what the exact quantity is. That is why I think weight is the only safe standard.

Mr. EDWARDS (Frontenac): Everybody knows the weight of a bag of potatoes.

Mr. MOTHERWELL: No, it runs from 70 pounds to 100—many of them more.

Mr. EDWARDS (Frontenac): There is a bushel and a half in a bag, isn't there?

Mr. CAHAN: Section 21, which in the opinion of the minister saves the whole act, sets out that the provisions of the act shall not apply to what are commonly termed "green onions" or other vegetables with top leaves attached. Now if the ordinary market gardener who comes to the village where I am staying for part of the summer sells me carrots with the green leaves attached he is not committing a criminal offence, but if he sells me carrots which have no green leaves on them he is liable to fine and imprisonment unless he carries about with him a scale and weighs them, which is not the ordinary practice of the market gardener. So it would be with parsnips. I see the market gardener going through the country village with his cart, and I wish to buy a peck of parsnips. He may sell me a peck of parsnips if they have the leaves attached, as is very often the case, but if they have not the leaves attached he is liable to fine and imprisonment if he does not comply with this act. It seems ridiculous to make a provision so detailed apply to the market gardener. I am not looking for a political issue on the island of Montreal, but I venture to say that if the government take the responsibility of enacting these provisions into law I can raise a hue and cry throughout the island of Montreal. It would be one of the best political issues I could possibly raise—going to each market gardener throughout that island and telling him how this ridiculous legislation is made to apply to his special business.

Mr. MOTHERWELL: My hon. friend is apparently not familiar with the method of marketing these vegetables. For instance, there is only one way to sell green onions and that is with their tops on. They are little green onions pulled when the onions are immature, tied in bunches and sold at so much a package. I do not know whether that is the way they are sold in Ottawa or not, but that is the authorized practice. When the spring onions mature and the tops come off in the maturing, they go into storage and later they are sold on the market by weight.

Mr. CAHAN: But the carrot leaves do not come off?

Mr. MOTHERWELL: They do not come off when the carrots are pulled up first. When they are young carrots, they are sold in the same way as green onions.

[Mr. Motherwell.]

Mr. CAHAN: You have not exempted green carrots.

Mr. MOTHERWELL: Anything that is green is sold with the tops on.

Mr. EDWARDS (Frontenac): Do pickling onions go to market with the tops on?

Mr. MOTHERWELL: What are commonly known as pickling onions, silver-skin onions, are exempted.

Mr. EDWARDS (Frontenac): Why favour them?

Mr. MOTHERWELL: Because there is a small, special variety for pickling onions.

Mr. EDWARDS (Frontenac): They can sell them by the dozen. They will not have any green tops on them.

Mr. MOTHERWELL: Does my hon. friend not want us to exempt them? Because if he does not, we do not need to. If we find later on that the exemption is being abused, we can remove it.

Mr. EDWARDS (Frontenac): Am I to understand from that that the minister will accept my suggestion in regard to other clauses of the bill? If so, I feel highly honoured and I will make several suggestions.

Mr. MOTHERWELL: What is his suggestion? Is it with regard to what the hon. member for St. Lawrence-St. George said?

Mr. EDWARDS (Frontenac): I am suggesting that the minister explain why he puts pickling onions in the exempted class so that they need not be sold by weight, while other onions have to be sold by weight. Why should pickling onions not be sold by weight?

Mr. MOTHERWELL: As my hon. friend knows, if you put larger onions into a small quart measure you could not get a true weight of them by measure. I mean to say a measure full of big onions would not weigh as much as if it were full of small ones. In regard to these things used regularly by the household, it is permissible to sell small onions by measure just as it is permissible to sell young green onions with the tops on and without having to weigh them. We can have these small onions sold by weight if my hon. friend wants it, but we want to try this out.

Mr. CARMICHAEL: When this bill was before the agriculture committee we were led to believe that in certain portions of the Dominion, more particularly the maritimes, and some of the eastern provinces, where they grew considerable quantities of potatoes, they

desired this legislation. But the view that was expressed in the committee by a number of members was that clause 3, which we are now considering, was altogether too drastic and far-reaching to suit conditions in many parts of Canada. It is true that in the committee the minister proposed an additional amendment to section 21 by which he might take care of a situation that was explained to him, but that amendment was very vague. It is true that it left in the hands of the minister power to meet a situation that might arise, but nothing definite was done to assure the committee that that situation would be met. The situation will arise because clause 3 reads:

No person shall sell, offer, expose or have in possession for sale potatoes—

And then further on:

—unless such vegetables comply with all provisions of this act and regulations made thereunder.

In our western country there are very few farmers who have not a few bushels of potatoes, twenty-five or fifty bushels, more or less, to dispose of in the spring of the year. They usually take them in to their local retail merchant and dispose of them there, or they may sell them to a neighbouring farmer. Under this legislation they would not dare to have such potatoes for sale unless they complied with all the provisions of this legislation. Just how far-reaching those provisions are going to be, remains to be seen, but some of them are outlined in clause 15 which states:

The governor in council may make regulations.

One of these is for the establishment of grades and another prescribes standard containers, and so on. Every farmer who has a few bushels of potatoes to sell must comply with all these regulations and everything that is laid down by the governor in council. If he does not comply with them, under clause 16 he is liable for the first offence to a fine not exceeding twenty-five dollars, for the second offence to a fine not exceeding fifty dollars, and for the third offence to a fine not exceeding two hundred dollars, and if he does not come through with the fine he is liable to a month's rest in gaol. I claim that this is altogether too drastic to apply in general to the whole of Canada. It may suit those districts where potatoes are grown in large quantities and where it would be worth while for the grower to comply with all these regulations, but it certainly is too drastic legislation to apply at least to that portion of the country in which I have the privilege of residing.

Mr. BENNETT: I would have the minister know that clause 3 is a new clause and not the reproduction of an old section. In addition to that he says that the unit of weight shall be a pound. The Weights and Measures Act, chapter 212, of the revised statutes of Canada, provides:

The unit or standard measure of capacity, from which all other measures of capacity, as well for liquids as for dry goods, shall be derived, shall be the gallon containing ten Dominion standard pounds weight of distilled water weighed in air against brass weights with the water and the air at the temperature of sixty-two degrees of Fahrenheit's thermometer, and with the barometer at thirty inches.

2. The quart shall be one-fourth part of the gallon.

3. The pint shall be one-eighth part of the gallon.

4. Two gallons shall be a peck.

5. Eight gallons shall be a bushel.

That is the standard established by the Weights and Measures Act, but not only does the minister change the Weights and Measures Act, but clause 3 is a new clause despite what the minister has said three times in the committee. Clause 3 is not a reproduction of an old section. If the committee will turn to clause 12, it will find there the most serious clause of all. It reads:

Any inspector may detain for the time necessary to complete his inspection any shipment of vegetables in respect of which he has reasonable grounds for believing there is a violation of the act; such vegetables shall at all times be at the risk and charges of the owner thereof; and any inspector detaining vegetables shall give the owner, where ascertained, notice by prepaid telegram or letter that such vegetables are being detained in storage or otherwise, as the case may be.

I submit to the minister that he cannot hope that small market gardeners who have their vegetables gathered up by train, under the co-operative system in some cases, and brought into town, can comply with these regulations. If anybody is found in possession of one of these vegetables under clause 3, he is liable, and under clause 12 the inspector may take them and detain them until they are destroyed. He sends a telegram to the farmer who may be ten or twelve miles out in the country to tell him what he has done. Then the minister provides that the unit shall be, according to clause 4:

The standard pound avoirdupois shall be the unit of weight used.

We are now substituting a unit of weight, whereas heretofore under the Weights and Measures Act, chapter 212 of the revised statutes, the bushel was used. Now that measure as defined by the statute is no longer to be used with respect to dry goods and it

becomes an offence to sell by what, under the provisions of the statute, was heretofore the standard unit. Surely the minister does not mean that a small market gardener bringing his vegetables into town for sale is to be made a criminal by the law of parliament. It is an interference with the rights of the provinces under section 92 of the British North America Act. This parliament has the right to legislate with respect to exports, grading and things of that kind, and so far as that is concerned, the bill would be all right, but apart from all that, section 3 makes an entirely new offence, and section 12 gives one of the nine hundred inspectors which this Dominion is paying the right to seize these vegetables and deal with the offenders in the manner indicated by my hon. friend from Kindersley (Mr. Carmichael). Surely my hon. friend the minister does not intend to deal with the matter in this way, and to ask this parliament to pass this form of legislation.

Mr. MOTHERWELL: If my hon. friend would take the bill section by section—

Mr. BENNETT: I am.

Mr. MOTHERWELL: Of course, it is necessary to refer to section 21 to know what the exemptions are, but if we are to start in the middle as well as at both ends, the matter will get tangled up in the minds of hon. gentlemen who have not studied this question. I would rather not deal with the question my hon. friend raises until we come to that particular section. I might say, however, that there is nothing in the world to hinder people from selling by the gallon, so long as there are seven and one-half pounds to the gallon, and as a matter of fact, they are selling by the gallon. So long as the weight is in the gallon, that is all right.

Sir GEORGE PERLEY: Would the minister say that the Prime Minister would have to have a special order in council passed to enable him to buy vegetables and fruits from his neighbours to keep his house going at Kingsmere?

Mr. MOTHERWELL: I expect he will have to comply with the law the same as other people.

Mr. STEVENS: We are on section 3, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. STEVENS: I would like to emphasize what has already been very well said by the hon. member for Kindersley regarding section 3, and I think the colleagues of my hon. friend the minister ought to take serious note of this. Section 3 says:

> No person shall sell, offer, expose, or have in possession for sale potatoes, onions, turnips, artichokes, beets, carrots, parsnips or such other vegetables as may be named in this act or by the governor in council under the provisions of this act unless such vegetables comply with all provisions of this act and regulations made thereunder.

I appeal to the Prime Minister for a moment. Here we have a section that says that a small farmer in any section of Canada—I will bring it right home to my own district in a moment—must be thoroughly versed in this act and in any regulations that may be made under this act by the governor in council. Some of us have had years of experience in this house, and yet I venture to say that there is not a member of this house to-day, be he agriculturist, farmer, or following any other occupation, who has the faintest idea, or anything but the remotest idea, of the regulations now in existence under this act.

Mr. GARLAND (Bow River): We have all violated the act.

Mr. STEVENS: I venture to say that the regulations are to-day being violated, not maliciously, but simply because they are not known.

I turn now, if the minister will pardon me, to the explanatory note on section 15, which provides that proceedings to recover penalties for violation of any of the regulations passed under this act may be taken under Part XV of the criminal code. Let us be sensible and ask ourselves this question: Are we going to expose all the small farmers of this country, as well as the big producers of potatoes and vegetables, to prosecution under the criminal code if they fail to observe the intricate provisions of this act?

Let me analyse the section now, and apply it to a business that I know, that of the small farmer in British Columbia. We have there hundreds of farmers, who raise from five to ten acres of potatoes, and possibly have half an acre of onions, a few carrots and beets, and so on, and they sell them in the locality to a sawmill and small industries of that kind I have in mind a farm of about sixty acres, where they raise about ten acres of potatoes, a few hogs, some apples, and general farm produce, most of which is sold to a little village close beside the farm, where there is a sawmill and other very small industrial works. The employees buy this farmer's produce, and let me say to the minister that that is the finest customer a small farmer can have, the very best. In many instances these people, know-

ing what the various farmers in the neighbourhood produce, drive out to the farm in a Ford car or some other vehicle and buy a substantial portion of his produce. Now section 3 provides:

> No person shall sell, offer, expose, or have in possession for sale potatoes, onions, turnips, artichokes, beets, carrots, parsnips or such other vegetables as may be named in this act or by the governor in council under the provisions of this act unless such vegetables comply with all provisions of this act and regulations made thereunder.

That is, these vegetables must be sorted, graded to size, weighed out in bags which must contain a certain amount, and all such stuff as that, and another section provides that the weight must be marked on the face of the container. Now in British Columbia these potatoes are put in gunny sacks; that is the jute sack, the usual standard sack. The sack is used for grain in the first place, and after it has been used once or twice for that purpose, it is sold second-hand to farmers such as I have mentioned, who buy it cheaply, and use it for sacking their potatoes, carrots, turnips and such like. These sacks when well filled and properly sewn will hold about one hundred pounds, and generally speaking these potatoes are sold by weight. If a carload is being sold, the potatoes are sacked, and the sacks are weighed on scales, and they try to put one hundred pounds in a sack, and the carload is sold by weight, and usually the transaction is very satisfactorily arranged between buyer and seller.

Mr. MOTHERWELL: That is what we are aiming at. Mark the weight on the bag.

Mr. STEVENS: Let me continue my point for a moment. We have large growers, as well as these small farmers to whom I have referred. We have large growers in the Ashcroft district, around Ashcroft and Kamloops, who are raising potatoes by the hundreds of acres and who sell them by the carload, put up in sacks. They are sold to the wholesaler in the city by the carload, in sacks, and he puts them in his warehouse, and then sells them to the grocer in the city, in sacks, and the grocer dumps them in his cellar or puts them into his bins and sells them either by the sack, the half sack, or by the pound. Now, I submit that by this section you are imposing on the small producer an obligation that is absolutely beyond his capacity to perform. that is the point. I say it is beyond his capacity to observe this regulation.

As my hon. leader said a moment ago, if it is a question of the form in which potatoes shall be exported from this country, that is a different matter. It may be desirable to say that when potatoes are exported to the European market or some other foreign market, they shall be crated, graded, and so on. I am willing to say that that is open to reasonable discussion, but in that case they are sold not by the carload, not by the ton, but by the cargo. I appeal to the Prime Minister that this section 3 should not become a statute law of this country. I again draw attention to it. It says:

> No person shall sell, offer, expose, or have in possession for sale potatoes, onions, turnips, artichokes, beets, carrots, parsnips or such other vegetables as may be named in this act or by the governor in council under the provisions of this act unless such vegetables comply with all provisions of this act and regulations made thereunder.

I say it is not fair for us to pass this legislation; it is not wise for us to do so, apart altogether from the constitutional point of view. It is not fair to lay this burden on the ordinary producer of this country. It is a burden that is absolutely beyond the capacity of the small producer, who is trying to make a living by raising small quantities of vegetables. The average small farmer in British Columbia gets his returns from potatoes, apples and pears, small fruits, such as strawberries, raspberries, loganberries and plums, honey, eggs and butter and milk. That is the most desirable type of farmer you could have for British Columbia. You cannot ask a man like that to be an expert on the intricacies of regulations governing every branch of his business; the poor fellow would be literally driven mad.

Mr. MOTHERWELL: Does the hon. member appeal for the removal of all sorts of regulations regarding grading of vegetables for the local market?

Mr. STEVENS: I would certainly argue for the minimizing to the lowest possible point of the regulations that interfere with the activities of this class of farmers.

Mr. MOTHERWELL: We have power to do that under the act.

Mr. STEVENS: That is just the point. It seems to me that what the minister does is this, he starts in with the maximum weight of regulations and interference and then grades it down. I want to see our statutes imposing the minimum interference in business and trade. Section 14 reads:

> An inspection certificate signed by an inspector or any person charged with the enforcement of this act or regulations made thereunder, shall be prima facie evidence of the truth of the statements contained therein.

In other words, the farmer must be at the whim of any inspector. I submit that we are putting altogether too much power in the hands of inspectors, and that we have too many inspectors. I know how anxious officials are to get everything under proper control. But we have too many of these inspectors coming along one after the other; we have vegetable inspectors, milk inspectors, cheese inspectors, butter inspectors—

An hon. MEMBER: And customs inspectors.

Mr. BENNETT: He has nine hundred in his department.

Mr. STEVENS: I appeal to the Prime Minister on this larger and broader question, that every inspection increases the cost of production of the article inspected. You cannot escape it, for it is an economic truth. It is obvious that someone must pay the cost. Every time you appoint an inspector at a thousand or two thousand dollars a year, give him a car and buy his gasoline, and all the rest of it, someone is paying for that expense. Who? You can apply it at any stage you like, but it must come on the cost of production somewhere.

Mr. CAHAN: And the cost of living generally.

Mr. STEVENS: Undoubtedly. This is a serious matter. This morning a young gentleman who has made a study of politico-economic questions intimated to me that one out of every five of the male adults of Canada is employed in some form of government position—federal, provincial, municipal. If that is true, and he assured me it was, then it shows the burden that is being placed upon the shoulders of the people, because you cannot call those officials producers. Indirectly they may classify themselves as such, but they are a part of the cost of administration. This is an overhead charge on everything that goes on in the country. So I say we ought to be very careful about increasing the cost of this class of business to the farmers of Canada.

Mr. NEILL: I would suggest, Mr. Chairman, that the minister withdraw section 3, not because I think there is any harm in it, but because it does not mean anything. It is a superfluity. It is only a reiteration of the general law which says, you must comply with this act. Section 16 provides a penalty for those who violate any section of the act. You cannot get any other meaning out of section 3 than that, and if it is obnoxious to hon. members I suggest that it be withdrawn. I do not know why all this opposition is raised to section 4, because the principle has been in effect for several years at least.

Mr. CHAPLIN: It has not been enforced.

Mr. NEILL: No, they pass these drastic laws and often do not enforce them. What was the law?

> All potatoes, onions, artichokes, beets, carrots, parsnips and turnips offered for sale shall be sold by weight, and the standard pound avoirdupois shall be the unit of weight used.

So after all we are not doing anything worse than we did last time this act was revised, and I do not remember any objection raised to the section at that time. I agree with the remarks of the hon. member for Vancouver Centre (Mr. Stevens) in regard to section 14, that it makes the certificate of the inspector superior to the law of evidence. I also agree with what he said as to section 12, that an inspector may practically ruin a small man against whom he has a grudge, by holding up his stuff while he deliberates upon it; which is quite unnecessary because the stuff is either right or wrong, and this is easily ascertained.

After all, the main principle of the act is that we should sell potatoes by the pound, and I am quite sure that that is acceptable to the average farmer in British Columbia. How else would he sell them? We put up our potatoes, as the hon. member for Vancouver Centre knows, in 100-pound sacks, and the sale being by weight, fraud is prevented. If she buys by the sack, how is the housekeeper to know whether she is getting ninety pounds or a hundred pounds? I remember once trying to sell some potatoes to a storekeeper. I asked for a certain price in 100-pound bags, twenty to the ton. On my declining his offer of a lower price, he said, "I will give you so much more if you will put them up in 95-pound sacks, and then I can sell them for 100-pound sacks." I do not think there is any harm in carrying out this principle of selling by weight. We are doing it already.

Mr. MOTHERWELL: I might point out that it is the practice of the draftsman of the Justice department whenever they make a change in a section to repeat the whole section in order to simplify matters. Previously the law applied only to potatoes and onions, and it worked out so admirably that we decided to make it apply to all vegetables.

Mr. STEVENS: Section 3 is entirely new.

Mr. MOTHERWELL: Therefore the principle of this legislation has been in force for five years and has been found to be sound. There has never been any occasion for alarm or confusion in applying that principle.

Mr. STEVENS: Not the principle embodied in section 3.

Mr. MOTHERWELL: The same principle is involved. I think my hon. friend from Vancouver Centre enunciated a very sound principle, that when enacting such legislation it is well to start with the minimum of restrictions and regulations. That is exactly what we did five years ago. We started with a small specific number of vegetables which were recognized on almost every market. There was no doubt that those vegetables—potatoes and onions and so forth—should be sold by weight, and that was done. That having worked out satisfactorily we extended the principle to others. I cannot understand what the difficulty is about. I remember when we enacted the egg regulations we took the opposite attitude; that is to say, we made a very wide exemption in favour of poultrymen and farmers generally. These regulations did not apply to farmers marketing fifteen dozen or under in one day. This provision has worked out satisfactorily in a sense, but gradually it has come to be grossly abused. You may sell fifteen dozen as many times in one day as you like, and if only you are persistent enough you may defy the law. This exemption in the case of eggs was provided with the best intentions, but it has grown into a decided abuse. Nevertheless exemptions are necessary at the beginning, and that is one reason why we have taken the power either to reduce the exemptions, under section 21, or to increase them to meet the requirements as they arise, thus obviating the necessity of coming to parliament so frequently. That is the purpose, but there is no new principle involved.

Mr. NEILL: What new principle is involved in section 3 which is not covered by section 16?

Mr. MOTHERWELL: We are including a lot of new vegetables.

Mr. NEILL: Section 16 provides that every person who by himself or through the agency of another person violates any of the provisions of the act shall be liable. Is not that all-inclusive? What is there in section 3 which is not covered under that section?

Mr. MOTHERWELL: I understand that the Justice department, to make it perfectly airtight, advised this section.

Mr. STEVENS: Isn't that my point? You are providing the maximum to start with in order to make it airtight.

Mr. MOTHERWELL: We have been operating for five years under the minimum, and some people have been able to get past us in the courts.

Mr. CAHAN: How many thousand inspectors will the minister require under this act, and by whom will they be paid?

Mr. MOTHERWELL: We shall have a few less than we ought to have, but if my hon. friend will look up the estimates of the department the year before this government came into power he will find that we are exceeding the number for the first time this year.

Mr. CAHAN: I am not interested in that; I desire to know how many inspectors there will be.

Mr. MOTHERWELL: If we are extravagant in the number of inspectors we have we must be very economical in our management, or the aggregate estimates would be larger than they are.

Mr. CAHAN: How many inspectors will be needed?

Mr. MOTHERWELL: I do not know how many. Some of the inspectors perform duties under as many as five acts.

Mr. CAHAN: How many do you require in Montreal, for example?

Mr. MOTHERWELL: When we are on the estimates I shall be delighted to give that information; I am not prepared to say offhand. My deputy informs me that in the city of Montreal we have three.

Sir GEORGE PERLEY: A few minutes ago the minister made a statement which I think is entirely inaccurate. I do not suppose he meant it so, but he gave the house to understand that he initiated this legislation five years ago with two or three items, and that he is now increasing the number. Section 4 refers to potatoes, onions, turnips, artichokes, beets, carrots and parsnips. All of these are included in the legislation already in existence. On the opposite page of the bill, giving the corresponding section in the present law, these vegetables are all enumerated, and no vege-

table has been added. The minister stated definitely, however, that he had increased the number of vegetables, and that was his reason for coming to parliament with this bill.

An hon. MEMBER: "Or such other vegetables as may be named by the governor in council".

Sir GEORGE PERLEY: Yes; in other words, he is not changing the act. The minister is asking us to give the governor in council power to make any changes that may be thought necessary, and I object to that most decidedly. Later on I shall have something to say in that regard, because if orders in council are to be passed under this act it will only make it worse for the poor unfortunate farmer. It has been well pointed out that it would be impossible for the small farmer to keep this law. Certainly it will be very difficult indeed for him to know what the law is if orders in council are to be passed including other vegetables. The ordinary farmer in my county does not take the Canada Gazette, and even if the orders in council were published therein, I do not think he would know about them. I have looked over this bill rather carefully and it seems to be the new sections which the minister wants to get through. Every one of these new sections is objectionable, and I can see no argument whatever for section 3. As has been pointed out, there is no use in passing legislation which cannot possibly be complied with, and it is utterly impossible to imagine that the small farmers and dealers in this country could comply with section 3. So that the minister is beginning by making criminals out of these farmers right away. Other sections have been commented upon, and it seems to me that the minister wants to get more inspectors in his department, and that this is the main reason for his bringing his bill before us. Now, there is a feeling in the country—

Mr. MOTHERWELL: Why should I want more inspectors?

Sir GEORGE PERLEY: Section 10 gives the minister power to appoint an advisory board which may at his request prepare and recommend standards and grades, and so forth. Then he may appoint "such inspectors and other officers as are deemed necessary." This is a new section. There is a feeling in the country, I say, that the minister has too many inspectors already. He wishes to appoint them for everything in connection with agriculture. Why does he ask for this new section, 10?"

[Sir George Perley.]

Mr. MOTHERWELL: I have asked my hon. friends many times to name one or two or any number of inspectors that are unnecessary, and I shall be delighted to dispense with their services.

Sir GEORGE PERLEY: Why does the minister want to have section 10 enacted empowering him to appoint more inspectors?

Mr. MOTHERWELL: They are already appointed; we want to give them the authority to act. They are already in the department.

Sir GEORGE PERLEY: Does the minister mean that he has already appointed inspectors without authority? Is that what he means?

Mr. MOTHERWELL: This law has been tested on several occasions and proven to be weak, and we want to be sure that our inspectors have specific authority to operate under this act as well as under the others.

Sir GEORGE PERLEY: In other words, this act does not apply to vegetables other than those covered by the old act, but by passing this new act we will place many of our small dealers and farmers under a law which they cannot possibly understand. Power is given under section 10 to appoint an advisory board and such other officers as are deemed necessary, and under sections 12 and 14 the inspectors are given more and more power over these people. The smaller dealers in this country will be afraid to carry on their ordinary business as they have been carrying it on in the past. Apparently these are the sections which the minister desires most, because there are no vegetables mentioned other than those which are already included in the present act.

Mr. MOTHERWELL: I would point out again what was freely discussed in the agricultural committee, that there might be some injustice to farmers selling in small lots. I have recognized that possibility, and I think I referred to it before the amendment was made in committee. It was my suggestion that we should have power to step in and make regulations exempting farmers from these provisions if we found any injustice being done. We do not think it advisable to make the exemptions too general because of the abuses which may arise. These sections were inserted to meet just such cases of farmers selling in small lots.

Mr. McQUARRIE: Would that be done in individual cases?

Mr. MOTHERWELL: No, you could not do it in individual cases; it would have to apply to everyone, but it would be applied if a great many individual cases of injustice arose.

Mr. McQUARRIE: Why not do it now?

Mr. MOTHERWELL: We do not want to anticipate trouble. We have given these wide exemptions in connection with the sale of eggs, and I am sure no one in British Columbia wants that exemption of 15 dozen freed from the regulations, as it is now. British Columbia poultry men never liked that regulation, so in this case we would rather have power to either reduce or increase the exemptions as may be indicated by the way the act works out from time to time. We do not anticipate any abuse, but if such does arise we will make a change.

Mr. McQUARRIE: How will this work out in the New Westminster market, for example? I understand the minister has been there and has seen the farmers bring in their goods, which they sell to the citizens of the town and district. In that market so far as I know there is very little selling by weight; vegetables are mostly sold in packages, in boxes, in sacks and so on. It seems to me there would be great consternation in New Westminster and other markets if this law were put into effect; it would be a great inconvenience to the farmers and to the purchasers, who are accustomed to buy their goods in boxes or parcels. More than that, it seems to me that the minister is badly twisted with regard to potatoes. As I read the proposed act, it will be lawful to sell new potatoes otherwise than by weight, but old potatoes must be sold by weight. That is directly opposite to the custom which now prevails at least in British Columbia, ordinary potatoes are sold in sacks or by the bushel, while new potatoes are always sold by weight. I doubt very much whether under section 21 new potatoes can be sold otherwise than by weight except when they are shipped, because the minister will notice that section 21 says:

(a) to new potatoes when shipped between the 1st day of July and the 30th day of September. . . . .

What about new potatoes which are sold on the market but which have not been shipped? How will this affect potatoes which are sold direct by the producer to the consumer? They are brought in to the market by the farmer, and unless you have some extraordinary interpretation of the word "shipped," I do not see that they can be sold except by weight.

Mr. MOTHERWELL: My hon. friend has asked me how these regulations will apply to New Westminster and other small markets. Most of these regulations will apply just as they are being applied at present. These vegetables are sold now by weight, so there will be no great change there. With regard to subsection (a) of section 21, only one word is underlined, which shows that that subsection was in the act previously, and we managed to survive under it. I would ask the hon. member for Yale (Mr. Stirling), as a practical vegetable grower, coming from a district where this business is carried on extensively, if he would like to make these exemptions wider. I remember we discussed this in the committee and it was thought that if we exempted all farmers it would allow persons who were both traders and farmers to come under the exemptions, so it was thought better to assume the authority to widen these exemptions, and if injustices were caused we could meet the situation by the necessary changes. As a matter of fact, in the Seeds Act we have specifically exempted farmers dealing with one another, and we have done the same in connection with artificial fertilizer. We could make these exemptions so wide that all farmers would not come under the provisions of the act in their dealings with each other, but if we did that it was thought that men who were both dealers and traders as well as growers would be exempt from the provisions of this law, which would not be wise. We have taken the power to meet conditions as they arise, and since most of these troubles have not arisen during the last five years I do not think we should anticipate them and legislate for them in advance.

Sir GEORGE PERLEY: Under what section do you receive power to increase the exemptions?

Mr. MOTHERWELL: Under the new subsection (f), which I do not believe is in the bill before my hon. friend. That gives us power to make regulations dealing with such special trade practices as the advisory board may specify, with the approval of the minister. If the advisory board find that there are abuses in the working out of the act they will make recommendations to the minister, who will have the necessary regulations changed to meet the situation.

Sir GEORGE PERLEY: Of course that means legislation by the advisory board and not by parliament.

Mr. MOTHERWELL: I have an answer to that which I made before, if my hon. friend

remembers. I do not want to be told later that two wrongs do not make a right, but for at least a quarter of a century we have had the western grain standards board to deal with the commercial grades of western grain. That board is appointed from time to time from the trade, the milling industry and the farmers, and they set the grades year by year; this year in particular the work of that board covered more than half the wheat produced in the entire west. So you may say that parliament is removed not once but several times from these individuals.

Sir GEORGE PERLEY: The minister does not claim that is at all analogous to this case?

Mr. MOTHERWELL: No, but it comes very near it.

Sir GEORGE PERLEY: So far as grain is concerned, the people who own it, who grow it and deal in it, are the ones that make the standard, but in this case it is to be another body which has no interest in the farmers.

Mr. MOTHERWELL: The personnel of the western grain standards board is recommended by the board of grain commissioners and appointed by the government.

Sir GEORGE PERLEY: Quite so, but they are all men who are familiar with the trade.

Mr. MOTHERWELL: Does my hon. friend think we may select men who do not know anything about it?

Sir GEORGE PERLEY: The men who are to determine these standards will be officials of the department.

Mr. MOTHERWELL: Well, we have other advisory boards and I cannot recall any instance in which members of the department have been put on them.

Mr. McQUARRIE: Will this board be patterned after the tariff advisory board? If so, how are we going to get recommendations from it?

Sir GEORGE PERLEY: If a farmer in my county, for instance, who sells to his neighbours or goes into the market at the mill in the county town and sells vegetables as he has been in the habit of doing, what protection has he got if he sells in some other way than that prescribed in this bill? Is he not liable to criminal prosecution without any further question?

Mr. MOTHERWELL: No.

[Mr. Motherwell.]

Sir GEORGE PERLEY: Is he not liable to criminal prosecution if he sells his potatoes, carrots, turnips or anything else, in any other way than by weight?

Mr. MOTHERWELL: He will have to comply with the weight requirement. But in order to avoid cluttering up these pieces of legislation with all kinds of provisions it is usual to provide for the making of regulations, and so long as they are not inconsistent with the provisions of the act these regulations will cover such detailed features of the working out of the act as my hon. friend refers to.

Mr. EVANS: I suggest to the minister that that word "person" in the first line of section 3 be changed to "dealer", otherwise I think the legislation is altogether superfluous and objectionable to most of the people of this country; it interferes with the free exchange of goods between the grower and the consumer. The minister's reference to grain is not to the point, because the board of standards know that all the grain has to pass a certain point and will be inspected by one set of inspectors. But these vegetables come in by the wagon load to certain towns or cities, and a man is liable at once to prosecution if these vegetables do not come up to the standards fixed by the standards board. It seems to me that the act will have the effect—perhaps not intentionally—of concentrating the trade in all these things into the hands of the big dealers or wholesalers or cold storage proprietors. If we make the change I have suggested I think it will meet with the approval of the house and of the whole country.

Mr. CHAPLIN: I wish to point out to the minister what is happening along the main highways in the provinces of Quebec and Ontario. Take for example my section of the country: hundreds of farmers have stands out in front of their farms on the highway on which they display for sale baskets of fruit and vegetables of all kinds. Under this law they must have scales there in order that everything may be weighed before it is sold. But those who buy these things know the value of them just as well as those who sell them do. The buyers are perfectly satisfied with the trade they make, yet the minister intervenes with a law of this kind which is absolutely illogical and against the business of this country as people want to carry it on.

Mr. MOTHERWELL: If my hon. friend were buying a thing wouldn't he want to know its weight?

Mr. SINCLAIR (Queens): In regard to the application of this act, we have had it in force in the maritime provinces for some years in respect to the shipment of potatoes. I refer more particularly to the old act, which I now have under my hand. By this measure the existing act is changed to give the governor in council or the minister power to make the regulations that were formerly covered by statute. Now, the standard or grade of potatoes and onions were defined in chapter 181 of the revised statutes of Canada along certain lines which I need not go into. It was found in the operation of the act that it was advisable to have the power, as the minister explained at the beginning of the discussion, to vary the different grades according to the standards required by the crop production of different years. In order to do that it is necessary to give the minister, under advice from the advisory board, the power to make regulations regarding these matters. The details with respect to that will be found in section 15 of the present bill. I quote subsection (f):

To prescribe the time when any regulation shall come into operation, the particular kind or kinds of vegetables to which it shall apply, and the part or parts of Canada within which it shall be in force;

So that I think hon. members will readily see that there is no intention on the part of the department or of the minister to apply this act to the small dealings of neighbours among themselves, or between persons within the same community.

Mr. BENNETT: It says so, though.

Mr. SINCLAIR (Queens): It gives general power, and the minister has explained that this section was drafted by the Justice department to make the act strong and to give the necessary power where it was decided by regulation to enforce it. Now I want to explain to the committee some of the benefits that have accrued from this act to our growers and to our dealers in the maritime provinces in regard to the shipment of potatoes.

Mr. BENNETT: That is export business.

Mr. SINCLAIR (Queens): It is interprovincial trade.

Mr. BENNETT: Exactly.

Mr. SINCLAIR (Queens): And also trade within the provinces themselves. So far as it has been applied it has not been compulsory except where requested by the shippers or growers. Many of our wholesale dealers two years ago asked that the act be put into force so that inspectors would be supplied by the department for the grading of carloads of potatoes when a request to that effect was made. That action was taken by the department a year ago last September and many inspectors were specially appointed for the enforcement of this act in Prince Edward Island. A per carload fee of $5 a car was placed upon inspection, and those who got the benefit of the inspection paid the cost of it. When the dealers buy potatoes from the farmers they buy Canada A stock, and if on inspection at the car door they prove to be below standard the farmer has to regrade his stock. These potatoes are sold to dealers in Montreal, Toronto, Ottawa and other of the large markets in central Canada, according to the grade, the greater proportion of them being sold as Canada A grade. When they arrive at destination the bill of lading is accompanied by a certificate signed by the inspector stating that he inspected those potatoes and that they are up to the grade specified in the certificate. If the man who buys the potatoes feels that they do not turn out right, he immediately telegraphs to the man he buys from, who arranges with the department to have an inspector sent to inspect the car at point of destination before it is unloaded. If the potatoes are found to come up to the grade specified in the certificate, then the man who sold the potatoes can collect his price for the shipment. If the potatoes were sold without the inspector's certificate and objection was taken at point of destination to the quality, the grower or seller, would have no recourse except to accept the word of the man who bought the potatoes. If the deal took place on a falling market, nine times out of ten the man who shipped the potatoes would lose very heavily on account of not being in a position to protect himself against any complaint that might be made regarding his shipment. The act has worked out very well in this regard and has given great benefit to our people in the maritime provinces. It can be seen from the market reports covering the last two years that the price of potatoes of Canada A grade from the maritimes has advanced. Inspected stock from the east sells at from ten to fifteen cents a bag more in the central markets of Canada than potatoes that come in without inspection from other points.

The request that has come forward from our people for changes in the grades has helped to bring about the changes in the act. The Department of Agriculture and the Department of Justice can explain better than those of us who are engaged in the actual

working out of the act, why certain clauses of the act are necessary, but in connection with changing the grades as previously defined in the statute, our people who are engaged in growing and shipping potatoes have asked that certain restrictions be put upon the number of small potatoes. I might read particularly from chapter 181, the old act. The definition of Canada A quality reads:

In this grade the diameter of potatoes of the round varieties shall not be less than one and seven-eighths inches, and of potatoes of the long variety one and three-fourths inches.

Mr. STEVENS: Where is that covered in this legislation?

Mr. SINCLAIR (Queens): That will be covered in this legislation by regulation.

Mr. CHAPLIN: How are the general public going to know?

Mr. SINCLAIR (Queens): The reason our people request the change is this. They say that you can have a shipment conforming to the highest standard of merchantable or table stock potatoes, classed as Canada A, with the tags on, and still there need not be one potato in that shipment more than two inches in diameter. If a carload of potatoes went forward less than two inches but not less than one and seven-eighths inches in diameter they would be looked upon as a very poor grade of potatoes. Our growers and dealers, in order to protect themselves against unscrupulous people selling seconds instead of Canada A grade, are asking that not more than twenty per cent of the shipment should be under two and one-half inches.

Mr. STEVENS: Where will the hon. member find, in regard to the very point that he is now mentioning, safeguards for the grower in this legislation which is being substituted for the old act?

Mr. SINCLAIR (Queens): First I might explain another change that is being asked for by our people, namely to establish a grade for turnips as well as for potatoes. A considerable business has been developed within the last two years with United States points for the shipment of turnips in the fall and winter seasons and our people have asked that a grade be established. As regards the question of the hon. member for Vancouver Centre, he will find that by section 15 of the bill power is given to the governor in council to make regulations such as are necessary for the enforcement of the legislation and the standards of grades required for the different vegetables. This is to be done on the strength of the advice of the advisory board as outlined in clause 10. The matter is not altogether left to the minister and his department to handle by order in council. Before the minister acts, the question is submitted to the advisory board which, as is the case in connection with several other acts, represents the growers, the shippers, the purchasers, the consumers and the trade generally as affected by the particular vegetable to which the regulations may refer.

Mr. STEVENS: Where is that defined in the bill?

Mr. SINCLAIR (Queens): Clause 10 refers to the advisory board.

Mr. STEVENS: But that does not describe the matter in the way the hon. gentleman puts it.

Mr. SINCLAIR (Queens): My description may be taken from one or two of the other acts such as the Seeds Act or the Fertilizer Act, which the Agriculture department has had put through. The same advisory board is used in connection with this.

Mr. STEVENS: I have been interested in what the hon. member has said. His reference to large shipments of potatoes is very pertinent, but may I ask him this question: suppose that in his own fair province of Prince Edward Island a farmer in any of the small communities is not loading his potatoes into a car and shipping them off to the big markets, but is selling them locally; does my hon. friend think that farmer should be compelled to observe regulations such as would be applicable to the class of shipment to which he refers?

Mr. SINCLAIR (Queens): If a farmer at one end of the province buys from a farmer in the other end, he does not go and look at the potatoes but he says: I want Canada A potatoes. Then the man who sells Canada A potatoes and tags them as such should be responsible for delivering what he sells. In that regard the act is a benefit and to that extent it is enforced.

Mr. STEVENS: The hon. gentleman did not catch my question, which is after all largely the quarrel with this legislation as it is drafted. Let us leave out of account the man who ships from one end of the province to the other or to any point a long distance away. Let us take the case of the farmer—and there are tens of thousands of them in Canada—who sells his products in his little village or town to a sawmill or pulp mill close by, which by the way is his best customer. Does the hon. gentleman think it is fair to apply to such dealings the same regulations that he would apply to the larger transactions to which he has referred?

Mr. SINCLAIR (Queens): I do not see my hon. friend's point in asking whether it is fair. If a man wants to sell to his neighbour Canada A potatoes, his neighbour has a right to expect that he will deliver Canada A potatoes.

Mr. STEVENS: I agree, but that is not the point.

Mr. SINCLAIR (Queens): To that extent the act is enforced.

Mr. STEVENS: Who is to determine when the act is to be enforced and when it is not to be enforced? Surely if we pass an act at all it ought to be enforced.

Mr. SINCLAIR (Queens): The regulations will determine that. The objection may be raised that we are doing by regulation and order in council what should be done by legislation, but it has been found necessary to define grades by regulations rather than by the statute.

Mr. STEVENS: But the legislation, if we accept it, states:

No person—

That is, no farmer, no dealer, no grower.

—shall sell, offer, expose, or have in possession for sale potatoes . . . . unless such vegetables comply with all provisions of this act and regulations made thereunder.

Mr. SINCLAIR (Queens): It says, "all provisions of this act and regulations made thereunder." If my hon. friend follows that out, he will find that it is within the right and power of the minister and the department, upon the advice of the advisory board, to make reasonable regulations to protect both the seller and the buyer from dishonest and disreputable dealings in the trade, and it has had that effect, particularly in regard to potatoes, I do not see why it should not be extended to other vegetables where practicable.

Mr. MOTHERWELL: The hon. member for Comox-Alberni has suggested that one of these sections could be dispensed with. I would like to have an opportunity of discussing the matter with the Justice department, to see what can be done without weakening the bill. We have had a full discussion, and I suggest that these two sections stand in the meantime, so that we may see what amendments can be made that will not sacrifice the intent of the bill. The hon. member for Comox-Alberni made a similar suggestion in regard to the Seed Grain Act; we brought down an amendment accordingly, and it went through immediately.

Mr. WOODSWORTH: Might I suggest another matter that might be referred to the Justice department? In the act there are very clear definitions of "minister" "inspectors", "vegetables", "grade" and "container", but in section 3 there appears the word "person", and there is no definition of that word. It seems to me it ought to be made very clear whether the word applies to women as well as to men.

Mr. BENNETT: The Interpretation Act covers that. There is another difficulty that I would like to mention to the minister. This statute in terms repeals an act that came into force in Canada on the first of February last, being chapter 181 of the revised statutes of Canada. That statute defined in terms the grades of potatoes, onions, and so forth. The new statute does not define them in terms, but it creates an advisory board. It does not say how many there shall be on that board, and there is no indication as to how they shall be selected, or where they shall come from.

Mr. MOTHERWELL: We can insert that.

Mr. BENNETT: I am pointing out what it means. It also provides that they may report to the minister, but it is the governor in council that passes the regulations. Now the whole question of grading, which heretofore in Canada was dealt with by the statute which is now to be repealed, is to be left to regulations about which the average man can know little, and his opportunities for getting knowledge of them will be less. He must depend largely upon the Canada Gazette, whereas heretofore he had chapter 181 of the revised statutes of Canada from which he could obtain all the information that he required with respect to potatoes, onions, and other vegetables. I go a step further, and this is a question which I would ask the minister to consider very carefully apart from what has been said by others. Section 15 says that the governor in council may make regulations:

To prescribe the time when any regulation shall come into operation, the particular kind or kinds of vegetables to which it shall apply, and the part or parts of Canada within which it shall be in force.

That means different grades for different parts of Canada, depending upon the political pressure that may be put on the minister or the government. That is what that means, and that is why it should not be placed upon the statute book. Heretofore we have had a standard grade, one grade throughout the country fixed by statute. We are now leaving it in the hands of the governor in council to make regulations with respect to many

things, including among other grades—one for one part of Canada, another for another—the very thing that should not be if the statute is to be constitutional, for it is quite clear that if the statute is to have any validity as a statute, it must deal with either foreign trade or interprovincial trade. If it deals with purely local matters within the province, the province has the power, and not the Dominion. It is only because the Dominion's legislation operates throughout the country as a whole, dealing either with interprovincial or export trade, that this parliament can deal with the matter. Here we are asked to give the governor in council power to make different grades applicable to different parts of the country. Surely the minister does not intend that. That is the very thing that chapter 181 says should not be done, because the desire is to have some sort of uniform legislation throughout the country.

In addition, this means an increase in the number of inspectors, and it clothes them with enormous power. As the hon. member for Comox-Alberni, in answer to a question that I directed to him, pointed out, it allows the certificate of an inspector to be prima facie evidence of the commission of an offence. Just imagine it! The certificate of an inspector, with the regulations in his hands, not published, is to be prima facie evidence of guilt before a justice of the peace. I ask the minister if he thinks that can be tolerated in Canada. I leave it to the minister, does he think that sort of legislation, in this country at any rate, should be given support and approval, and especially in view of the fact that there is the statute already defining grades and providing for sales by weight, without the necessity of making any new provision? There you have chapter 181 of the revised statutes of Canada, and now we are going to take all that power out of the hands of parliament and put it into the hands of an advisory board, not knowing how it is to be selected or appointed. The governor in council may make regulations applicable to Alberta, perhaps, and not to Saskatchewan, applicable to British Columbia, and not to Ontario, and the certificate of the inspector is to be prime facia evidence of violation of the provisions of this act. Surely the minister does not want to do that.

Mr. MOTHERWELL: Most of the hon. gentleman's remarks have been based on the assumption that the law provides for only one grade of any article to be applicable throughout Canada.

Mr. BENNETT: No.

[Mr. Bennett.]

Mr. MOTHERWELL: My hon. friend surely knows that we have two grain inspection districts in Canada, and have had for forty years.

Mr. BENNETT: The old act, the Manitoba Grain Act, was changed to the Canada Grain Act.

Mr. MOTHERWELL: The western standards do not apply to eastern Canada.

Mr. BENNETT: The act is an act for the whole of Canada, but with respect to certain standards, of course, they do not grow the same kind of grain in the east as in the west.

Mr. MOTHERWELL: But the western standards do not apply to eastern Canada.

Mr. BENNETT: They cannot.

Mr. MOTHERWELL: So there is no precedent being created here at all. As a matter of fact, in the Fruit Act as it was, the apples of British Columbia were compulsorily graded for export, and to-day they are not compulsorily graded for the maritimes, and that has been approved by the Justice department.

Mr. BENNETT: I am not speaking of apples. Chapter 181 is an act to regulate the sale and inspection of root vegetables, and this bill seeks to repeal that statute. Section 3 of chapter 181 defines the following grades of potatoes: (a) Canada A quality; (b) Canada B quality; (c) Canada C ungraded quality. That is what I am pointing out, the variations.

Mr. MOTHERWELL: What is the use of grading two varieties of vegetables by statute, and leaving all the rest to be done by order in council? We are simply treating them all alike; that is all. My hon. friend laughs at that. We have graded potatoes and onions before. Why from now on should we have potatoes and onions graded by statute, and all the other vegetables graded by order in council?

Mr. CHAPLIN: The minister from Prince Edward Island told us that the grading of potatoes has worked out well. Now the Minister of Agriculture proposes to change it.

Mr. MOTHERWELL: We are not changing it. Every now and then my hon. friend starts off on a new tack and under a wrong assumption as to facts. He has made two or three statements about grading contrary to the statute, when half of our grain this year was graded by the grain standard board.

Mr. BENNETT: We are not talking about grain; we are dealing with roots and vegetables.

Mr. MOTHERWELL: This is a precedent—something that is very dear to the lawyer's mind. I think we might let sections 3 and 4 stand, and go ahead with the rest of the bill.

Mr. McGIBBON: Withdraw the whole bill.

Mr. MOTHERWELL: I see no reason why we cannot get some relaxation of this section as suggested by the hon. member for Comox-Alberni (Mr. Neill) without sacrificing its strength.

Mr. BLACK (Halifax): We are stressing potatoes and grain.

Mr. MOTHERWELL: The same principle is involved. Grading is grading, whether it be wheat or anything else.

Mr. BLACK (Halifax): What is in the minister's mind with regard to inspection of these smaller vegetables? We go to the market here in Ottawa and see displayed for sale bunches of carrots and other vegetables. How are they to be inspected? How is the purchaser to know that they have been inspected?

Mr. MOTHERWELL: Our inspectors go on the various markets of Canada, where there is a substantial business, including Toronto and Ottawa, and draw attention to any violation of the law, and if that violation is persisted in we prosecute.

Mr. BLACK (Halifax): You will need all the adult population in Canada to enforce this section. For instance, are you going to have an inspector in Aylmer to inspect the farmer's little truck load of vegetables?

Mr. MOTHERWELL: We have graded for home consumption a changeable article like eggs, ten times as difficult to administer as the grading of vegetables, and yet the public have accepted that as a good law.

Mr. BENNETT: And it has been held ultra vires by the courts.

The CHAIRMAN: Shall section 3 and section 4 stand?

Sections stand.

At six o'clock the committee took recess.

56103—145½

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six it had been agreed to let sections 3 and 4 stand. Sections 1 and 2 had passed. The committee is now considering section 5. Shall the section carry?

Mr. McGIBBON: So far as export conditions are concerned the minister is on pretty safe ground. Personally I think it would be a good thing for everyone on this side of the house if this bill went through as introduced to-day. I am rather inclined to think that the minister has not very well read the lessons of history regarding restrictive legislation. I remember some time ago, when the party which I have the honour and pleasure to support was in power, we imposed restrictions on the carrying of arms; we made everyone having in his possession a rifle or shotgun take out a permit. It affected about 99 persons out of every 100 in my riding and created a particular hell for everyone who had supported that legislation. As regards restrictive legislation of this nature, dealing with the domestic business of our farmers, I think the minister is on dangerous ground if he is looking to the peace, comfort and welfare of his government. This legislation will be obnoxious to the people, and the result will be only one of two things: either the spirit of the law will not be observed at all, or the act will create a lot of trouble for the minister and his government. That would of course be reflected more or less on every man who is in parliament to-day, because the people would be coming to us with all their grievances, as they have done in the past, using rather harsh language towards the government and those in authority as well as towards everyone else associated with the act.

I have on a great many occasions in this house objected to all these restrictions that are being put on the liberties of the people. It seems to me that it is becoming a fad; we are almost going crazy in this regard. And this is just another piece of such legislation which the minister is bringing in. The act will never be enforced in the smaller places; I think I am quite safe in saying that. You could not enforce it. It will only create intense dissatisfaction; it will provide more positions to be filled and will incur more expense. It will indirectly run up the cost of living and the cost of doing business. I think the minister would be well advised to abandon it so far as the domestic field is concerned. As regards the interprovincial trade, the min-

ister this afternoon had, I thought, some regard to this phase of the question. But if you are going to apply this legislation to all the little trading transactions that take place on the country roads, in the villages and towns, and render the farmers liable to the penalties specified in the act, you will only create trouble. The act will be a farce and will never be enforced; if you try to enforce it—well, God help the government and the people who try to carry it out.

Mr. MOTHERWELL: I assume that my hon. friend's remarks apply to section 5, the one under discussion. I may say that every vegetable grower in Canada in every province has asked for this section. At least one representative from New Brunswick in this house has urged upon me the necessity for it, in order to provide for compulsory inspection if we deem it desirable to take that power, and the grading of vegetables for export. It is the same as in regard to cheese and butter; there is no new principle involved. The fact is, we are being urged to pass this legislation

Mr. McGIBBON: For export, yes.

Mr. SPENCER: From what quarters has the minister been requested to bring in this legislation?

Mr. MOTHERWELL: The representatives of the vegetable growers have requested it. If my hon. friend wishes me to mention names, I may say that one gentleman who has urged it upon me is the newest member from New Brunswick. One of the reasons why they want this legislation is the fact that their market in Cuba was nearly ruined by the export of defective potatoes to that country. The representative of Cuba—with whom I happen to be living—has told me that unless something is done to improve the New Brunswick potato situation his country will have to exclude those potatoes from the Cuban market; not that the potatoes are not good, but they are very carelessly handled. In order to satisfy myself I got a barrel of these potatoes shipped to the fruit commissioner's office and, accompanied by Mr. Caldwell, who was a member of this house, two years or so ago, I went and inspected this sample. I found from 30 to 40 per cent of the potatoes defective; they were cracked or wounded or bruised in some way. And they were all beautiful potatoes. But after travelling a considerable distance, broken and cracked, and passing through the warmer climate of the southern Atlantic, a great many of them were on the point of heating and it was just a question whether they should not be dumped into the sea. The result was that we were given warning that, unless this condition stopped, the Cuban people would have to put an embargo on our potatoes. It was due, not to the farmers, but to the dealers in New Brunswick who were handling these potatoes. In compliance with an urgent request from every part of the Dominion, we are taking some power with regard to the export of potatoes, just as we do in regard to anything else that is shipped out. These powers may appear to be far-reaching and, to some, exasperating. But I may assure the committee that we are not beginning to take in respect of these matters anything like the power which is exercised in Australia and New Zealand. There the authorities go very much further than we do, and say to a man that unless his goods are up to a certain standard they shall not be exported at all to any country, because Australian and New Zealand growers do not want their reputation injured abroad. We exclude no farm product from export which is at all edible, but we want it graded just as we do with butter, cheese, eggs and many other articles to which I have referred. Then it must be remembered that we are only asking for authority to do it; it may be a year before we bring it into practice. We were grading fruit for export two years before we applied the law for home consumption. When the people become familiar with a law by using it voluntarily, we gradually make it compulsory when we are asked to do so.

Mr. McGIBBON: I hope the minister did not misunderstand me; I think he is absolutely right so far as export business is concerned, but I believe he is absolutely wrong when he tries to apply it to all the little domestic transactions which take place in the small towns. For my own sake politically I hope he goes through with it; this bill will give me a lot of votes. But I am trying to do a favour for the government by keeping the minister right, and at the same time I am trying to keep peace among the farmers in my riding.

Mr. MOTHERWELL: I have agreed to let these two sections stand. This is not an arbitrary measure; I am told that this bill is the result of requests from growers, shippers, consumers, and the trade generally. If one of the Toronto members who is a prominent wholesale produce dealer were here, he would tell you that these provisions are necessary; in the committee he confirmed them all. I am sure the growers, as represented by the hon. member for Yale, are also unanimous in their support of these provisions. However, the two sections to which my hon. friend is

referring will stand, and probably we can find some less provocative language which at the same time will attain the desired end. I should like to consult the Department of Justice before changing the wording, because they have said that this is the correct form.

Mr. McGIBBON: I have a good deal of respect for the ability of the minister.

Mr. MANION: I do not rise as an authority on farming, but I would like to say a word or two in general on this bill. I apologize for speaking on it at all, because as I have already said I do not know very much about farming, although a large section of my constituency is composed of farming communities. At that, I am not worse than most of the other members who spoke this afternoon; I presume a good many of them in these days of the automobile are like myself, hardly able to tell a horse from a cow. However, coming as I do from a section of northern Ontario where farming is a very difficult pioneering occupation for a great many people, I do not like to see too many restrictions placed upon farmers. Perhaps one third of my constituency is composed of people who are pioneer farmers, who have gone into bush country similar to that of northern Quebec and some parts of British Columbia, and who have had to hew their homes out of the bush. In many cases they have been confronted with many difficulties, and I do not like to see more restrictions placed upon those men who already have enough difficulty in making a living. It is very difficult to populate that section of Ontario extending west from North Bay to the Manitoba boundary, an area almost as large as Germany and France together. It will supply a large area of magnificent farming land once it is cleared, but it requires a long, hard life of pioneering in most cases before enough land is cleared to make good homes for the farmers. In view of that, and in view of the fact that these farmers sell practically all their vegetables in the towns and cities of the neighbourhood, I do not like to see their difficulties increased in any way. As a matter of fact, I have the impression that we are too prone to legislation in our country; perhaps it would be a good thing if we had a closed season for legislation extending from about January 1 to July 1. That would pretty well cover the session of Parliament, and would result in a shorter and more profitable session while letting the country go along in better shape than is now the case.

Mr. CAHAN: It would give us a more contented community.

Mr. MANION: As the hon. member (Mr. Cahan) has suggested, probably it would give us a more contented community. Unfortunately in our country there are a great many people who believe that because something is old it is of no use and that only the new is useful. They read of something which has been done in New Zealand or in some other country or state and think we must immediately copy it. I do not believe that is necessary in all cases. I think we might well leave these restrictive bills out of our legislation for a while and let our pioneering sections grow up and get further advanced before such measures are passed. Most of the people are not familiar with this sort of thing, and they will not take the trouble to read them.

I am speaking very generally now, because I quite understand that in regard to exports of fruit, wheat and many other agricultural products it is necessary for the good name of Canada that we have grades. I do not question that for a moment, but at the same time I am not one of those who believe that the ordinary buyer in the small town or city, or even in the large town or city, cannot look after himself or herself pretty well. We have in my city a market to which the farmers of the surrounding district come two or three times a week, and they get along very well with the people in the town. Unfortunately for the farmers in that pioneering section, during the war the government of which I was a supporter advocated greater production. I say unfortunately, because greater production meant that all kinds of people in the towns and cities produced fruits and vegetables in their back yards or in vacant lots. That became something of an obsession with many people, and as a result the farmers in that section of the country find it very difficult to make a living. We are finding it very hard to keep people on the land, and I believe restrictive legislation of this kind has something to do with driving the people off the farms because it makes things more difficult for them. I suggest to the minister, with the best intentions in the world, that in the future we might well drop some of this restrictive legislation, particularly as it affects truck farmers. I will admit readily that for export on a large scale, in order to compete in the markets of the world, it is necessary that we should have grades in order to give our products a good name, but I think we might easily go too far in other directions. I say this with no intended reflection upon the civil servants in the department of my hon.

friend, but I think unfortunately it is true that there are a number of civil servants in every branch of public life who look around for ways in which to use their energies.

Mr. MOTHERWELL: Oh, no.

Mr. MANION: I have had something to do with inspectors of various kinds in various branches of governmental work, and I have found that with the best intentions in the world, and meaning nothing wrong, they are often looking for something to restrict. They desire an opportunity to put their names on legislation; they like to point out that they were the fathers of this or that measure. I believe we might check that tendency in all branches of the public service and leave our people in quiet and contentment for a while. That will give our pioneer sections an opportunity to fill up with farmers, who will have time to get established on the land without too many restrictions. The people in the towns and cities have things a great deal easier than these pioneer farmers, so I say they should be allowed to take a chance once in a while. It is the old story; if you put a support on a healthy child's back the back will never get strong, and the same thing applies to the people in our towns and citites. Let them take a chance; they are pretty good gamblers now, as anyone can see by watching the stock markets. Let them gamble with the farmers of their communities, and in that way the farmers will have a chance to get well established on the land, especially in those sections of northern Ontario to which I have referred.

Mr. MOTHERWELL: I wonder if my hon. friend would take his own prescription when applied to the many inspections which take place at Fort William and Port Arthur. Why harass the farmers, he might well say, with all this inspectional service, not letting them pass with a single grain of wheat, oats or barley without some monster inspector wanting to do something to make himself officious and to degrade his grain for him? Would that be good for Canada, or would it hurt Canada in the grain markets of the world?

Mr. MANION: The minister has taken up a subject in regard to which I admitted he is correct. I was not referring to that. I admitted the need in exports of importance.

Mr. MOTHERWELL: If it is good for the goose it is good for the gander.

Mr. MANION: I am not so sure.

[Mr. Manion.]

Mr. CAHAN: Which is the goose and which is the gander?

Mr. MOTHERWELL: We have made exceptions. There are exceptions in connection with the grain trade. You can send forward mixed cargoes as long as you indicate on them that they are mixed. So there are exceptions in this legislation and there is power to make dozens of exceptions if we find in the administration that exceptions are necessary. But why discuss that phase of it? I want to make some progress. The domestic side of the question is embodied in clauses 3 and 4, and nobody is objecting to clause 5. Even going as far as we are in clause 5 we are not within approaching distance of what the other overseas dominions are doing in protecting the quality of their goods in sending them overseas for export. We are miles behind them.

Mr. FANSHER (Last Mountain): I am not going to discuss the bill in general, but I want to point out to the minister again that the matter will be materially helped as regards the chief objections that have been taken by changing the word "person" in the different clauses. In clause 3, which was allowed to stand, the second word in the first line is "person" and the same word appears in clause 6, 7, 8, 9 and so on. The discussion for the last hour or so has been in regard to the export end of the vegetable business. That does not cover the thousands of farmers who wish to trade between themselves. Throughout western Canada and in some of the other provinces one farmer will call up his neighbour and want to know if he has a few potatoes or something else and that neighbour will throw three or four sacks in his car and take them over.

Mr. MOTHERWELL: Does my hon. friend object to grading vegetables for export?

Mr. FANSHER (Last Mountain): No.

Mr. MOTHERWELL: That is what we are dealing with.

Mr. FANSHER (Last Mountain): Why apply it to the individual who is not exporting? That is my point and that is the point which was raised by the hon. member for Rosetown (Mr. Evans) and received favourably by the minister. The word "person" appears all through the clause. Why not substitute the word " dealer"?

Mr. MOTHERWELL: The custom right along has been to provide by regulation for grading for export. There may be a better way but I do not know what it is. If any-

body will evolve a better way I shall be delighted to accept it because we want nothing but the best. We cannot put all these details into the law. There is scarcely any law, especially affecting agriculture, which has not a provision for making regulations based upon the law so that changes can be made rapidly from time to time as the circumstances warrant, instead of our having to wait until parliament meets to get an obvious injustice corrected.

Mr. ROSS (Moose Jaw): Either I am wrong on this subject or a number of the members of the committee are. In my opinion you do not have to grade any vegetables at all. You can sell any number of any kind of vegetables you wish without grading; but if you do sell vegetables and call them the grades according to this legislation, then they must come up to the standard.

Mr. CAHAN: Even if a person is a market gardener, under this legislation his vegetables must be graded and certified.

Mr. ROSS (Moose Jaw): I do not believe that is the case. If you put these vegetables in a container and mark them as being of a certain grade, then they must come up to that standard and weight, but if there are no grades there are no restrictions.

Mr. MOTHERWELL: That depends upon what we have in our regulations.

Mr. FANSHER (Last Mountain): Any vegetable that is going to be exported should be graded. But supposing an ordinary farmer goes to a neighbour for two or three sacks of potatoes to carry him over until his new crop is ready for use, according to this legislation if it passes in its present phraseology, he will have to tag those bags of potatoes and weigh them, the sack will have to be a certain size and on it will have to be the name and address of the man who grew the potatoes. That is all nonsense.

Mr. ROSS (Moose Jaw): That is not necessary unless he grades them.

Mr. FANSHER (Last Mountain): The clause refers to "person" instead of "dealer" or "middleman". That is the point to which I wish to draw the attention of the minister.

Section agreed to.

On section 6—Barrels to be well filled.

Mr. CAHAN: I should like to ask this question of the Minister of Justice who is now in his seat and who in his absence was made responsible for this legislation, because we have had it presented to the committee that this bill has been approved in all respects by the Department of Justice. What does he think of this pernicious activity on the part of the Minister of Agriculture in providing all these grades, regulations and restrictions with respect to market gardeners, for instance, in Montreal? ?

Mr. MOTHERWELL: I was dealing with his deputy minister.

Mr. CAHAN: What does the Minister of Justice say in regard to this? ? I think the minister is framing a political issue that will be very attractive to hundreds and even thousands of people in Montreal who are engaged in market gardening, who will now come under these restrictions and whose business will be entirely changed if these provisions are put into force. In fact as that business is now conducted in the markets of Montreal, you are going to fill your courts of sessions with petty criminal cases and your gaols with agricultural criminals.

Mr. LAPOINTE: I am a pretty busy man and it is impossible for me personally to study the legislation of all the departments. Apart from that I have such a good feeling for my friend the Minister of Agriculture that I might lack the necessary impartiality and I prefer that my deputy and the other officials of my department deal with his proposed legislation. I am told by those officials that the bill as drafted is perfectly legal and constitutional, and I do not think my hon. friend should worry about the political issue that can be raised with regard to it.

Mr. CAHAN: Does my hon. friend think the ordinary market gardener who comes into the city of Quebec or Montreal with his team of horses or with his Ford automobile to distribute throughout the city or the outskirts or through the markets the products of his farm, should be compelled, before he can sell his goods, to undergo all this grading and weighing and to put his products on the market in a certain kind of container with an inspection certificate on it, failing which he will be liable to all sorts of fines, forfeitures and penalties? Does my hon. friend think that is wise or expedient legislation?

Mr. LAPOINTE: Personally I am not enamoured of too many restrictions. I must admit I believe in freedom of trade. I think the functions of government are to keep the field open, and restrictions are rather hampering than helping. On the other hand, I am told that the people who are interested, the gardeners themselves, are asking for this legislation. I do not know why. If I were one of them I would not, but that is the information which is given to me.

Mr. MANION: The Minister of Justice has brought up a point that is interesting. He understands, as we all understand from the minister, that those interested are asking for this legislation. I understood the Minister of Agriculture to say that the dealers largely were asking for this legislation, and I can quite understand that they would like to have everything measured by the pound or by the bushel or by the bag, and so forth.

Mr. MOTHERWELL: They are the very ones who do not want it.

Mr. MANION: Has the minister received any representations asking for this legislation from the ordinary truck farmers?

Mr. MOTHERWELL: Yes, from the growers. I can give my hon. friend a list of those who helped to have passed the original act of 1922, upon which this bill is based.

Mr. MANION: I should like to have the names.

Mr. MOTHERWELL: They are as follows:

Prince Edward Island
Representing growers—
W. N. McGregor.
Representing dealers—
Nelson Rattenbury.

Nova Scotia
Representing growers—
F. W. Foster.
Representing dealers—
A. E. McMahon.

New Brunswick
Representing growers—
A. A. H. Margison.
Representing dealers—
O. R. Estey.

Quebec
Representing growers—
Roger Gagnon, John McEvoy, Jos. E. Parent.
Representing dealers—
Wm. Bell.

Ontario
Representing growers—
Henry Broughton, J. G. Fleming, J. M. McNaughton.
Representing dealers—
David Spence, M.P.

Manitoba
Representing growers—
R. P. Andrews.
Representing dealers—
J. G. Anderson.

Saskatchewan
Representing growers—
E. W. Marvel.
Representing dealers—
J. M. McCrae.

Alberta
Representing growers—
R. Noel Hammond.
Representing dealers—
S. S. Savage.

British Columbia
Representing growers—
C. E. Barnes, J. T. Mutrie, R. M. Winslow.
Representing dealers—
E. L. Fraser.

My hon. friend will note in the list of dealers the name of David Spence, M.P. I wish he were in his seat.

Then, in addition to our own inspectors, the following were present in an advisory capacity, representing provincial departments:

Wilfrid Boulter, Charlottetown, P.E.I.
Dr. M. Cumming, Truro, NS.
A. G. Turney, Fredericton, N.B.
J. H. Lavoie, Quebec, Que.
A. H. MacLennan, Toronto, Ont.
J. D. Smith, Edmonton, Alta.
R. C. Abbott, Vancouver, B.C.

I might mention that this organization is still in existence, and when we get the advisory board—

Sir GEORGE PERLEY: What is the name of that organization?

Mr. MOTHERWELL: It is the Vegetable Growers' Association in the different provinces.

Mr. EVANS: Regarding the inspection of vegetables for export, I would like to give a hint to the Minister of Agriculture. While inspection is quite necessary, I do not think that this legislation is going to solve all the trouble. We found in western Canada that while we had to market our wheat collectively, and depend on the government to provide the machinery and facilities for the moving of our wheat from the farm to the markets of the world, we did not solve all our troubles until we formed ourselves into what is known as the wheat pool. I think if the government here would facilitate the means of co-operation and help the farmers to form themselves into societies, such as the New Brunswick potatoe growers' association, and get them to do this work for themselves, it would be of lasting benefit. Legislation such as this will not meet the bill for very long. Even in the grading of eggs, poultry, and so on, we found in western Canada that it did not meet our needs, and to-day the people in Saskatchewan are solving this problem for themselves simply by forming themselves into co-operative societies and marketing their products through the pool system. In fact, I might say that in some cities in the west it has been found necessary to form milk pools because the farmers were so badly robbed of their prices and earnings. Instead of attempting to pass legislation of this kind to meet the situation, I would rather see the government help the farmers to co-operate and do this work for themselves. I

think the time is coming when all our produce will have to be marketed co-operatively, and in western Canada to-day we are ready to take over the whole of the machinery for the marketing of our wheat. I think that in connection with an article like potatoes, which have to be collected in bulk to be moved to the markets of the world, no better scheme could be adopted by the government than to help the farmers do this work themselves.

Mr. MacLEAN (Prince): In reply to my hon. friend from Rosetown, I would point out that in the province of Prince Edward Island, and I think in New Brunswick also, we are doing the very thing he suggests. In Prince Edward Island we have the Co-operative Potato Growers' Association handling millions of bushels of potatoes, amounting to millions of dollars worth, and it is all handled on the co-operative system.

The government has given to us the same assistance which they give to the western farmer in the matter of inspection. We have two classes of inspection, the seed potato inspection, and the table stock inspection, each under a different branch of the Department of Agriculture. The seed potato inspection is carried on by the Department of Agriculture without cost to the farmer, and every carload of potatoes is certified by a government inspector, and tagged for export. The inspection for seed potatoes is compulsory. No man can ship certified seed potatoes without having them government inspected and a certificate placed on the sack.

When it comes to shipping table stock, inspection and certificate is not compulsory, but unless the shipment is inspected and certified by the inspector, for which a fee of five dollars is charged, the car cannot go forward as Canada A table stock. This inspection was undertaken voluntarily in Prince Edward Island, and both growers and shippers have found it beneficial. I think I am safe in saying that last year fully 90 per cent of the table stock shipped out of the province was inspected, and that inspection was voluntarily accepted by both the grower and the shipper. The shipper paid the five dollar inspection fee to the inspector, who would then place his certificate on the car. This inspection protects both the grower and the shipper. When those potatoes reach their destination, if the consignee makes any complaint against them, the shipper can produce his certificate of inspection to show that the potatoes were of class A grade when shipped, and it is then up to the consignee to pay for them.

I think the agitation for this compulsory inspection came largely from New Brunswick. The New Brunswick growers have not gone in for voluntary inspection to the same extent as the growers of Prince Edward Island, and some of the growers and societies in New Brunswick have been asking for compulsory inspection. I think that is the reason for this bill. I do not think it will make any difference to Prince Edward Island, because fully 90 per cent of our potatoes is inspected. When it comes to small business transactions between farmers, and the sales of truck farmers who take their vegetables to town, if I thought for one moment that it would impose any hardship on them I would not support the bill; but I understand the minister intends to move an amendment which will pretty well cover regulations in connection with local traffic. I think this legislation is in the interests of all concerned. Perhaps the suggestion of the member for Rosetown (Mr. Evans) that the word "dealer" should be substituted for the word "person" is worth while considering, but I think every eventuality has been pretty well taken care of.

Mr. MOTHERWELL: In order that the committee may know to what extent our vegetable growers have taken advantage of what we are seeking to enact by this section, let me quote some figures. They have been asking for this grading and have voluntarily offered to pay five dollars a car. For example, British Columbia has had 472 cars of potatoes graded for export at five dollars a car, and has also applied the system to domestic business. Although the growers did not need to take this course, they found it so advantageous for export that they have also had their potatoes graded for the home market. On the prairies 135 carloads have been inspected at a cost of five dollars per car; Ontario 163 cars; eastern Ontario and Quebec, 178 cars; Nova Scotia, 32 cars; New Brunswick, 3,138 cars; Prince Edward Island, 2,545 cars. They have pressed their money upon us and asked us to take it. I feel, Mr. Chairman, that we are tailenders in not moving more rapidly in this respect. Then in regard to onions, which are grown principally in Essex county in this province and in British Columbia, these are the carload figures, inspected at five dollars per car: British Columbia 152 cars; the prairies, 37 cars; Ontario, 174; eastern Ontario and Quebec, 21 cars; Nova Scotia, 3 cars; New Brunswick, 1; Prince Edward Island, none—making a total of 388. We do not usually associate turnips with grading, nevertheless our turnip growers have made

strong requests for the application of this system to their crop, and these are the figures of carloads inspected at five dollars per car: British Columbia, none; the prairies, none; Ontario, 2; eastern Ontario and Quebec, 10; Nova Scotia, none; New Brunswick, 2; Prince Edward Island, 4—just 18 cars; not many, but it is a beginning. Why should we object to this system? We have been carrying it on on a voluntary basis, taking the money forced on us, and turning that money over to the Minister of Finance. This is the source of the $60,000 that I reported. Why should not the law recognize this extensive business just as it recognizes any other business? We are on section 5. Have we to start all over again and demonstrate the principle of grading? Surely not.

Mr. COOTE: Section 6 provides that "no person shall sell or offer." Has the minister inquired of his colleague the Minister of Justice whether the word "person" includes a woman? We have been advised that it is very questionable whether a woman is a person. If the courts should uphold this view, a woman would be allowed "to sell or offer for sale" these vegetables without coming under this legislation.

Mr. MOTHERWELL: This is consolidated and some of it is an exact copy of the old act. My hon. friend will notice that there are no underlined words in this section. It has been in force for six years, and as yet we have run up against no snags. Why borrow trouble?

No person shall sell or offer, expose or have in his possession any potatoes for sale by the closed barrel unless every such barrel is well and properly filled.

If the barrel is not properly filled the contents rattle around and are bruised. Probably that is what happened to the New Brunswick potatoes—they were all cracked up as if they had been under a roller.

Mr. COOTE: I am not asking any question in regard to the packing of potatoes in barrels. I wish to know if the Minister of Agriculture has secured an opinion from the Justice department as to whether the word "person" would include a woman.

Mr. LAPOINTE: That is a joke.

Mr. MOTHERWELL: That point was raised before; it is a little stale.

Mr. CAMPBELL: The point at issue is not covered by the minister's figures regarding shipments of carload lots of potatoes. We are quite satisfied with the grading system in that respect. But take the case where a farmer goes across the road to his neighbour to buy a bag of potatoes, something that frequently happens. As drafted, such a transaction would come under this section and one or other of those farmers would be guilty of an infraction of the law. We think such a case should be exempted. The suggestion made to the minister is to substitute "dealer" for "person".

Mr. MOTHERWELL: Under the old regulations they were exempt. I had to leave the agriculture committee to attend another meeting, but I asked the committee to consider the advisability of widening the exemption to make it apply to such cases. So we have two ways of protecting the farmers.

Mr. CAMPBELL: In the agriculture committee I understood that an amendment was to be made to the bill to cover that specific case. I fail to find it in this bill.

Mr. MOTHERWELL: Unfortunately the agriculture committee, apparently thinking that the changes were small and relatively unimportant, did not recommend that the bill be reprinted as amended. The following is the amendment to section 21, providing that the provisions of the act and regulations thereunder shall not apply:

(f) To such other special trade practices as the advisory board with the approval of the minister shall specify.

That is not exactly what I suggested when I had to leave the committee. I proposed that something should be inserted to correspond to the provision in the Seed Act and the Fertilizer Act where farmers, as such, are exempted. That is done in many provincial and federal laws. The committee thought it wise not to apply it to any particular class but to take power to exempt such other special trade practices as the advisory board, with the approval of the minister, might specify. I suggested "trade or farm practices", which would exempt the farmers. I am ready to consider such a suggestion. The committee seemed to think however that this would make it so wide it might be open to abuse.

Mr. CAMPBELL: I understood that the matter was settled in the agriculture committee. I hardly believe that the committee were of the opinion that they were not exempting the class of farmers to whom I have referred in this instance. I rather think the majority of the committee understood that this was being done. Here the minister or the advisory board is given power to make certain exemptions, but sections 3 and 4 apply definitely to all persons whether farmers or dealers.

Mr. MOTHERWELL: Those two are standing in the hope of their being modified to meet the wishes of the committee.

Mr. CAMPBELL: I think the minister's own suggestion should be adopted. I can conceive of the case where some man might want to get his neighbour into trouble, where there happened to be ill feeling in the community. It would be the simplest thing to have a man brought before a justice of the peace and fined for what has always been the practice in the community, of one farmer selling a sack of potatoes to another, not in the capacity of a dealer, but simply because he wanted to help his neighbour out. I think the minister's own suggestion should be carried into the bill.

Mr. MOTHERWELL: We will consider it when we come to that section.

Mr. COOTE: We had better stick to one section at a time. The minister is quite right. I believe that amendment we adopted in section 21 was understood to be the recommendation of the minister. If it is not we can amend the section when we come to it.

Section agreed to.

Sections 7 to 10 inclusive agreed to.

On section 11—Power to enter premises.

Sir GEORGE PERLEY: This section is going too far; it is altogether too stringent. Does the minister realize just how far he is going? He gives an inspector the power to enter any place, and house, and farmer's yard or any store, merely on suspicion. That is too much power to give any individual.

Mr. CHAPLIN: I would not give the minister that power.

Mr. MOTHERWELL: Would the hon. member suggest that he be kept out of the building?

Sir GEORGE PERLEY: The minister may want to make a joke about it, but there are others who do not.

Mr. MOTHERWELL: Not at all. But the inspector must have authority to enter or he must keep out. Which shall it be? He cannot be in the basement or on the roof. This authority is given in all our acts of this character. It has been in this one for about twenty-five years and if it has stood the strain for that time it will stand it for another twenty-five years, which is about as long as I expect to be interested in it.

Mr. McGIBBON: We could not have better evidence than the minister himself has given that the act has never been enforced. The people will not tolerate for a moment the exercise of the power given in this section. If the minister does not know this, he ought to. If he says the section has not been invoked it is only because it cannot be enforced.

Sir GEORGE PERLEY: Is this the same section as in the old act?

Mr. MOTHERWELL: Yes.

Mr. MANION: This is changed from "potatoes or onions" to "vegetables." A man might suspect onions.

Sir EUGENE FISET: Or bunions.

Mr. MOTHERWELL: It is extending it to all vegetables.

Section agreed to.

On section 12—Power to detain shipments of vegetables.

Sir GEORGE PERLEY: This is a new clause, about which I am doubtful. I am as suspicious of these new clauses as the inspector will be of premises which he will inspect.

Mr. MOTHERWELL: This section has been in the fruit act for many years, long enough to give it a good trial. Indeed, it has worked so well in the fruit act that we have incorporated it bodily here. I understand from my officer that it, too, has been in existence for twenty-five years. It has proved quite satisfactory.

Sir GEORGE PERLEY: Has that section ever been enforced or taken advantage of by the department?

Mr. MOTHERWELL: Yes.

Mr. McGIBBON: How often?

Section agreed to.

Sections 13 and 14 agreed to.

On section 15—Regulations.

Sir GEORGE PERLEY: There are a good many changes in this section; perhaps the minister will explain the necessity for them.

Mr. MOTHERWELL: Under subsection (a) the grades will be established in the usual way on the advice of the advisory board, as under the fruit act. In 1924 we drafted a bill to amend the act in many respects and referred it to the agriculture committee. We endeavoured by statute to describe the grade, but the agriculture committee could not agree on a description of grades. I believe we stranded on the question of onions, and we let the bill die in the agriculture committee after having tried and

failed to describe these grades. In the same way, all attempts to describe commercial grades of wheat below No. 3 northern have failed, and we are now attempting to do what we have done with the commercial grades of wheat, which are fixed by a board each year. Here we are providing for the establishment of standard containers for vegetables, which is done at the request of the growers. If it is desired to sell these articles by the bag we will establish a standard bag; at present a bag may contain 70, 80, 90, 100 or 200 pounds, and we desire to make the weight uniform. If a gallon measure is used we will establish a standard of 7½ pounds for that measure, and so on. We will also prescribe the units of sale for vegetables as well as the brands or marks which may be used and the manner in which they shall be placed on the containers. A great many dealers have had private brands for a great many years which they desire to retain, and we make provision for that. We also provide for the inspection, for the issuing of certificates and for the imposition of fees; if you are going to grade you must issue certificates. Then subsection (f) prescribes the time when any regulation shall come into operation, and so on. The only time we can take advantage of this power is when parliament is in session; we may not wish to exercise it for six months, because nearly all the legislation under which we have been given authority to do some kind of grading has not been put into force until the people are ready to have it applied.

Mr. EDWARDS (Frontenac): I would like to refer the minister back to subsection (a), which provides for the establishment of grades for vegetables intended for sale. Is it the intention that potatoes or onions shall be graded as eggs are graded, into extra specials, fresh firsts, firsts, seconds, and so on? How are potatoes and onions to be graded, and who are to constitute the advisory board? Apparenty the farmer who takes his potatoes and onions to the market will be obliged to specify whether they are firsts, extra specials, or something of that kind, but he is not free then; he will have to put them in a certain kind of bag or container which bears a certain stamp. Even then he is not a free man; he will have to get a certificate from a government officer stating that the potatoes are of the size specified and that the bag bears the prescribed mark, and in order to get that certificate he will have to dig down in his pocket and pay the fee which will go towards the salary of this inspector who acts as an agent of the government—one of their election agents, I suppose, when the right time comes. Coming back to sub-section (a), how many grades has the minister in mind for potatoes and onions? Will they be graded according to size, according to colour, according to whether or not some of the tops are on, or in what way? Will they be graded according to age, according to the particular kind of potato, or what will be the standard? I would like to know what the farmers will be up against in this grading business.

Mr. MOTHERWELL: My hon. friend has raised a very important point, and it is to solve that difficulty that we have adopted this plan. Four years ago a number of members of the committee wanted to retain these names to which my hon. friend objects and to which I also object. That is the reason for this change. The grades of onions at present are fancy, choice, standard, and boilers.

Mr. EDWARDS (Frontenac): What about pickling onions?

Mr. MOTHERWELL: I thought the old cardinal numerals were good enough, and I thought it would be more understandable to have the grades numbered one, two and three. At that time some members differed so strongly that there was no way of getting together; we received a shower of wires from the respective sides, so we simply dropped the whole thing like a hot potato, or a hot onion if you like, and let it go until to-day. Now we want to change the names of the grades, and remembering that we failed to agree before, we now propose to call them one, two and three under the regulations. Potatoes at present are graded into A. B. and C; I cannot say why that was done instead of using the numerals 1, 2 and 3, but I think I will try to get them to correspond with the grades of onions.

Mr. EDWARDS (Frontenac): I think the minister would be wise in so doing; the general public could more readily understand potatoes or onions graded according to number than those classified as fancies, extras, specials and so on. There is a good deal of confusion at present in regard to the classification of eggs, and I am sure those grades would be more readily understood by the public if they were designated by numbers. At any rate, I suppose the inspector will come along to a man who has potatoes or onions on the market and will classify those vegetables as No. 1 or No. 2 and place a card on the bag or bags showing the public that the farmer is offering for sale No. 1

potatoes or No. 2 onions so certified by the inspector, and the seller will receive a certificate or card to that effect. That will be his guarantee against being brought up before a magistrate for selling No. 2 potatoes as No. 1; is that the idea?

Mr. MOTHERWELL: Not quite that. These parties grade their own goods; they get familiar with what the grades call for. They put a tag on their own wares, either potatoes or onions, indicating the grade. When the inspector comes around, if he finds their wares are not up to grade he will admonish them to be more careful in regard to the grades. He does not jump right at them and prosecute them, but he indicates what the grade is and possibly changes the tag, lowering it to what it really is, and ask them to comply more closely with the law. Well, if the man persists in misrepresenting his goods and offends repeatedly, we sometimes have to prosecute him, but ordinarily that would not be done for the first offence.

Mr. EDWARDS (Frontenac): And yet the farmer would likely know much more about what was a first grade potato than would the inspector, who was probably picked up in some city and never saw a potato except on the table. His job is to get some convictions and show that he is a live inspector by making trouble for the farmer.

Mr. MOTHERWELL: We do not select them anyhow.

Mr. EDWARDS (Frontenac): Supposing he comes along and grades No. 1 potatoes, but the farmer has not got them in a properly marked bag or box, is the farmer liable to a fine? The potatoes are really No. 1 but are not in a box which is properly marked.

Mr. MOTHERWELL: There is no use grading unless people will look and learn.

Mr. EDWARDS (Frontenac): You can judge whether they are No. 1 or No. 2 grade and whether they are in a bag or box which bears a mark, and the farmer is liable to a fine if he has them in a bag which has not a mark on it.

Mr. MOTHERWELL: All the grades that I know of require a mark on them.

Section agreed to.

On section 16—Penalty for violation.

Mr. KELLNER: Suppose a sample of potatoes or onions which is given a proper certificate is later subjected to a hard frost and the quality is damaged, whereupon the dealer then sells them; who is responsible? Against whom would the consumer have recourse—the man who grew the potatoes or the man who sold them?

Mr. MOTHERWELL: Well, that would be a matter of adjustment between the two parties concerned. We cannot be responsible for that. The railways have broad shoulders, and if there was provision for heating and somebody neglected to fire up, there might be a case against them. But whoever issued the certificate cannot be responsible for that; it is usually a matter of adjustment. We try to get them together; they expect to deal with each other again, common sense prevails, and they settle.

Mr. EDWARDS (Frontenac): I wish to move an amendment to section 16. The penalty under that section for violation of the act is placed, for the first offence, at a fine not exceeding twenty-five dollars and not less than ten dollars. I submit that that is pretty harsh in regard to the enforcement of a law which will be new to a great many people. The minimum fine should be very greatly reduced for the first offence, so that the man may be given a chance, and I think the maximum for the first offence might also be reduced.

Mr. MOTHERWELL: We do not prosecute on the first offence.

Mr. EDWARDS (Frontenac): You may not prosecute, but you will not be the inspector all over creation. It will be somebody acting for you.

Mr. MOTHERWELL: His reports will indicate how many times the man had offended.

Mr. EDWARDS (Frontenac): Am I to understand—if I am it will alter my opinion at once—that when one of your inspectors finds a farmer violating this act, no action will be taken on the first offence until the inspector reports to the department?

Mr. MOTHERWELL: That is the practice. I think it is a good practice to give a man a second chance; he may have offended innocently.

Mr. EDWARDS (Frontenac): I am not quarrelling with the minister on that point at all, and that may be the practice; but it is possible that the inspector in the course of his duty need not wait to find out what the department thinks about it.

Mr. MOTHERWELL: Oh yes, he cannot prosecute off his own bat; he has to refer it to the department.

Mr. EDWARDS (Frontenac): In what section of the act is that?

Mr. MOTHERWELL: It is not in the law, but it is in the instructions or in the regulations as to how to administer the act. You could not say in the act that an offender may violate the law a certain number of times before somebody knocks him over the knuckles, but that is the way it works out.

Mr. EDWARDS (Frontenac): You are giving instructions to your inspectors that a man who violates this law once is liable to a fine of not less than ten dollars and not more than twenty-five.

Mr. MOTHERWELL: That is in the law.

Mr. EDWARDS (Frontenac): I have no doubt that if the minister were acting as inspector he would give a farmer a warning and tell him not to do it again; but here is an act which is for the guidance of his inspectors and which tells the inspector that the proper thing for him to do is to pull a man before the magistrate and have him fined not more than twenty-five dollars and not less than ten dollars for the first offence, and for the second offence not less than twenty-five dollars and not more than fifty dollars. For the third offence I think it is two hundred dollars.

Mr. KAISER: Two hundred dollars and fifty dollars—after the Ontario Temperance Act.

Mr. EDWARDS (Frontenac): I suggest that the minister reduce that fine for the first offence to a minimum of one dollar and a maximum of five dollars.

Mr. MOTHERWELL: That would not be very effective.

Mr. EDWARDS (Frontenac): The minister himself says he is not going to prosecute for the first offence.

Mr. MOTHERWELL: That would be less than the cost of inspection. They would all take the fine and save the cost of a trip.

Mr. EDWARDS (Frontenac): In the enforcement of a new law like this, give the farmer some little chance to get educated as to what the government wants him to do. Do not leave it in the power of an inspector, an injudicious inspector if you like, to impose a fine of ten dollars upon a man whose potatoes are No. 1 but who has them in a bag which is not properly marked.

[Mr. J. W. Edwards.]

Mr. MOTHERWELL: This has been the law for five years. There are only three or four words inserted there; it is really a reprint of the old law. We cannot lay down any hard and fast rule to apply to all offenders, because offenders differ in degree; some will do it innocently not knowing the law, while others will do it deliberately and persistently, and certainly the innocent offender should be given a second chance. In regard to a maximum of five dollars and a minimum of one dollar, the one dollar is only what he would pay for inspecting the car, and if the offender is given a minimum fine, as magistrates have a habit of doing, the offender would pay one dollar as a fine and save the inspector's fee.

Mr. ARTHURS: The minister said he would not prosecute at all for the first offence.

Mr. MOTHERWELL: If he was an innocent offender, and it was his first offence.

Mr. ARTHURS: He could not be innocent if the law is on the statute book and he violates it.

Mr. SMOKE: I understand that any one can set the criminal law in motion; any person in the neighbourhood may lay a first or a second or a third charge, as the government may do.

Mr. MOTHERWELL: Certainly.

Mr. SMOKE: He is not dependent at all on the will of the inspector or of the department.

Mr. MOTHERWELL: That is the best argument advanced yet.

Mr. EDWARDS (Frontenac): If that argument is a good one—and I at once agree that it is—then it knocks the bottom out of everything the minister said a while ago, namely, that his instructions to the inspectors would be not to be harsh in the case of a first offence. He connot instruct Tom, Dick and Harry all over the country; he can only instruct his own officials to be lenient

Mr. MOTHERWELL: Not at all.

Mr. EDWARDS (Frontenac): Supposing it is not an inspector but a neighbour of the farmer who lays the information; in that case the minister has no influence over the man. Let us suppose he lays an information through malice or for some other reason, and the man comes before the court. As I understand the matter, the magistrate who hears the case, if he finds that the man violated the law in

having for sale potatoes under grade or not being in a market bag or box, has no option but must impose a fine of at least ten dollars or at most twenty-five dollars for the first offence.

Mr. MOTHERWELL: That hypothetical case may occur because any citizen can put the law in motion, but he would have twice as much difficulty in proving his case because he would have to prove that the potatoes were not properly graded or that they were underweight. The department would have the certificate that was issued in the first instance and that would be prima facie evidence of correctness; consequently the private prosecutor would have at least twice the difficulty of getting a conviction that the departmental officials would. My fruit commissioner informs me that he cannot recall a single instance in which a prosecution has been entered by a private citizen.

Mr. KELLNER: Once you pass this legislation the enforcement of it is entirely out of your hands, and as an authority I will quote the Minister of Justice who told us the other day that the government could not enforce these laws; that it was up to the provincial governments to do so. The minister therefore would not have any authority.

Mr. CAMPBELL: I should like to point out to the minister something that may easily arise in connection with this measure, and it is what I had in mind when I made some observations a short time ago. A farmer comes into town and sells a few bags of potatoes. A dealer there who has means of handling farm produce is not going to look with favour on farmers coming around and dealing directly with his customers. There you have an instance where a dealer may go to a magistrate, lay an information against a farmer and cause a great deal of trouble, although the farmer may have sold only a couple of sacks of potatoes. That is what I think we should guard against.

Mr. MOTHERWELL: The hon. member for Macleod (Mr. Coote) suggested that we should take this section by section and that would seem to be the sensible course.

Sir GEORGE PERLEY: With regard to these prosecutions, is the inspector given the right to prosecute without reference to the department?

Mr. MOTHERWELL: Never.

Sir GEORGE PERLEY: If an offence is committed and the inspector wishes to take action, what happens?

Mr. MOTHERWELL: If he is an ordinary inspector he sends a report to the district inspector, that is the inspector of the particular province. The latter sends it in turn to the fruit commissioner who has charge of the administration of the law. Before reporting to the deputy minister the fruit commissioner requests the district inspector to make a thorough investigation into the case. If the circumstances warrant, the latter reports back to the fruit commissioner who takes the matter up with the deputy minister. If the case is a difficult one he sometimes takes it up with myself and more often he takes it to the Deputy Minister of Justice to see if there is ground for a case. We do not like to prosecute without being sure of getting a conviction, because otherwise the prosecution may not do much good and may do harm.

Sir GEORGE PERLEY: That means that it is the deputy minister who in practice gives orders or instructions to bring about a prosecution, and nobody else in the department exercises that power. Is that correct?

Mr. MOTHERWELL: The fruit branch sometimes exercise jurisdiction themselves if the man is an old offender who has been a repeater and there is no doubt about his persistence and determination to get past the law. In that case the fruit branch can act off their own bat.

Mr. ARTHURS: What is the definition of a "repeater"?

Mr. MOTHERWELL: One who commits the offence the second time.

Mr. RYERSON: Is it the intention of the government to make this legislation applicable to the small individual grower who markets his products either on the market or to his own customers throughout the district, or is it intended to apply to those who are shipping throughout a province or for export?

Mr. MOTHERWELL: That will be left to the committee when we come to clause 21 where there is a provision giving authority to the government to make the exemptions as wide as we like. We can make a further provision when we come to that. That seems to be the stumbling block in the bill and I think the exemptions should have been in the beginning of the bill so that we would know what they were. There were only two or three small amendments, although they were important ones, and it was not thought advisable to go to the expense of reprinting the bill. Clause 21 covers that point and I shall be glad to have my hon. friend's opinion on it.

Mr. MALONEY: I think further consideration of this bill should be postponed. I have altogether too much respect for the minister's sagacity to believe he is fathering such a measure. The final paragraph of section 21, the most vital portion of the whole bill, nullifies the effect of the measure as I should like to see it go into law. If vegetables and fruits are to be graded or their sale protected in any way it should be those that are for export, and clause 21 exempts both fruits and vegetables for export. There is nothing in the world to prevent exporters from saying: This is interfering with our foreign trade, and the result will be that this bill will have absolutely no effect in regard to fruits and vegetables for export. But it penalizes the small fruit growers and the small vegetable farmer; it penalizes the housewife who wishes to go to the market and openly buy by the bunch or by the dozen or in any other manner, what vegetables and fruit she may desire. For that reason I feel, in justice to the Minister of Agriculture, we should report progress and allow him to sleep on it and bring it up again another day.

Mr. MOTHERWELL: We have not yet come to that clause. We intend to leave the bill in committee.

Mr. CANTLEY: If the farmer who comes into town and sells vegetables from his wagon is to be brought within the scope of this bill, the Minister of Agriculture will be considered an infernal nuisance throughout the country. If the bill is passed as it now stands—and my understanding is that the minister wants that to be done—there will be very few Liberal farmers in the county of Pictou.

Mr. MOTHERWELL: The better that should suit my hon. friend. He should support this bill.

Mr. CANTLEY: They will not support your government.

Section agreed to.

Sections 17 and 18 agreed to.

On section 19—Penalty for careless handling, wilfully destroying, etc.

Mr. EDWARDS (Frontenac): It is quite clear to me what is meant by wilfully destroying or pilfering, but just what does the minister mean by "carelessly handles"?

Mr. MOTHERWELL: Throwing around recklessly.

Mr. ERNST: Then why not say recklessly handled?

[Mr. Motherwell.]

Mr. EDWARDS (Frontenac): Then the man goes to market with a load of potatoes and drops a bag off his wagon as he is unloading it will have the inspector tap him on the shoulder and say, "Twenty-five dollars for 'carelessly handling' ". He may get off the first time if he drops a bag, but if he drops the second one he will be soaked good and plenty. The inspector will say, "You have hurt the feelings of that bag of potatoes, or turnips. They are fairly crying out. You have bruised them. You have injured them. You have handled them carelessly. You are liable to a fine of twenty-five dollars." One man takes hold of one end of a bag of potatoes and another man the other, and they heave it into a car without any consideration for the feelings of the potatoes at all. They are bruised, wounded, hurt. Must a feather bed and springs be provided for the potatoes to land on? Must a man wrap them in wool to be sure he will not violate the law? If he drops a bag on the ground that is carelessly handling, and he is liable to a fine of twenty-five dollars.

Mr. MOTHERWELL: If one is as clever as my hon. friend he can ridicule almost anything. I do not think the hon. member was in during the earlier part of the evening when I explained that just through careless and indifferent handling of the potatoes of New Brunswick by the exporters to Cuba, they almost lost that market and had an embargo placed against them. In order to make sure that such an accusation was warranted I got the fruit commissioner to bring up one or two barrels of these potatoes from New Brunswick, and I saw with my own eyes that as a result of this rough handling forty per cent of the potatoes were bruised and cracked open and unfit for export. You would think a land roller had been run over them. Should not we do something to protect our export trade particularly? Should we not try to avoid having an embargo placed against us? An embargo is sometimes a difficult thing to get taken off. There is an embargo against our potatoes now in Great Britain, put on for what seems to be a very trifling reason, but we cannot get it taken off. If Cuba put an embargo on our maritime province potatoes, it would be a very serious matter. We want to avoid that.

Mr. EDWARDS (Frontenac): Just see how the minister proposes to avoid it. He says to the farmer, "If you throw that bag of potatoes on the ground that is careless handling, and you are liable to a fine" but paragraph (e) of section 21 provides that this act

and the regulations made thereunder shall not apply to any vegetables for export if that would prevent the sale and export of such vegetables to any foreign market. So the potatoes intended for export are exempt; you may throw them around as much as you like, but if you throw around the potatoes that are to be sold for home consumption, you are liable to a fine. Section 21 says clearly:

The provisions of this act or regulations made thereunder shall not apply,—

(e) to any vegetables for export where compliance with the said provisions would prevent the sale or export of such vegetables to any foreign market.

No matter how roughly you handle the potatoes for export, even if that would prevent their sale and export, the provisions of this act do not apply, yet the minister says it is export trade he is legislating for.

Mr. MOTHERWELL: We will deal with that section when we come to it.

Mr. ARTHURS: But the minister's whole argument was based on the export trade.

Sir GEORGE PERLEY: In the case mentioned by the minister, where potatoes were bruised by careless handling, what person would be prosecuted and fined under this section for that offence?

Mr. MOTHERWELL: If we could discover who did the rough-house work on the potatoes we would prosecute him.

Mr. ROBINSON: In case the carriers are the offenders, and in my experience they usually are, how would you get after them?

Mr. MOTHERWELL: I know farmers' organizations that have prosecuted the railways before this.

Sir GEORGE PERLEY: I am not a lawyer, but I want to appeal to the Minister of Justice.

Mr. LAPOINTE: I am being appealed to a lot to-night.

Sir GEORGE PERLEY: My reason for appealing to him is this: I believe this provision in regard to careless handling cannot be enforced in practice. The Minister of Agriculture himself admitted that in the case he cited it would be impossible to tell who did the careless handling. With regard to wilfully destroying or pilfering, surely that is covered already in the Criminal Code. No one can wilfully destroy or steal anything belonging to another without being punished. So why put such a provision in here which is already dealt with in the Criminal Code? If anybody should wilfully destroy or pilfer potatoes that were being shipped, you would not require a clause of this kind to prosecute him. Is not this something which could more properly be dealt with under the Criminal Code, rather than in an act concerning vegetables? I ask the Minister of Justice if that is not right.

Mr. ARTHURS: The Minister of Agriculture based his argument on the export trade and said that careless handling might damage potatoes intended for export. But section 21 provides:

The provisions of this act or regulations made thereunder, shall not apply,—

(a) to new potatoes when shipped between the first day of July and the thirtieth day of September, both dates inclusive;

(b) to certified seed potatoes as defined in the regulations under The Destructive Insect and Pest Act;

(c) to what are commonly termed "green onions" or other vegetables with top leaves attached;

(d) to what are commonly known as "pickling onions" or

(e) to any vegetables for export where compliance with the said provisions would prevent the sale or export of such vegetables to any foreign market.

The minister has taken his stand on the export trade, whereas as a matter of fact these provisions apply only to potatoes for local consumption.

Mr. MOTHERWELL: We can deal with that section when we come to it. I do not like mixing up the sections.

Mr. ARTHURS: We cannot carry section 19 without reference to section 21.

Mr. MOTHERWELL: We will come to section 21, but do not let us discuss two or three other sections with this one.

Sir GEORGE PERLEY: I would ask the Minister of Justice whether a clause of this kind should properly be put in a bill regarding vegetables.

Mr. MOTHERWELL: Does my hon. friend want sections 19 and 20 to stand?

Sir GEORGE PERLEY: I think section 19 is superfluous. The last two offences mentioned there are covered by the ordinary criminal law.

Mr. MOTHERWELL: Does my hon. friend wish to have section nineteen stand?

Sir GEORGE PERLEY: Yes.

Section stands.

Section 20 agreed to.

On section 21—Vegetables excepted from operation of act.

The CHAIRMAN: There are two slight amendments to this section. In subsection (d) the words "silver skin" have been inserted before the words, "pickling onions." As amended the subsection will read:

(d) to what are commonly known as silver skin pickling onions.

Another subsection is added:

(f) to such other practices as the advisory board with the approval of the minister may specify.

Mr. ARTHURS: That is simply legislation by order in council with a blank sheet.

Mr. EDWARDS (Frontenac): Subsection (e) of section 21 reads:

The provisions of this act or regulations made thereunder shall not apply,—
(e) to any vegetables for export where compliance with the said provisions would prevent the sale or export of such vegetables to any foreign market.

So far as the export, for instance, of potatoes or onions is concerned, those vegetables do not have to be graded, they do not have to be put in specially marked boxes or packages, they do not have to be sold by weight —in short, it does not make any difference whether they are bruised or how carelessly they are handled, if any of these things will have a tendency to prevent the sale of potatoes for export, then they are absolutely exempt under this subsection. Does it strike the minister as logical to treat the export trade in that free and easy fashion as compared with the strict rules that he lays down for the home market? It does seem to me that it ought to be the other way around: In the local market the reputation of our potatoes and onions and other vegetables could very well depend on the opinion of the people there; but when competing against the world it is essential to keep up our reputation for the quality of the articles we export. By this subsection the restrictions of the act appear to be absolutely removed with respect to the export trade.

Mr. MOTHERWELL: This subsection has been in all along, but I understand it has been used only once. If my hon. friend wants it removed there will be no objection on my part. This is the reason for its insertion. The orientals in British Columbia are very productive growers of vegetables. The law requires the name of the grower to be on the tag, and sometimes the oriental name spoils the sale by the dealer to his customer in other countries.

Mr. EDWARDS (Frontenac): In that way it would injure the oriental.

Mr. MOTHERWELL: No. The goods may have gone out of the hands of the oriental into the hands of the dealer, but when the latter wants to sell those goods the purchaser objects to the oriental name. The precaution is not on behalf of the oriental particularly, although he is resident in Canada, but on behalf of whoever holds the goods with the oriental name on the tag. If that hampers the sale of the goods it does do an injury to their marketing. As I said before, we discussed this very carefully, and although it has been called into requisition only once, we can remove it if my friend wishes.

Mr. ARTHURS: It is very easy to throw a little dust in the air and camouflage the whole situation. As a matter of fact all the provisions of this bill are nullified by this subsection of section 21. The minister brings up the case of the dealer, but the man who suffers in the end is the oriental grower.

Mr. MOTHERWELL: No.

Mr. ARTHURS: Yes, because the exporter will not buy a second time from the oriental. Every other section of this bill is subject to section 21. It is not whether the tag bears an oriental or an occidental name; all the sections are subject to section 21.

Mr. MOTHERWELL: If this applied to the oriental I would not be ashamed to admit it, for I would not wish to do him any injustice; but the goods are not in his hands at all.

Mr. ARTHURS: I am against the oriental, I am for the occidental.

Mr. MOTHERWELL: The goods have passed from the oriental grower into the dealer's hands, and are probably paid for, with the result that if the goods are turned back the dealer suffers. I have no objection in the world to removing the clause, but I thought it showed an element of decency on the part of the people of Canada.

Mr. ARTHURS: Again the minister has confined his remarks to the position between orientals and occidentals in British Columbia. But the section covers everything in this bill. Only half an hour ago the minister said there would be no charge made by his inspectors for a first offence. If a man has bought potatoes from an oriental in British Columbia,

and is found exporting them without having them properly tagged and marked, he is let off the first time by the ipse dixit of the minister himself. If he wants to protect the dealer who is a buyer from orientals, he is taking the proper course.

Mr. MOTHERWELL: If my hon. friend will make a motion and get a seconder we will delete this subsection.

Mr. ARTHURS: The minister has been asking that every section be laid over until we reached this section. Now we are showing that section 21 is essential to the whole bill.

Mr. MOTHERWELL: This was not the crux of the situation until quite recently.

Mr. EDWARDS (Frontenac): The minister has travelled from the maritime provinces over to the Pacific. At first he referred to a shipment of potatoes from the maritime provinces down to Cuba that were about 40 per cent off. I am not aware that there is any considerable oriental population in the maritime provinces engaged in raising potatoes. Now he has travelled by aeroplane, radio, or some other means, out to the Pacific coast and is dealing with orientals. While he would be very proud to champion the cause of the oriental, it does seem to me that special consideration is being given by this subsection to the oriental that is not given to native-born Canadians—white people. That may suit him, but it does not suit me.

Mr. FRASER: That is all very well, but the point is that special consideration is being given here to orientals that is not being given to native born Canadians or white people. That does not appeal to me.

Mr. ARTHURS: With reference to the oriental in British Columbia, if I understood the minister correctly, a dealer buying potatoes say from an oriental can remove the mark after getting them in his possession, if it is a mark that is objectionable to the trade. Is that the effect of that clause?

Mr. EDWARDS (Frontenac): That is what he said. There is no crime committed.

Mr. ARTHURS: Is that the effect of the clause? A Chinese grower puts a Chinese mark on the packages; they are delivered to the dealer, and after that the dealer can remove that mark if he likes and put on another?

Mr. MOTHERWELL: I understand that the tag follows the goods except in cases like this where the tag is objectionable because of its oriental name, then the tag is permitted to be taken off and the dealer puts on his own tag.

Mr. FRASER: Then you are giving a preference, nothing more or less, to the Chinese grower in British Columbia, which is the very thing British Columbia is complaining of all the time. You let the public buy these potatoes without knowing that they are Chinese grown. I would say that is very objectionable.

Mr. MOTHERWELL: I was dealing with section 21. If my hon. friend will take the responsibility of moving that this subsection (e) be removed, I will not object if the committee agrees. We have had only one case under it since the law was enacted some six years ago.

Mr. FRASER: I think the minister should take the responsibility for removing the objectionable clause.

Sir GEORGE PERLEY: The minister has charge of this bill, and he need not attempt to put any responsibility upon the opposition. We have expressed our opinion about it. He is promoting the bill; it is for him to say as to that.

Mr. MOTHERWELL: The agriculture committee has made no change in it. I do not know how long or how fully they considered it, because I had to leave. In the absence of any expression of opinion from them, I do not know what they want. In nine cases out of ten it will strike at white dealers.

Sir GEORGE PERLEY: If the minister wants to abdicate his functions and let us on this side of the house prepare the bill, we will accept the responsibility.

Mr. EDWARDS (Frontenac): The minister has consented to let section 19, I think it is, stand. Since section 21 has an effect upon the whole of the bill, I suggest that the whole of that section be allowed to stand.

Mr. MOTHERWELL: There is another subsection, first. We will let subsection (e) stand if my hon. friend suggests.

Mr. EDWARDS (Frontenac): I would recommend that it stand.

Mr. MOTHERWELL: Very well.

Mr. FRASER: I want to ask the minister about subsection (a) of section 21. Why do you confine the exemption on new potatoes to the first day of July? Suppose you have new potatoes ready for the market on the fifteenth day of June, why should you not be able to market them as quickly as on the first of July?

Mr. MOTHERWELL: Does my hon. friend think it should apply sooner?

Mr. FRASER: I think it should apply earlier than that. I know we have new potatoes before the first of July in British Columbia.

Mr. EDWARDS (Frontenac): I suppose that is the patriotic clause; it is desired to have it come in on the first day of July.

Sir GEORGE PERLEY: You had better let the whole of section 21 stand for the present.

Mr. MOTHERWELL: I would like to have (f) read. We will let (e) stand. The others have passed.

Some hon. MEMBERS: No.

Mr. ERNST: With reference to section 21, I suggest to the minister that he let it stand and consider it carefully in the light of section 5 of the bill, which relates to export from Canada. Whoever drafted section 21 entirely forgot section 5. The minister has told the committee this evening that the chief object is to make a better and more uniform product for the export market, so that the potato growers in Prince Edward and New Brunswick will not be shut out of the market for Cuba. Section 5 gives the governor in council power to make export regulations. Section 21 says that the provisions of this act including export regulations shall not, for instance, apply to new potatoes; to certified seed potatoes; to what are commonly termed green onions or to other vegetables with top leaves attached; to silver skin onions and to other vegetables under clause (e). Has the minister considered the effect of section 21 in relation to section 5, and the release from the provisions of section 5 of any goods which are going into the export market? I suggest that the whole of section 21 be allowed to stand, and that consideration be given to the question of amending section 21 so as to include in it certain small producers, although I do not know how you could make any distinction between the large and the small producer.

[Mr. Motherwell.]

Mr. MOTHERWELL: Since my hon. friends will not discuss the saving nature of subsection (f) of section 21 and will not move an amendment to eliminate subsection (e) of that section, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 191, to amend the Criminal Code.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Unlawful association; publishing seditious books, etc.

Mr. EDWARDS (Frontenac): I would like to ask the Minister of Justice one or two questions in regard to this bill. In the explanatory notes I notice this section is to be repealed, and it seems to be rather lengthy. Apparently when that section was incorporated in our statutes it was considered advisable to put some restraint upon certain organizations, societies or individuals who were propagating certain doctrines or doing certain things in this country. The various matters are specified in the section which is to be struck out, and the severity of the penalties would seem to indicate that when the bill was passed these offences were considered to be very serious indeed. This bill is very short; it simply states that section 98 is to be repealed, and all these offences and the penalties imposed are to be wiped out. My question is this: Is there anything in any statute to take the place of section 98 of the Criminal Code, imposing penalties for any of the offences mentioned under that section, or are we to suppose that the repeal of section 98 gives these persons a free hand in respect to the matters for which formerly they were severely penalized?

Mr. LAPOINTE: A bill similar to this has been adopted by this house five times, and in each case it has been rejected by the other chamber. Section 98, which this bill seeks to repeal, was placed in our statutes in 1919; at that time the sections affected were 97a and 97b, but the number of the section was changed in the revision which took place last year. At the time these two sections were inserted in the Criminal Code it was suggested that there was some unrest in the country; it was just after the war, and it was thought desirable to define certain kinds of what might

be called sedition. Sedition is already subject to the disposition of the criminal code and more particularly of the common law. Ever since this amendment of 1919 was adopted the labour community of Canada have felt that it was aimed to prevent them from pursuing their ordinary activities. I do not say that that is the correct interpretation, but I know that since 1921, when I became a member of the government, every year that the Trades and Labour Congress sent delegates to interview the government this was one of the matters which they urged more particularly. They have received advice from the legal advisers of the labour unions to the effect that by stressing the point the courts might even decide that a strike was an unlawful association under the provisions of that section. I repeat that I do not say they are right in that contention, but this has been a sore spot with them ever since 1919. This house has voted five times to eliminate this section, and we are doing so again this year.

We have already in the code all that is necessary to prosecute for the crimes of sedition, seditious libed, seditious words or unlawful meetings. Section 87 deals with unlawful assemblies; section 130 deals with seditious oaths; section 132 refers to seditious words, seditious libel and seditious conspiracy. Under section 135 of the code we have provision with regard to the libel of any foreign sovereign; and in section 136 we have provision against publishing false news. As I said, under the British law sedition is an offence under the common law, and always has been such. In the British parliament it was proposed to define sedition and make it a statutory offence; the commission which was appointed for that purpose reported accordingly, but after a long debate the British parliament came to the conclusion it was better to leave it under the common law as it then was. The same thing has happened in Canada; the commissioners who prepared the Criminal Code had an article defining sedition, but after a long and important debate this house decided to leave it under the common law. That condition continued until 1919, when this amendment was placed in our statutes. At the same time section 133 which existed at that time was repealed and I intend to move an amendment in order to reinsert section 133. This was done last year and in the years previously, and it is only due to a mistake that this bill did not contain that provision. I think the house will see that parliament obviously went too far in 1919 when the section which I am now going to read was repealed:

> No one shall be deemed to have a seditious intention only because he intends in good faith,—
>
> (a) to show that His Majesty has been misled or mistaken in his measures; or
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> (b) to point out errors or defects in the government or constitution of the United Kingdom or of any part of it or of Canada or of any province thereof or in either house of parliament of the United Kingdom or of Canada or in any legislature or in the administration of justice; or to excite His Majesty's subjects to attempt to procure by lawful means the alteration of any matter in the state; or
>
> (c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred and illwill between different classes of His Majesty's subjects.

Mr. EDWARDS (Frontenac): Is that intended to modify acts already existing?

Mr. LAPOINTE: This was in the code until 1919, but it was repealed at that time, and I desire to reinsert it now. I read the section to show that parliament went too far in repealing it. Surely it is not seditious to criticize acts of a government. We may not like some of the criticism, but I would not go so far as to say that it constituted sedition to blame even the present government for its actions, public or otherwise. We have in the Criminal Code and in the law all that is necessary with respect to the crime of sedition.

Mr. MANION: Have we ever prosecuted or punished anyone under this section that was repealed?

Mr. LAPOINTE: I am glad my hon. friend has asked that question. The officers of my department tell me that to their knowledge no prosecution was ever made.

Mr. MANION: Since 1919?

Mr. LAPOINTE: Since 1919.

Mr. CHURCH: I think it would be a backward step for parliament to pass this bill. Coming from an industrial centre I wish to protest against the repeal of section 98 of the Criminal Code. Communism is rampant in this country to-day. Books are being brought in preaching revolution and European doctrines and economic principles—doctrines which the people here do not want. The Canadian people are opposed to these doctrines both from the standpoint of patriotism and loyalty and from the standpoint of labour itself. I do not believe that the labour organizations of the country approve of the repeal of this section, and this applies particularly to the trades union movement in Canada. The trades union movement has no greater enemy than the red flag of com-

munism. In the larger centres of population the communists are preaching revolution; they are advocating the policy, when any strike takes place, of resort to force and other measures of violence. Just look at the sort of freedom that is enjoyed in the United States. Do we want communism in Canada? This country has the utmost freedom and there is nc complaint from people who want to assemble lawfully. People can hold meetings in Hyde park whenever they wish to do so, and in the city I come from labour and capital have always got along amicably. The section which this bill seeks to repeal is in my opinion necessary in the interests of labour itself. Our laws are liberal enough as they are and there is no reason why this section should be repealed. Labour and capital in Canada, from the Atlantic to the Pacific, are getting along well to-day. In my opinion this bill is a backward step.

Mr. RYCKMAN: I was not aware that it was the intention of the government to have this bill considered to-night. I am wholly opposed to the passing of it, amending the legislation as it stands at the present time. I think we have to be thankful that we have a senate in Canada, and I trust that the senate, if the bill passes, will again justify its existence by declining to approve it. The reason this law was introduced was, as I remember, that there was no precise categorical definition of sedition, and it was necessary when men undertook to overthrow law and authority by violence to have something definite and to show, when they did advocate the overthrow of government and constituted order by violence, that it was a crime. And it was on the statute books as a crime: they knew what they were doing and if they committed that particular crime they would suffer, and justly so. Let us read just the first clause of section 98:

Any association—

And anyone in this house who objects to this clause should, I think, declare himself, and his constituency should know that he does object to it.

Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada—

How?

—by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish

[Mr. Church.]

such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

And such an association shall be subject to the law of this land. The gist of this matter is the overthrow of authority by force and violence, and I believe there is no one member of this house who is prepared to advocate that in Canada it shall not be an offence to seek by force, violence and terrorism the overthrow of government. Take any other means you like which are perfectly lawful. I resent on behalf of the labour organizations the suggestion that they are a unit in support of this amendment. They are not. There are, of course, some who are anxious, in the interests of communism—rampant communism—to get around this law so that they may not be hampered by it.

Mr. HEAPS: Will the hon. member tell me what labour organizations are in favour of retaining this legislation? He has made a definite statement. Will he prove it?

Mr. RYCKMAN: I have made a definite statement and I will prove it. There are labour men in the city I come from, and in Hamilton, who are just as strongly opposed as I am to the repeal of this law. I do not know the names of the labour organizations, but I am quite sure that a majority of the honest thinking labour men of this country are opposed to the repeal of the law as it stands. A short time ago in Port Arthur a case was tried by the Hon. Mr. Justice Kelly, with a result that was staggering to him. There was an institution set up which inculcated the destruction by force of government, law and order in Canada. It was taught in the schools on Sunday and they had a wide list of men who were pledged to that very thing. What is the benefit of the law as it stands on the statute books? ? It is simply this, that there is a distinct offence defined. Sedition is not defined in the British law so that it is clearly understood by the man on the street. It is a matter for lawyers, a matter wherein lawyers have disagreed and cases have gone from court to court. But here, as I say, is a plain offence, an offence which is clear in the mind of each one of us, and a distinct remedy for it. This house should not only pause but stop and decline to pass such a bill as this. For my part I am surprised—and surprise has been expressed before—that the Minister of Justice, in the face of offences such as the law as it stands now can deal with readily, seeks to put it into the hands of men to spread bolshevism throughout the country, men who will, if op-

portunity is given, attack any government by force, men who seek to humiliate the country and to attack not only governments but any institution which traverses the course they think should obtain, and who instead of doing this in the way we are all proud to have men who hold views opposite to ours do, namely, by argument, persuasion or any other lawful means, do it by the dagger, the gun and the bomb. I believe the right-minded people of all classes, labour included, are against removing this law from the statute book, and I am unwilling that it should be removed without my protest, as forceful as I can make it. I am sorry it lacks more emphasis, but I will rely upon the sound judgment of the senate if this house, for any reason, is anxious to disturb the law as it exists to-day.

Mr. LAPOINTE: My hon. friend is certainly wrong when he says that the labour people are opposed to the repeal of the section. Year after year, as I have stated, the Trades and Labour Congress have asked for the repeal of this section. Mr. Tom Moore is the distinguished president of that congress and there is no higher-spirited citizen in Canada than Mr. Moore who has given a great deal of assistance in maintaining industrial peace in Canada. This is one of the sections which the Trades and Labour Congress of Canada, the brotherhoods of railway employees and all the other labour organizations are protesting against; they say that it creates unrest in their ranks and amongst all classes of labour in the Dominion. I may tell my hon. friend that I believe this was hasty legislation, which in a moment of stampede created by a strike in Winnipeg, passed its three readings on the same afternoon and did not receive the attention and consideration it should have received. Therefore it is the duty of parliament to remove it from the statute book, and I do not agree with my hon. friend that the senate is doing its duty in preventing the will of the people, as expressed in the House of Commons from prevailing in Canada.

Sir GEORGE PERLEY: In the first place I certainly should like to comply with any reasonable request that the labour organizations may make, and no man in this country has a higher opinion of Mr. Tom Moore than I have. The minister is quite right in saying that he has been most helpful in keeping the labour organizations within legitimate lines in endeavouring in a reasonable way, to accomplish their purposes and to bring about what they desire, and I for one should like to see any of his wishes carried out if at all possible. The minister says that the labour people fear that this section may affect them, although from his observations I judge that in his opinion the section does not affect labour organizations in the way they think it may. I certainly would feel very strongly that anything in the section that affects the proper and legitimate action of the labour unions or Mr. Tom Moore's own organization should be repealed or amended, and I cannot see why the minister cannot find some way of amending it to meet their wishes. Surely, however, no one in this country will object to the first subsection of the section, which reads:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

Does any reasonable person think anyone in this country should have the right to attempt to bring about industrial, governmental or economic change by the use of force, violence, or physical injury?

Mr. LAPOINTE: That depends upon what "force" means. Some people claim that a sympathetic strike is force as defined in the section.

Sir GEORGE PERLEY: I am not a lawyer, but it would not strike me that a sympathetic strike would come under the head of force for the purposes mentioned. If there is any doubt about the matter, and if the minister believes, as he states, that this legislation was passed in a hurry under pressure, why can he not amend it in such a way as to cover that?

Mr. LAPOINTE: That is what I am endeavouring to do.

Sir GEORGE PERLEY: The minister is not amending it; he is repealing it.

Mr. LAPOINTE: I want to leave the Criminal Code as it was prior to 1919.

Sir GEORGE PERLEY: But the minister is not suggesting any amendment to this section. He wants to repeal it altogether.

Mr. LAPOINTE: I want to leave the code as it was.

Sir GEORGE PERLEY: If the labour organizations believe they are prejudiced by

this section; if the other house has refused to agree to its repeal, and if the minister really wants to meet the wishes of the labour people, surely it is possible for him to amend the section in such a way as to show conclusively that it does not affect the labour organizations in the way they fear it does. I am not going to stand here and advocate that there should be on the statute book a law which may unreasonably prejudice a labour organization. As I said before, I should be inclined to meet sympathetically any wishes put forward by Mr. Tom Moore. But the minister has sought three times to repeal this section.

Mr. LAPOINTE: Four times.

Sir GEORGE PERLEY: He does not think the labour organizations are affected by it, but if he wants to make sure they are not, why not adopt the other course and bring in an amendment which will meet with the approval of everybody and go on the statute book, rather than bring in this amendment to go forward to the senate in the hope that it will again be defeated there?

Mr. LAPOINTE: No. If it is defeated there again I will bring it in again next year, and I think next year there may be a different majority in the senate.

Sir GEORGE PERLEY: But is there not some intermediate way of doing it instead of repealing the section?

Mr. LAPOINTE: I am doing my best.

Sir GEORGE PERLEY: Is it not possible to amend the section in such a way as to meet the ideas of the labour organizations and make sure that the amendment will become law, instead of repealing this section again and perhaps have it thrown out by the other chamber? I submit that the minister is adopting a course that does not look as if he was really trying to meet the wishes of Tom Moore and the labour organizations.

Mr. LAPOINTE: The labour people are very much pleased at the course I am taking.

Sir GEORGE PERLEY: If this section were amended in such a way as to make it plain that it did not apply to the ordinary labour organizations, as they fear it does, would the minister not be a great deal surer of accomplishing what he is aiming at than by seeking to repeal this section in exactly the same way as he has already done three times? If he really wants to accomplish the purpose he says he has in mind, is there not some other way of doing it? I ask him if he will not consider amending this section.

[Sir George Perley.]

Mr. LAPOINTE: I am amending it. I repeat, the English law on sedition, and it is our law, is quite sufficient to cover any case of sedition.

Mr. WOODSWORTH: On several occasions we have had this amendment proposed in the house. I have been interested in this legislation since 1919, when it was enacted. I have no desire to recall in detail the trouble we had in Winnipeg at that time. I myself arrived in Winnipeg in the middle of the strike, just about the time this legislation was enacted, and so was able to see not only how adversely it affected labour at that period but how it might affect labour adversely in any crisis that might arise in the future. A great deal has been said with regard to the position which the communists hold in this country at the present time, and of the serious menace they are to the country. I think I am free to speak with regard to the communists, since I do not belong to the communist party, and since the Independent Labour party to which I belong, has been challenged at the polls by the communists and bitterly denounced. The wildest statements have been made in regard to them not very far from the chamber in which we are now sitting. It has been said that the communists and the One Big Union are one and the same thing. As a matter of fact, if there is any bitter fight being waged at the present time in Canada, it is between the communists and the One Big Union, and any man who confounds two distinct groups in the labour party shows either that he is absolutely ignorant of conditions or that he is wilfully trying to confuse the public mind. We have some dangers in this country, but not the least of these dangers arises from the lack of knowledge on the part of the great majority of the people as to the various labour organizations, and what their objectives really are.

Let me spend a few minutes in reviewing the points that ought to be discussed with regard to this legislation. One of the previous speakers has read the first clause of the section which is being repealed, and he says that no sane man can object to this clause as it stands on the statute book. I want to say that I object to it most decidedly, and in so speaking I am speaking on behalf of the great labour movement of this country, not merely on behalf of some O.B.U. or some Canadian brotherhood organization, or some communist organization, or some left wing organization, or some independent labour party or Canadian labour party, or the Trades and Labour Congress, but on behalf

of every one of these organizations, because they all realize that this section is a distinct menace to trade unionists. It says:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about . . . . any industrial or economic change within Canada, by use of force—

"Any economic change by use of force." Surely a lot of us want economic and industrial changes. Even in this house we want tariff changes, economic changes. The whole point of that paragraph lies in the definition of the phrase, "by use of force." One of the Toronto members said that the Trades and Labour Congress had no worries in this regard. That is not true. I hold in my hand the Trades and Labour Congress of Canada report of their proceedings at the thirty-sixth annual convention, and I find that as far back as that, and every year since, this plea has been reiterated by the congress.

Mr. GEARY: What date is that report?

Mr. WOODSWORTH: September 13th to 18, 1920. This report contains a review of this new law which had only a short time before been placed on the statute book, and I find here the legal opinion of Mr. J. G. O'Donoghue, barrister of that city we hear so much about, Toronto, on certain stated questions submitted to him by the executive council of the Trades and Labour Congress of Canada. This report, I might say, was placed in my hands by Mr. Tom Moore personally several years ago, when we were discussing this matter, and Mr. Moore was urging that we take action along this line. Mr. O'Donoghue says:

> The use of these words leaves the door wide open for the prosecution of every trade union in Canada. If "force" is intended to mean "physical force" it should be so stated. The pressure or influence exerted by trade unions is the exercise of "force". That can be interpreted to come within the above section. Read the following extract from Judge Metcalfe's charge to the jury in the Russell case:

That was one of the Winnipeg cases which was in the minds of everyone at the time. Mr. O'Donoghue continues with this extract from Judge Metcalfe's charge to the jury in the Russell case:

> "Mr. Russell gave us his idea of a sympathetic strike. He said, 'When a dispute originates between an employer and his employees, and when the labour organizations see that organization being beat, they come to their assistance by calling a strike to force their employers to bring force to bear upon the original disputants to make settlement.' That is Russell's definition given in the box. . . . . Force, force, force."

Mr. O'Donoghue continues:

> Any dictionary will show that "force" has a very wide meaning, covering "influence", "pressure", and the like. If the statute meant "physical force" it would not go on to enumerate "violence" and "physical injury". A court would be quite justified in interpreting the word in its natural or dictionary sense.
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> As for the word "terrorism" some light can be thrown upon the interpretation of it, by that given it in the Winnipeg case of Rex v. Russell. There Judge Metcalfe says:
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> "To walk around about, for instance, to a place where people are employed in large numbers, and to 'boo', gentlemen of the jury, as much terror may be inspired through that as by two or three fighting chaps coming along with bludgeons. Take it from me, in strikes you can incite terror without hitting a man over the head. You can incite terror of starvation; you can incite terror of thirst. Is not that quite as effective as inciting by bodily violence? Your stomach will bring you quicker than a crack on the head sometimes. If it is possible that picketing can be done in this country, then the lawful method of picketing is so ineffective that it is a reasonable inference that in a strike of this class, unlawful means would be intended to be applied. Sometimes it has a deterring effect upon people's minds by exposing them to have their motions watched, and to encounter black looks."

Mr. EDWARDS (Frontenac): May I ask the hon. gentleman a question?

Mr. WOODSWORTH: Certainly.

Mr. EDWARDS (Frontenac): Does he think that any organization in Canada should be permitted to seek economic or industrial changes by violence or injury to persons?

Mr. WOODSWORTH: Most decidedly no. But I fancy this section is misunderstood. I say that in time of crisis the word "force" is understood to be violence, whereas it may simply mean such force as is commonly used in a peaceful strike—pressure. That was the interpretation actually given to it in 1919 by the late Judge Metcalfe.

Mr. EDWARDS (Frontenac): I can quite appreciate that there might be a very honest misunderstanding in regard to the meaning of the word "force"; but will the hon. gentleman look that over and see if the section could not be changed by cutting out the word "force" so that it would read "violence and injury to persons"?

Mr. WOODSWORTH: That would be a great improvement, but the criminal code already covers it. I do not want to go back over old disputes but, remember this, that an attempt was made to send men out of this country without trial. That is what some of us have been trying to bring before the house again and again. It was in those hectic days that this kind of legislation was put upon the

statute books. Now allow me to examine two or three other clauses of this statute. Subsection (2):

Any property, real or personal, belonging or suspected—

I want hon. members to note that.

—or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the commissioner of the Royal Canadian Mounted Police,

And so on. Let me emphasize that. Any property belonging to or suspected to belong to such an organization may be seized, and that without warrant. In that connection I quote a well-known statement made many years ago by Lord Camden:

Where is the written law,

He asks.

—that gives any magistrate such a power? I can safely answer there is none, and therefore it is too much for us without authority to pronounce a practice legal which would be subversive of all the comforts of society. If suspicion at large should be a ground of search, especially in the case of libels (i.e. seditious publications), whose home would be safe?

I think hon. gentlemen will surely recognize the reasonableness of our objection to having suspicion as a ground for the seizure of goods. I proceed to subsection (4):

In any prosecution under this section, if it be proved that the person charged has—
(a) attended meetings of an unlawful association;

This might mean that if I stopped at a street meeting or went into a hall where a meeting was being conducted by some society that advocated strikes and similar means of action, and Judge Metcalfe's interpretation was applied, I would be liable to prosecution under this section. This clause (a) is very broad. I have often gone to meetings to find out what was going on or because I had a suspicion that it was of a nature that I did not want to go on, but under those circumstances I might be charged with being a member of the association.

(b) spoken publicly in advocacy of an unlawful association.

A trade union might be regarded as unlawful.

(c) distributed literature of an unlawful association by circulation through the post office mails of Canada or otherwise, it shall be presumed, in the absence of proof to the contrary, that he is a member of such unlawful association.

I have always entertained the idea that British justice presumes a man innocent until he is proved guilty. In this case the presumption is that he is guilty until he can prove himself innocent. I submit, Mr. Chairman, that this is not in harmony with British traditions.

An hon. MEMBER: A postman delivering such literature would be liable.

Mr. WOODSWORTH: Yes. Then subsection (5):

Any owner, lessee, agent or superintendent of any building, room, premises or place, who knowingly permits therein any meeting of an unlawful association—

—becomes liable to a fine or to imprisonment, or to both fine and imprisonment. In practice, labour organizations have found it very difficult to rent buildings because the superintendent or agent was afraid he might get into trouble; and he might very well be afraid. Let me quote subsection (6):

If any judge of any superior or county court, police or stipendiary magistrate, or any justice of the peace, is satisfied by information on oath that there is reasonable ground for suspecting that any contravention of this section has been or is about to be committed, he may issue a search warrant under his hand, authorizing any peace officer, police officer, or constable with such assistance as he may require, to enter at any time any premises or place mentioned in the warrant, and to search such premises or place, and every person found therein, and to seize and carry away any books, periodicals, pamphlets, pictures, papers, circulars, cards, letters, writings, prints, handbills, posters, publications or documents which are found on or in such premises or place, or in the possession of any person therein at the time of such search, and the same, when so seized, may be carried away and may be forfeited to His Majesty.

I do not wish to say anything that would lower the dignity of our various officials, but I think some of us have met stipendiary magistrates and justices of the peace who were not particularly broad-minded, and yet a man of that character may, because of his suspicion, order a man's home to be broken into and his goods seized. I say that is an intolerable situation, and I fancy this act has remained on the statute book this long simply because no prosecution has ever been attempted under it. Let me go on a little further with subsection (8).

Any person who prints, publishes, edits, issues, circulates, sells or offers for sale or distribution any book, newspaper, periodical, pamphlet, picture, paper, circular, card, letter, writing, print, publication or document of any kind, in which is taught, advocated, advised or defended, or who shall in any manner teach, advocate, or advise or defend the use, without authority of law, of force, violence, terrorism, or physical injury to person or property, or threats of such injury, as a means of accomplishing any governmental, industrial or economic change, or otherwise, shall be guilty of an offence, and liable to imprisonment for not more than twenty years.

That is a very broad clause under which it is very easy to convict a man. Further than that, anyone who imports such literature into Canada is liable. Mr. Chairman, I could go into the library of parliament and find fifty books at least on one shelf teaching anarchism, philosophically or otherwise, books which are liable to come under that ban. I know of some books of this character which have been seized in the mail. I know of some people who innocently ordered by mail from Great Britain books which they had seen advertised, and these people can be prosecuted under this section. Yes, my friend from Calgary (Mr. Adshead) suggests; what about the seizure in the public library at Calgary? That, of course, was at this particular period. Books were actually seized from the public library of Calgary which were thought to be seditious; and I know of the case of a man, now a member of the provincial house in Alberta, whose home was violently entered at night and a number of books taken, books which he had brought over from England, many of them books which he had treasured for the past twenty or thirty years. They were seized and he has never been able to get them back.

I want to call attention to the safeguards that were in the original Criminal Code. But first a few words as to the definition of sedition. I think I cannot do better than read from a recognized authority, Crankshaw, which every lawyer knows, where the author says:

In section 102 of the English draft code there is, in addition to what is above contained in article 123, a clause defining a seditious intention as,—

"An intention,—

"to bring into hatred or contempt or to excite disaffection against the person of Her Majesty, or the government and constitution of the United Kingdom or of any part of it as by law established, or either house of parliament, or the administration of justice; or

to excite Her Majesty's subjects to attempt to procure, otherwise than by lawful means, the alteration of any matter in church or state by law established; or

to raise discontent or disaffection amongst Her Majesty's subjects; or

to promote feelings of ill-will and hostility between different classes of such subjects."

And it goes on to say:

The Canadian code as originally drawn and introduced into parliament contained a clause defining a seditious intention in terms similar to those above quoted from section 102 of the English draft; but the clause evoked a long discussion and a great deal of criticism during the consideration of the bill in committee; and it was ultimately decided to strike out the clause, and leave the definition to common law.

In tracing, with his usual clearness and ability, the history of this most interesting branch of the law, Sir James F. Stephen says, that there are "two different views of the relation between rulers and their subjects. If the ruler is regarded as the superior of the subjects, as being by the nature of his position presumably wise and good—the rightful ruler and guide of the whole population—it must necessarily follow that it is wrong to censure him openly, that if he is mistaken his mistake should be pointed out with the utmost respect, and that whether mistaken or not no censure should be cast upon him likely or designed to diminish his authority. If, on the other hand, the ruler is regarded as the agent or servant and the subject as the wise and good master who is obliged to delegate his power to the so-called ruler because, being a multitude, he cannot use it himself, it is obvious that this sentiment must be reversed. Every member of the public who censures the ruler for the time being exercises in his own person the right which belongs to the whole of which he forms part. He is finding fault with his servant. If others think differently they can take the other side of the dispute, and the utmost that can happen is that the servant will be dismissed and another put in his place, or perhaps that the arrangement of the household will be modified. To those who hold this view fully, and carry it out to all its consequences there can be no such offence as sedition. There may indeed be breaches of the peace, which may destroy or endanger life, limb or property, and there may be incitements to such offences, but no imaginable censure of the government, short of censure which has an immediate tendency to produce such a breach of the peace ought to be regarded as criminal."

At the present day, when the right of forming political organizations, of holding political meetings, and of giving—through the press, or on the public platform—free expression to our thoughts upon and criticisms of public men and affairs, is so well recognized, a written or printed publication, a public speech, or an assembly, meeting, convention or combination would have to be of an extremely vicious, inflammatory, and dangerous character to form the basis of a successful prosecution for a seditious libel, a seditious speech, or a seditious conspiracy.

Now we removed in 1919 the safeguards which had hitherto existed, and which are intended by the amendment of the Minister of Justice to be replaced upon the statute book. I think no one will suggest that it is not a fair statement that we should have on our statute book a safeguard which provides that:

No one shall be deemed to have a seditious intention only because he intends in good faith,—

(a) to show that His Majesty has been misled or mistaken in his measure; or

(b) to point out errors or defects in the government or constitution of the United Kingdom, or of any part of it, or of Canada or any province thereof, or in either house of parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or

(c) to point out, in order to their removal, matters which are producing or have a tendency

to produce feelings of hatred and ill-will between different classes of His Majesty's subjects.

I am urging that that be replaced. It was cut out in 1919, and we ask that it be again inserted. Labour is asking that, and surely labour is not unreasonable in asking to have restored the safeguards that are in the British code.

Some hon. MEMBERS: Carried.

Progress reported.

Sir GEORGE PERLEY: May I ask the Minister of Justice if he is going to have this bill reprinted showing the proposed amendments? If not, will he not send a copy at any rate to the leader of the opposition? This is a bill which has been here for weeks and weeks.

Mr. LAPOINTE: I will give a copy of it. It is the bill as it was last year and the other years, to reinsert the section as it was before 1919.

Sir GEORGE PERLEY: I should think that as a point of order it is not validly before the house at all. This is an entirely different piece of legislation.

Mr. LAPOINTE: No, it is simply to make the legislation exactly as it was.

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

Tuesday, April 24, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

First report of select standing committee on privileges and elections—Mr. Denis (Joliette).

WEST YORK VACANCY

ISSUE OF WARRANT BY MR. SPEAKER

Mr. SPEAKER: I have the honour to inform the house that I have issued my warrant to the chief electoral officer to make out a new writ of election for the electoral district of West York, consequent upon the resignation of Sir Henry Lumley Drayton, sitting member therefor.

PRIVATE BILL

FIRST AND SECOND READINGS

Bill No. 219, respecting the Sisters of Charity of the Northwest Territories—Mr. Marcil.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I would ask the unanimous consent of the house for the second reading of this bill now, that it may be sent to the standing committee on private bills. This is a senate bill, and merely authorizes this order to increase its power to hold property, and other powers incidental thereto.

Mr. SPEAKER: By unanimous consent.

Motion agreed to, bill read the second time and referred to the select standing committee on miscellaneous private bills.

INTERNATIONAL COPYRIGHT CONVENTION

On the Orders of the Day:

Mr. MAXIME RAYMOND (Beauharnois) (Translation): Mr. Speaker, before the orders of the day are proceeded with, I would like to ask the Secretary of State if Canada will be represented at the International copyright convention which is to be held in May next at Rome?

Hon. FERNAND RINFRET (Secretary of State) (Translation): Mr. Speaker, I am very pleased, in answer to the hon. member for Beauharnois, to inform him that Canada will be represented at the International copyright convention which will begin on the 7th of May next, at Rome. In this connection I might add that this will be the first time Canada is represented as a separate and autonomous member of the International Union for the protection of authors' copyrights, which is in keeping with the evolution of our policy of representation abroad in all spheres of activities.

Canada will have as its representatives the Hon. Mr. Philippe Roy, Commissioner for Canada, at Paris, and Mr. Jean Désy, legal adviser of the Department for External affairs, at Ottawa.

CIVIL SERVICE COMMISSION

RECLASSIFICATION OF TECHNICAL OFFICERS

On the orders of the day:

Mr. J. G. ROSS (Moose Jaw): I would like to ask the government if they are still negotiating with the Civil Service Commission with regard to the reclassification of technical men in the Department of Agriculture, and if so what progress has been made.

Hon. FERNAND RINFRET (Secretary of State): I have no special data with regard to the technical men in the Department of Agriculture, but the whole question of increasing the salaries of the technical men is still under consideration and is before the Civil Service Commission.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. G. R. GEARY (South Toronto): I would like to ask the Minister of Finance if he has asked for and obtained a report in regard to the payment of claims made by depositors in the Home Bank. If he has received the report will he tell us what action has been decided on by the government?

Hon. J. A. ROBB (Minister of Finance): I have received a memorandum from the officers of the exchequer court advising that there were not sufficient funds to pay thirty-five cents on the dollar to the depositors in the Home bank. The government have not yet reached a conclusion as to whether an amount will be placed in the estimates or whether a bill will be submitted to carry out the original intention of the House of Commons in passing that legislation, but I may tell my hon. friend that we are favourably disposed towards meeting them at least in part.

DANGER TO BORDER RESIDENTS

On the orders of the day:

Mr. S. C. ROBINSON (West Essex): I would like to direct the attention of the Minister of External Affairs to a very serious situation which exists along the Detroit river. Three times within the last month stray bullets fired by American preventive officers in their efforts to enforce the Volstead Act have lodged on the Canadian side. On one occasion a bullet passed through a house in Sandwich within two feet of a four year old child; the bullet was found and shown to be from a high powered rifle such as these preventive officers carry. On Saturday last Mr. Edward Warren of 656 Ouellette Avenue was driving from Walkerville to Windsor on the River Front road; at 7.15 p.m. a bullet went through the windshield of his car and nearly blinded him with broken glass. Apparently some of these officers are not accustomed to carry firearms, and I would ask the minister to draw this matter to the attention of the United States authorities, and to ask that these officers point their guns the other way.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think it is fortunate that my hon. friend has brought this matter to the attention of the house. I will immediately draw the attention of our minister at Washington to what my hon. friend has said, and I have no doubt that a conference by him with the Secretary of State will be all that is necessary to have the wishes of my hon. friend complied with.

UNEMPLOYMENT IN WINNIPEG

On the orders of the day.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would like to ask the Minister of Immigration and Colonization if he has any further information with regard to the employment situation in Winnipeg, to which I referred yesterday?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I have no information other than I gave my hon. friend yesterday.

ELIGIBILITY OF WOMEN FOR SENATE

JUDGMENT OF SUPREME COURT ON QUESTION SUBMITTED

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I would ask the Minister of Justice if he has received any report with regard to the reference to the supreme court of the question of whether or not women are eligible to sit in the Senate.

Hon. ERNEST LAPOINTE (Minister of Justice): I have been informed that the judgment of the supreme court was delivered to-day, and their judgment is that under the British North America Act women are not eligible for appointment to the senate. I understand that the basis for the judgment is that the act must be interpreted in the meaning it had when it was adopted in 1867, and that at that time the expression "fit and qualified persons" as it appears in the act could not apply to women as they were then disqualified for appointment to public offices. The judgment was unanimous. In view of this judgment, and in view of the fact that women in this country now have an equal franchise with men, and in view of the further fact that one of the seats in this house is occupied by a woman, the government have decided that they should have the equal right to sit in the other chamber, and means will be taken to secure an amendment to the British North America Act in that respect.

FEDERAL DISTRICT COMMISSION

IMPROVEMENT AND BEAUTIFICATION OF OTTAWA

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 218 to amend the Federal District Commission Act, 1927.

He said: Mr. Speaker, the purpose of this bill is to make provision for certain capital expenditures by the federal district commission to carry out a plan of improvement and

beautification in the centre of Ottawa as the capital of Canada, also to extend the period of time of the annual appropriation to be made to the commission for the purpose of maintaining improvements which have already been made. The act proposes an immediate appropriation of $3,000,000 as an amount to serve for capital expenditure in connection with improvements which the commission has in contemplation. Provision is made whereby this amount may be advanced to the commission direct by the Minister of Finance and made a charge upon the consolidated revenue, or advanced upon the issue of securities by the commission, these to extend over a period of thirty years. The principal and interest of such securities are to be guaranteed by the Department of Finance and to be redeemed by a sinking fund to be maintained by the department for that purpose. The annual appropriation for purposes of maintenance is being reduced from $250,000 per annum at which it now stands to $200,000 per annum.

That the bill is being introduced at the present time is due to the fact that last fall the government was advised by the federal district commission and by the city council that the owners of the Russell house property were contemplating the immediate demolition of that property and had applied to the city for the right to erect a new modern hotel on the site. The federal commission pointed out that if that step were taken at the present time it would interfere with what they believed was a development which should be made and made speedily within the central part of the city; and the city council pointed out that unless the government could give some immediate reason why a permit should not be granted to the hotel authorities to go on with the erection of the new hotel, the board of control would be obliged to give the permit for that purpose.

I might say that at the time the government was informed of this proposal on the part of the Russell house owners the work of demolishing the old property had already commenced, and the government was given to understand that plans had been called for and were being prepared for the new hotel which was about to be erected. It was apparent that either a decision had to be reached immediately or in the event of a postponement, and the property being subsequently acquired, that a very much greater outlay would be necessary to indemnify the owners against expenditures which they might be put to in the interval of time between that at which the government might authorize the immediate expropriation of the property and the time at which parliament might be in a position to grant authority for the expropriation.

In the circumstances, and more particularly because of other circumstances which I shall mention, it seemed to the administration advisable to give to the federal district commission the authority to expropriate immediately the properties in question. The further reasons were the following: to have allowed the owners of the hotel to erect a modern hotel on the old site, having regard to improvements that the government had already made and improvements that were in immediate contemplation, became the equivalent of presenting the finest site in the capital of Canada, to a company which was proposing to build a hotel in no way equal to the Chateau Laurier, but one that while large and serviceable would not, it was thought, in any way approach in architectural beauty the other hotel which is in the near vicinity of the parliament buildings. It would have meant that going from parliament hill into the heart of the city the new hotel would be the structure immediately facing all the visitors to parliament hill. It would have meant further that so far as the company was concerned they would have had as a frontage for their hotel the advantage of the expropriation that had already been made between Wellington street and Sparks street west of Elgin street and this side of the post office and an immediate view of the houses of parliament. They would have had at one side all the improvement which is being made on the driveway between the canal and the present Russell house property, and they would virtually be given by the country this exceptional environment, which the government felt ought really to belong to the country as a whole. In the circumstances, conferences were held with the federal district commission and with the members of the board of control and the city council as to whether in some way an arrangement for joint action could not be made between the city and the commission, in the event of the government undertaking to allow the expropriation of the Russell house properties. It was discovered, after some little conference, that the city was prepared to co-operate with the federal district commission to make the central part of the city all that the members of this house and the citizens of Canada generally could wish the centre of the capital of the Dominion to be.

In order that I may bring to the minds of the members of the house the nature of the proposed improvements and just what was before us as we were considering the matter, I would recall that the government of Canada

owns practically all the land that is on the south shore of the Ottawa river from the old Perley home on the west to beyond the archives building on the east. The parliament buildings stand practically in the centre of that stretch. Opposite the parliament buildings is the property on which the Chateau Laurier is at present situated with Major Hill park immediately behind it, and the Daly building which is property the government of Canada has acquired. That means that all the land which lies immediately to the south of government property along Wellington street between the east block and the Chateau Laurier, and which is intersected by the Rideau canal, is pretty much in the centre of property now owned by the government. It is also in the centre of the city, and for the most part to all intents and purposes already a large park area. There are still some buildings on parts of it, but at comparatively little cost to-day the whole can be made quickly and readily into a great central park, facing, as I have said, on property already owned by the government.

There is the open space with which hon. members are familiar, between Wellington and Sparks streets and between Elgin street and the post office, and which has been expropriated. From there to the station except for the city post office it is all open space. The Rideau canal is government property and the property to the right of it also owned by the government, constitutes, at the present time, a driveway in the course of improvement. A large area has been opened up by the commission on the property formerly occupied by the old Dey's rink which fronts on Laurier avenue. Beyond Laurier avenue there is Cartier square which is already a park owned by the Dominion and beyond Cartier square are the grounds of the collegiate institute, the normal school and the model school, all of which are government-owned properties. Those latter properties are owned by the provincial government. Hon. members will therefore see that with the exception of the few buildings that front west on Elgin street and a few buildings fronting on Nicholas street on the far side of the canal which are of an antiquated character, omitting a few principal structures that face on Rideau street beyond the railway station, all the area to the north and south lying between the Ottawa river and Lisgar street and to the east and west between Elgin street and Nicholas street is to-day virtually one large park area.

The commission pointed out to the government that without any very great expenditure, having regard to the significance of the properties to be acquired, this vast area might be made into a park in the very centre of the capital of Canada. As I have said, the government felt that to allow the most important part of that property to remain in the hands of private owners and be used for a public hotel would, in the light of the circumstances I have mentioned, be very short-sighted and would show a distinct lack of vision on the part of the administration in regard to the future development of the capital of our country. To allow members to see the scheme of development which is proposed I have had a plan prepared by the commission. If I could have copies of these plans distributed, hon. members would be in a position to follow more easily what is proposed with respect to the development that is contemplated.

As hon. members well know, the business centre of the city so far as traffic is concerned has come more and more to be that particular part of Ottawa lying between Elgin street on the one side and the central station on the other. It is also the part that is for the most part used as an approach to and as an egress from parliament hill. Although our grounds of parliament have a main entrance, it is not used to anything like the same extent as the entrance at the head of Elgin street. That means that traffic more and more is concentrated at the very doors of parliament, and already it is evident, I think, to all who have given any thought to the question, that there is need for a better regulation and distribution of traffic in the immediate vicinity of these houses of parliament. The commission therefore proposes as a central feature of the development, if parliament appropriates the money for the purpose, to make a large circular space around which the traffic of the city will have to move in one direction in the area through which Sparks street runs at the present time and which is bounded on the south by the present Russell house and on the north by the square that has already been expropriated. The idea would be to have something corresponding to what in the city of London, England, one sees at Piccadilly circus or Oxford circus whereby in the centre of the city the traffic would be obliged to move one way around the sides of a circle and into which particular area the different streets would run. That centre would be virtually the heart of the capital. In all probability, when the erection of the national war memorial is further under consideration it will be thought advisable that the memorial should be placed in the centre of that circle.

May I add that at the present time, as hon. members know, there is no single point at which the parliament buildings in their entirety can be viewed from any distance? Beautiful as they are, prominently as they are placed on this hill, there is not in Ottawa any point at which, when one gets beyond Wellington street, these buildings can be viewed as a whole. If the park project which is proposed is carried through, there will be given from the greater part of the park a commanding view of the parliament buildings. Indeed it is proposed that there should be constructed from the Laurier avenue bridge a driveway which will run diagonally through the heart of the park and which will, coming up to the approach at Elgin street entrance, afford to anyone approaching the parliament buildings a complete view of their imposing front. In other words, a visitor to the city standing on Laurier avenue bridge, situated as it is at present, would get from that point an unobstructed view of the main entrances of the houses of parliament. The memorial tower in the centre would be practically in the centre of that view and the avenue that would approach the building would be the main avenue to the houses of parliament. All of us, I think, regret only too sincerely that when the buildings were placed where they are, some system of city or town planning was not followed whereby there would have been an adequate and dignified approach to the houses of parliament. But if we feel the lack of that approach to-day; if we feel there has been an omission in that particular in the past, I am inclined to believe that those who come after us will realize the omission even more than we do, and will regard us as having been remiss if, seeing the situation as we now see it, we do not endeavour to improve and rectify it.

If hon. members will look at the plan which the federal district commission have drafted of what they have proposed, they will see that it virtually corresponds with what I have in this brief way sought to outline. Having regard to the properties that lie on the east side of the canal and to the west of Nicholas street, may I say further that for the most part they are already owned by either the Canadian Pacific Railway Company or the Canadian National Railways? I have personally had talks with Mr. Beatty, of the Canadian Pacific Railway, and with Sir Henry Thornton, of the Canadian National Railways, and asked if their companies would be prepared to co-operate with the city and with the commission in improving that particular area in so far as their interest in it is concerned, and I have their assurances that they will be only too happy to further to whatever extent may be necessary so far as their companies are concerned the work of the improvement and beautification of the heart of the capital of Canada.

May I say that the government naturally was hesitant about adopting this proposal before having an opportunity of submitting the project in its entirety to parliament, but as I have just explained, it was a matter of then deciding or of necessitating later on through delay a very much larger outlay. Moreover, so far as the decision itself is concerned, and that is what I think bears immediately on our consideration of the matter here, it would appear to be a case of deciding now or never whether these particular properties shall be obtained. Naturally a time comes in the development of every city where new buildings take the place of old ones, and unless the government takes steps immediately to acquire the properties I have mentioned, it is altogether probable that new structures of a very costly character will be erected, and that any future government will find it all but impossible to proceed with a development of the kind.

Had the government been obliged to trust solely to its own judgment in this matter, possibly the decision would have been as it is, but fortunately the government had before it the expressions of view and opinion of hon. members of this house during the last session when the amendment was brought in to the Ottawa Improvement Commission Act, and the name of the commission was changed to that of its present designation as the federal district commission. At that time several hon. members of the house spoke with reference to the appropriation which the government was then asking from parliament, and I think almost without exception—there was exception taken on the part of one or two—but almost without exception the expression of view as given from all parts of the house was that the government's request for the purpose for which the appropriation was intended was far too modest. The then leader of the opposition, the hon. Mr. Guthrie, member for South Wellington, speaking for himself and I judged for his friends in his party, said that he thought the appropriation we had asked for should be several times what it was, and he very wisely, I think, drew attention to the importance of making changes without loss of time and of seeking to make Ottawa, as it should be, worthy in all respects as the capital of the Dominion. My hon. friend the present leader of the opposition (Mr. Bennett) was in the house at the time and participated in the debate, and if not in express terms, was, I

think on the whole most sympathetic with the views of the then leader of the opposition. My hon. friend from Argenteuil (Sir George Perley) also spoke and expressed approval of what the government was then doing and his belief, I think, that for the capital we could not go too far in planning further developments along right lines. From among the ranks of hon. gentlemen opposite, the hon. member for Carleton (Mr. Garland) also spoke, strongly advocating the appropriation of a much larger sum. Then my friend the leader of the Progressives mentioned, if I recollect aright, or if he himself personally did not, some of his following did express their approval of the course the government was then taking, and I know that one hon. member in particular, the hon. member for Macleod (Mr. Coote), said that he thought there had been great neglect in the approaches to the parliament buildings, and he advocated steps being taken in the near future which would improve the approaches to parliament hill. In these circumstances I think I am correct in saying that the government was justified at least in feeling that when it came to parliament with the present proposal, hon. members, in view of what had been said, as well as what was left unsaid, would view with approval the step which is now being taken.

May I add that there are other reasons why I believe the house would be justified in giving its approval to the present bill? The proposal has now been before the country for some little time, and the press in all parts of the country has made observations with respect to it. I have yet to discover from any journal of importance a criticism of what is being proposed. Throughout the Dominion there is a feeling that the capital of the country should be made worthy not only of its present but of its future. If this is to be done, something along the lines now being proposed is necessary.

We had in Ottawa last fall an important conference of the premiers of the several provinces with members of the federal government. The subject of the improvement of the capital along the lines indicated was not taken up as a matter of formal discussion at any meeting of the conference, but personally I had a word with the premiers of the provinces as to their opinion, from the point of view of their respective provinces, of what the Dominion was about to undertake in the matter of the improvement of the capital. I do not think that I am misrepresenting any of them when I say that I gathered from their expressions of opinion very hearty approval of a proposal such as is now being presented to the house.

May I add in particular one further justification for the step which the government is now proposing? In 1913, before the war, the government of Sir Robert Borden appointed a commission known as the "federal plan commission on a general plan for the cities of Ottawa and Hull." The commission was appointed in September, 1913, and its members were:

His Worship, the mayor of Ottawa.

His Worship, the mayor of Hull.

Sir Alexandre Lacoste, K.C., of the city of Montreal.

Herbert S. Holt, Esq., of the city of Montreal.

Frank Darling, Esq., of the city of Toronto.

R. Home Smith, Esq., of the city of Toronto.

The order in council appointing the commission charged it with the duty of—

—taking all necessary steps to draw up and perfect a comprehensive scheme or plan looking to the future growth and development of the city of Ottawa and the city of Hull, and their environs, and particularly providing for the location, laying out and beautification of parks and connecting boulevards, the location and architectural character of public buildings, and adequate and convenient arrangements for traffic and transportation within the area in question.

The commission made its report two years later, in 1915, and I have a copy of that report in my hand. The report is a most valuable one, and undoubtedly it was prepared by the then government for the very purpose which we are now seeking to further in bringing before the house the proposal I am submitting in this bill. Without question the recommendations of the commission would, in part at least, have been acted upon long before this had the war not intervened, and may I say that the proposal now being made parallels in many respects a central feature of the proposals made by the commission appointed by Sir Robert Borden at that time. These gentlemen were of the view that it was all-important that the central part of the city should be reserved as an open space, and that the buildings surrounding it should be of a character to lend dignity and harmony to other important buildings in the capital.

Now, Mr. Speaker, may I say a word with respect to the obligation of parliament towards Ottawa as the capital city of the Dominion. I know it will be said by some hon. gentlemen that the government is doing a great deal for this city. We must however be careful to distinguish between what the government is doing for Ottawa as a city, and what the government is doing for Ottawa as the capital of this Dominion. It is impossible for any municipality to undertake the sort of

planning and development required for the capital of a country. If it is to have a capital, a country must expect to incur obligations and expenditures incidental to its development, whether that capital be in some newly-acquired and undeveloped area, as is the case to-day with respect to the Australian capital about to be developed, or in some existing municipality. No municipality could undertake on purely municipal lines the kind of development which would be necessary to make its city a capital worthy of the country. And so I ask hon. members in considering what the government is proposing to do so from the point of view of the obligation of this parliament to the capital of Canada.

In connection with the choice of a capital, may I remind hon. members that Ottawa was not chosen originally as the capital of this great Dominion. In 1858, before confederation, this city was chosen as the capital of the two provinces that were united under the Act of Union. It was not until after practical developments had taken place on parliament hill, it was not until after the corner stone of the parliament buildings had been laid and their erection completed—all of which was done in relation to one province as it then existed—that the fathers of confederation, seeing the possibilities of Ottawa as the future capital of the Dominion, decided to have it become the national capital. Up to that time Ottawa had been a community that had but recently emerged from the backwoods. It was for the most part concerned with lumbering operations and manufacturing incidental thereto. Transportation also incidental to those developments had taken shape in different directions, but there was no general plan of the city. It had never been thought of as a capital; it was simply, as I have said, a community that had emerged out of the primitive forest and had taken shape from day to day pretty much as industrial development progressed. Then came confederation, and it was decided to make Ottawa the capital of what at the time was a dominion of but four provinces.

What I wish to bring to the attention of hon. members is this. From that stage the city continued practically as it then was, until the time when the Ottawa improvement commission was organized, and it is owing largely to this fact that to-day we find no adequate approaches to parliament hill or to the houses of parliament. I need not remind hon. members that it was not until 1905, when the prairie provinces came into confederation, that for the first time we had a Dominion extending from sea to sea, linking together organized provinces in all parts of Canada. That was only twenty-three years ago. So that when in relation to its future we speak of Ottawa as the capital of this Dominion, we have to keep in mind that this capital to-day, as representative of the whole of Canada, is a capital that speaks for but twenty-three years' growth of the Dominion constitutionally organized as it is to-day.

That being the case, what is going to be the position of Ottawa in the next twenty-three years, in the next fifty years, in the next one hundred years to say nothing of a much longer period? It is our duty to consider that situation, and I submit that if hon. members will consider the future development of the capital from that point of view they will see the wisdom of not losing further time in planning for its proper development. Already the evidences of the lack of foresight are only too manifest. Take the main approach to the front entrance of these buildings already referred to, Metcalfe street. It ought to be a magnificent boulevard and a grand approach to these houses of parliament, but as viewed from the main entrance it is pretty much in the nature of a country lane; it is not very much larger. There is practically no approach to parliament hill from Metcalfe street at the present time. The same is true of O'Connor street at the western end of the grounds; and the same was true of Elgin street until the changes made last year had come into being. These effects of the lack of foresight on the part of those who had to do with the previous development should cause us to have regard for the rapid development that will take place in the near future. We have on the other hand, an example of what can be done by a little foresight. Fortunately the Ottawa improvement commission was created some years ago. The commission was granted a limited amount of money, but it has followed a course of development of the city in laying out parks and boulevards which has given to the capital a character of its own, in which not only those who come to attend parliament have a pride, but in which with pride the whole Dominion shares. Having before us, on the one hand, the evidences of neglect and their consequences, and on the other hand, the evidences of what can be done by a little careful planning, with regard to the future, I say we would indeed be remiss in our duty, if now, at a moment when the opportunity is so great and when the omission would be so serious, we did not take full account of the opportunity and make the most of it.

In order to illustrate what I am seeking to bring home to hon. members, may I ask them to compare for a moment the capital of the Dominion with the respective capitals of the individual provinces, and see whether what the government is asking should be done for our national capital is in any sense extravagant in comparison with what the individual provinces have already done for their respective capitals. In the city of Toronto, the provincial buildings are located in Queen's park—a magnificent setting, not as fine as that of parliament hill, but rendered much more beautiful and magnificent by the approach to it. If we had an avenue running up to parliament hill comparable to University avenue in Toronto, this city would take on an entirely different complexion. My view is that parliament would not only be justified in taking but really ought to take steps immediately to make an approach to the main entrance of the houses of parliament similar to that which has been made with respect to the legislative buildings in Toronto. I am not, however, going to advocate that at the moment. I simply say that it is a step which, if not taken to-day, will be taken by some future government and will then be taken at enormously greater cost than would be involved at the present time. Then take the city of Quebec. There again you have the legislative buildings beautifully situated in a large, open space, and surrounded by improvements on which there have been vast expenditures. But take the western provinces, the newer provinces that could least afford to make large outlays on their public buildings. Look at British Columbia; the legislative buildings in Victoria are situated in surroundings infinitely finer than those of parliament hill in their relationship to the city. Come to Alberta: the grounds surrounding the legislative buildings in the city of Edmonton are, if anything, finer than those of the capital of Canada. Take the city of Regina: at one time Regina was practically a rolling prairie waste, to-day the legislative buildings in that city are situated in the centre of a very lovely park, embracing many acres of beautifully cultivated grounds with an artificial lake and other attractions. The province of Saskatchewan has felt it could make towards the improvement and the dignifying of the capital of that province an expenditure many times greater, comparatively speaking, than what is now being suggested for the capital of the Dominion of Canada. In Manitoba the surroundings of the legislative buildings represent, again, on the part of the public authorities, a much greater regard for their immediate environment and for the appearance of the city, as a provincial capital, than anything we have in this federal capital at the present time.

With regard to the other provinces, with their legislative buildings at Halifax, Nova Scotia, Charlottetown, Prince Edward Island, and Fredericton, New Brunswick, I cannot speak with equal knowledge, although I think that, having regard to the size and the needs of each of these provinces, the immediate environment of the legislative buildings in these maritime provinces represents more in the way of sacrifice on the part of the legislatures and of the people than anything which this Dominion has made towards the improvement of its capital.

I hope I have helped to bring home what I really feel we cannot emphasize too often, namely, the position of this city as the capital of the Dominion of Canada. Ottawa is the focal centre of the Dominion; it is the capital of a dominion which is rapidly growing and which is acknowledged as the first of the dominions of the British Empire. It is the heart of a nation that has grown great not only in its own affairs but in the affairs of the world at large, and the time has come when thought cannot be given too seriously to the future possibilities of this city as a capital city.

I have made comparisons with our own provinces. But there are other comparisons which perhaps should be made when one is discussing Ottawa as the capital of a nation. Take the capitals of other countries—and these, again, I mention more for the purpose of emphasizing the fact that a country is largely known among the nations of the world by its capital. Take the city of London, the capital of Great Britain. I need not emphasize what the city of London means to the world as the capital of Great Britain. But I should like to point out just what it has cost the city of London in some particulars to make a very few changes that have become necessary largely because London is the capital—changes which might have been made a short time ago at comparatively little cost. Within the last couple of years the city of London has been obliged to spend more than $125,000,000 in the purchase of land for the purpose of cutting two new streets through the city; and many other millions have also been spent in tearing down buildings for the construction of thoroughfares. At the time of the great fire in London, Sir Christopher Wren pleaded with the authorities of the day to widen one or two of the main thoroughfares of that city. That plea was met with the same kind of objection often encountered by measures of this character namely that

they do not bear all their fruit in the immediate present: it was contended that the expenditure was one that should not then be incurred. And it was not incurred. But to-day the citizens of London have had to pay on the widening of two streets alone—in addition to millions spent in tearing down different structures—the sum of $125,000,000 for the small additional leeway which has been thereby afforded.

I come now to Paris. In the eyes of the world Paris typifies France. What position did the French government take a few years ago with regard to their capital? Paris as a city had not been planned as the capital of France. The French authorities, realizing the importance of creating a dignified capital, had plans carefully studied, and an appropriation made for the improvement of the city. In 1853 the city of Paris spent $265,000,000 on Baron Haussmann's plans to open up the French capital to light and air and to create beautiful parks and boulevards. The sum of $265,000,000! Is there anyone who has visited Paris who does not feel that that investment, large as it was, has been a good one for the French people? Every visitor comes away feeling that Paris is one of the most beautiful capitals, if not the most beautiful, in the world. Indeed, one receives the impression that the French nation has had its character moulded and shaped to some considerable extent by the expression given to its capital city.

Then come to the United States. At the time Washington was decided upon as the capital of that republic, George Washington, in conference with Jefferson, the Secretary of State, foresaw that a great nation would arise upon this continent in the territory of the United States. Plans were made accordingly. Hon. members have heard of the work of L'Enfant who at that time, retained by Washington and the Secretary of State, laid out vast plans for the development of parks and driveways in what was to be the future capital of the United States. These plans were laughed at. They were declared to be ridiculous. Nevertheless they were accepted by the government, who retained the areas outlined for parks and driveways, with the result that the United States for over one hundred years has had secured to its capital many of its very beautiful parks and driveways. For an interval of years those plans fell into disuse, but a little later, at considerable expense, a commission for the beautification of Washington was appointed in order to see what further development might be carried out. That commission, including some of the great architects and sculptors of the United States, having gone very thoroughly into the matter, ultimately came back to the plans of L'Enfant, declaring that there was nothing they could recommend which would constitute an improvement on the suggestions that had been made a century before. Washington is modeled on those plans, and if I may make a comparison in order to indicate in a degree the very little that we are proposing here compared to what is obviously a pressing need of Washington to-day—and a similar need will suggest itself in this country some day—I would direct the attention of hon. members to the development which is being prosecuted in the heart of Washington, the large Mall that connects the capitol with the residence of the president. There is in Washington a park area that stretches for two miles, the whole of it forming a central park in the heart of the capital of the United States. From that park centre there radiate various driveways which help to impart to Washington the great charm which it possesses as a capital.

We are asking parliament to vote a sum sufficient to enable us to create a small central park about one-tenth the size I have suggested—or rather, I should say, one-twenty-fifth of that size—in the heart of this Canadian capital. What is Washington spending to-day towards the upkeep of the United States capital? She is contributing, towards permanent improvements in parks, apart from all that has already been spent, an annual appropriation of $245,000 and a maintenance appropriation of $705,000, or a total of $951,000—nearly a million dollars annually, just for maintenance and small improvements in the park areas which have already been developed. But in addition to that she is appropriating large sums of money for special improvements. One that is being developed at present is a bridge known as the Arlington memorial bridge, which is being constructed at a cost of $14,500,000. This is simply one approach to this park, or rather one connecting link between it and Arlington cemetery, which is being added as an additional feature of adornment to the capital of the United States. I believe it is correct to say that when one adds to the expenditures made on parks and driveways in Washington the expenditures which are made on public buildings, they total on an average for recent years about $9,000,000 a year. That is how Washington is being developed, and everyone knows that when the world speaks of Washington it gets a vision of the United States.

I shall not take up the time of the house by citing other examples beyond making mention of one which is related to another part of

the British Empire. The Commonwealth of Australia found itself in a position not wholly dissimilar to that of Canada; the capital had been at Melbourne, which was not originally intended as a capital city. It was discovered amongst other things that it would mean an enormous cost properly to develop the heart of what was already a commercial city. At great expense and sacrifice the government decided to acquire an entirely new area and to make of the capital of Australia a model city. The property for the federal capital of Australia was purchased from the state of New South Wales and vested in the commonwealth on January 1, 1910. The total area is about 900 square miles, or 576,000 acres. The land set aside for the capital site comprises twelve square miles, and 100,000 acres is set apart for public buildings, military colleges, reserves, parks and roads. During the fiscal year of 1925 the federal district commission of Canberra expended £850,000, and during the fiscal year 1926, which is the latest for which I have been able to get particulars, they spent £1,719,000, and as yet the government of Australia have not begun in any measure to erect the permanent structures for that capital. I submit that we in Canada should be and are equally proud of our capital, and we wish to see it second to none so far as the capitals of the dominions comprising the British Empire are concerned.

I would like to conclude with one further reason why I hope the house will not only accept the present proposal with regard to this capital expenditure of $3,000,000, but will accept it in a graceful and unanimous spirit. Last year we celebrated in Canada the sixtieth anniversary of confederation, and if that celebration evidenced anything it disclosed the pride taken by Canadians generally in their Dominion and in the capital of the Dominion. For the first time in the history of this country, every part of the Dominion from the Atlantic to the Pacific was linked immediately with parliament hill; the voices of those who participated in that celebration in Ottawa were heard in all parts of our country. I do not think enough has been said of the work of the diamond jubilee celebration committee, in linking up at that time all parts of Canada with the capital. That phase of the celebration was largely undertaken by Hon. Thomas Ahearn, who is the present chairman of the federal district commission. Mr. Ahearn not only gave his services gratuitously to the work of that committee, but through his instrumentality that whole vast linking up of the Dominion from coast to coast was carried out, so I am informed, practically without the expenditure of a single dollar by the committee. He was able to secure, as contributions towards that celebration from transportation companies, telephone companies, radio companies and electrical companies both in Canada and in the United States, all that was needed in the way of equipment and workmanship to make possible that exceptional feature of the celebration. The government feel that this country is fortunate in having Mr. Ahearn as the chairman of the federal district commission, and that we would be furthering the wishes of the people of Canada as a whole if, in connection with the diamond jubilee celebration, we could have through a further development in the beautification of this capital city some feature commemorative of that event, which might also serve as some recognition on the part of this generation of the work of the fathers of confederation. We of to-day have inherited these buildings and their surroundings, and we enjoy everything we have by way of their beauty and inspiration because of the work of those who preceded the present generation. I do not think we could more worthily honour the fathers of confederation and the vision which they had as to the future of Canada than by appropriating a sum sufficient to provide in the heart of this city, in connection with the celebration we had last year, a park which will be known to future generations as Confederation Park, and which will be commemorative of that celebration and of the contribution made by this generation to the work of the fathers of confederation. I would ask hon. members of the house to believe that this was one of the objects which the government had in mind when they gave their sanction to the expropriations to which I have referred.

I should like to put on record one or two thoughts I have in regard to the future development of Ottawa as the capital of Canada. I believe no country in the world has been so fortunate as Canada in the natural beauty of its capital city, with its environs, its commanding position, its surrounding mountains and forests, its beautiful rivers. Ottawa is located by the side of a river, as is the case with many other capitals. London, as hon. members know, is situated on the banks of the Thames; Paris on the Seine; Rome on the Tiber; Washington on the Potomac, and other capital cities are similarly situated. None of these however, have in their rivers anything comparable to the Ottawa river into which flow, within the federal district the Rideau and Gatineau rivers. Running through the heart of this city there is also the Rideau canal, which to all intents and purposes is

a fine river in itself. I submit that the federal district commission should endeavour to secure both banks of all the river courses. Fortunately up to the present much of the banks of these rivers and the canal have been secured. Nothing could be done which would be more in the future interest of this city than to have the land along both sides of the Ottawa river acquired for public purposes, as far as it can be reasonably acquired, and in so far as that has not already been done. Similarly, there should be secured the land along both sides of the Rideau river and the Rideau canal. I am not saying this can be done, or that it will be done, but I think it should be done, and I think such a step would go far to make this capital what it should be in years to come. I also think, as I have already said, that the approach to parliament hill along Metcalfe street should be made more dignified, as befits this capital; that approach should be made two or three times its present width. I believe all the properties facing parliament Hill should be owned and controlled by this government in order to prevent structures being erected thereon which may destroy the harmony and beauty of the buildings on this hill. More than that—and this does not relate to the immediate present but to the future.—I believe there should be acquired in connection with this capital and the sooner the better a great tract of land, in the nature of a national park, which will be a fitting adjunct to the capital of our country. All this could be done to-day at a comparatively small cost and I believe that no investment the country could make would mean as much to the future of the capital of Canada as these particular developments if they are carried out.

There is one further step which I think will become necessary, namely that the capital of Canada be placed under the control of a federal district commission. When that step is to be taken is not for me to say at the moment. It might involve changes in the representation in parliament and might more appropriately be considered at a time when a redistribution measure is before the house. But I do think that sooner or later, and perhaps, having regard to the future, the sooner the better, this capital of the Dominion should be placed under the control of a federal district commission. The present action may prove a step in that direction.

Let me say in conclusion, Mr. Speaker, that as we look upon the countries of the past and the countries of the present, we find more and more reason to attach great significance to the proper development of our capital. When we speak of ancient Greece we think of Athens and all that Athens stood for, and we judge of the character of the ancient Greeks largely by the types of buildings and what is left by way of remnants of architecture in that city which in the days of its greatness was the capital of Greece. When we think of the Roman Empire our thoughts turn to Rome and to what is there left of monuments of the past, as the embodiment of the spirit of that day. Similarly when we turn to other countries, to Great Britain, to the United States, to France, to Belgium, we see in what there is in architecture and in art in their capitals something symbolic of the genius of the peoples. So too with our Dominion; the capital is becoming increasingly the focal point of this great country. It is the point to which all eyes of this Dominion are turned; and not only that, but when people think of Canada it is to the capital of Canada that all eyes of the British Empire and of the world are turned. This capital is the seat of the government of the country. It should be and is something more than the seat of government. It is here at the capital of Canada that we have the residence of the representative of His Majesty the King. It is here that we have the official residence of the diplomatic representative of the nation to the south, the legation of the United States. It will be the future home of the diplomatic representatives of other countries as from time to time they come to have their respective representations and legations in Canada. It should be the home not only of government and of diplomacy in Canada, but it should also be and is in large measure already the home of the sciences and of art and of letters. We have in the city archives which are second to none of any country in the world. We have a national art gallery with art treasures of great value to this nation. We have a national museum which is an important national possession. We are planning at this time the development of important laboratories for scientific research. Our public buildings, as far as their architectural merits are concerned, are with few exceptions worthy of our country. In addition to the houses of parliament there are other public buildings which constitute exceptionally beautiful specimens of architecture, such as the Chateau Laurier, some of the churches, and I am happy also to say, some of the buildings erected by great companies. The Metropolitan Life Insurance Company's building, erected on lines of rare architectural beauty, is a building worthy of the great capital of this Dominion. We may

hope and I believe expect that other companies will follow the examples which have already been set.

We may not come to have the largest, the wealthiest, or the most cosmopolitan capital in the world, but I believe that with Ottawa's natural and picturesque setting, given stately proportions and a little careful planning, we can have the most beautiful capital in the world. So I would ask my fellow members of this House of Commons to view not only with sympathy but with enthusiasm a project which everyone will recognize as beyond any consideration of party, that has for its object solely and wholly the development and beautification of Ottawa as the capital of this great Dominion, something that will give some expression of all that is highest in the idealism of the nation, and something which those from beyond our gates and those who may follow in future years will come to recognize as an expression in some degree of the soul of the Canada of to-day.

Hon. R. B. BENNETT (Leader of the Opposition): I do not propose, Mr. Speaker, to follow the right hon. the Prime Minister in his observations. I desire to congratulate him upon his conversion to the desirability of having parks in the city which is the capital city of our country; and his enthusiasm has all the zeal which characterizes the convert.

I recall that the park upon which the Chateau Laurier now stands was not invaded by a commercial enterprise without objection being taken by the Conservative party, and the speech which Sir George Foster made on that occasion will perhaps be recalled by the right hon. the Prime Minister.

We are now asked to spend over $1,500,000 to buy a park in the city of Ottawa to take the place of the park in which there has been built a hotel, and the use of which for commercial purposes was objected to by the opposition of that day. I mention that to the right hon. the Prime Minister in case he may have forgotten it.

The government of Sir Robert Borden, when it came into power in 1913, was fully seized of the desirability of beautifying Ottawa. I take it that there are very few people in Canada who are not desirous of making our capital worthy of the aspirations of the Canadian people. But when the government appointed a commission, known as the Holt commission, it was found that a very considerable sum of money would be necessary to carry out the proposed plans. That commission called to its assistance the very best expert advice which could be obtained, and as a result plans were formulated, which doubtless have been inspected by nearly every member of this house.

The plan which has been laid before us to-day is a plan which is essentially not different from the plan which was thus prepared; in general outline it contemplates the same sort of development; but it was found that during the progress of the war it was impossible to spend the sums of money that would be involved.

May I say that this country is now suffering from a debt of two and a half billions of dollars, while at that time it had a debt of less than four hundred millions. There is not a gentleman on this side of the house, and I do not know of anyone in Canada, who is opposed to making this city a capital of great beauty, reflecting as I have already said in every sense the hopes and aspirations of the Canadian people. But there are other matters which must be considered. There is a very ancient saying that you must cut your garment according to your cloth. When the right hon. the Prime Minister referred to my observations last year, or the observations of the gentleman who led this party at that time, he cannot have recently read them. I directed my attention to two points. One was that the operations of the commission should be extended, and the other was the desirability of having the commission representative in character; and I am happy to say that the right hon. the Prime Minister quite agreed with the observations made in that regard. Mr. Guthrie, it is perfectly true, urged the desirability of a larger expenditure being made than the annual sum which was contemplated by the bill, but that was all.

Now what are we asked to do? Suppose we get down to earth for a few moments and ask ourselves what we are proposing to do. We are proposing to vote $200,000 a year for thirty years, which is $6,000,000; and another $3,000,000 this year, which is $9,000,000 exclusive of interest and sinking fund. That may not be thought to be a large sum of money. We are so glibly talking of millions these days that I wonder where this country is going to end. I wonder if it is realized what $3,000,000 means to the people of this country, what $3,000,000 would do in bringing happiness and delight and some measure of creature comforts to men and women on the prairies, what it would do to men and women who find it very difficult to struggle under the conditions under which they now live, what it would do with respect to health and all the matters that are allied to the health of a nation. There is something more than the

beauty of the capital and that is the health of its people. When we have seen, as I have, conditions that exist in some parts of this country because of the long distances men and women are from transportation and other facilities, we should reflect carefully as to what the reasons were that made it impossible for us to spend this money in 1913. We had a debt then of less than $400,000,000; we had bouyant revenues, and it is not an easy thing now, when we have a debt of $2,500,000,000 that is not being reduced in my judgment as it should, to ask the country to vote these large sums of money.

I am wholly in accord with the desirability of beautifying Ottawa. Is there any man who is not? It is the capital of Canada and the distinction between the city of Ottawa and the capital of Canada was one well taken by the Prime Minister but we cannot always have the things we should like to have. How many of us can always have what we want? There are in this country men and women who have artistic minds, as mentioned by the Prime Minister, but they cannot gratify their tastes and aspirations. The problem is a simple one. Can the Canadian people at this moment afford to enter upon the venture proposed by the Prime Minister? He has already made commitments of over $1,500,000 for the Russell hotel and other buildings behind it, that will involve total expenditures, according to the resolution, of $3,000,000. The Prime Minister was very frank the other day when he said that there would be required $150,000 per annum for maintenance and $50,000 per annum for general improvements that are made from year to year. So we must pay the interest upon $3,000,000 for a venture which is not intended to be revenue-producing. Therefore it will cost us something like $350,000 a year and at the end of the period we must pay the $3,000,000. I yield to no man in my desire to see this the city beautiful; but if in my older years I have become a bit practical, I think the Prime Minister will excuse me when I say that I am not disposed to enter upon large projects without at least having some idea of what is involved in money expenditures and what it means to the people who have to pay.

It is all very nice to talk about posterity raising monuments to your memory and about the right hon. member's biography being a delightful volume showing his vision and his desire to see this city what it should be; but after all, who has to pay the money? In 1958 the Minister of Finance of that day will have to provide $3,000,000 or somebody must in the meantime provide the money to pay it. There is just this further word to be said about the details of the measure. It is most unsound as a piece of national financing. It authorizes a commission to issue securities which the country must pay. Why should we hand over to somebody else the power to make expenditures with our money? The resolution states that out of the consolidated revenues these moneys may be paid and further that the Minister of Finance will provide the money to pay the interest and sinking funds. Is he going to include this as part of the national debt? Is this to be part of the obligations of the country? As I say, this is not a revenue-producing venture and if it were not objectionable—I believe it is a proper term—I would say that this is a form of deception practised upon the Canadian people by which a commission issues its securities guaranteed by the people of this country, on which securities the people have to pay out of their own revenues the interest and sinking fund. In other words, the people of Canada are putting their money into this venture to the extent of $3,000,000 capital and $200,000 a year for thirty years for maintenance and improvements, or a total of $9,000,000. That is the story short and simple, and my only difficulty is: Can we afford it?

The Prime Minister no doubt will say: It is a very small sum of money; the gentlemen who prepared this plan, the Holt commission, in their scheme for a central park contemplated in part these expenditures. It is a very desirable thing, but no nation can have all the things it now desires. Great as Great Britain is and rich as the city of London is, they did not at one step expropriate the land fronting on the Strand in order to widen that thoroughfare. Those who have seen the operations that went on there realize that they were carried on from year to year. As buildings grew old and had to be replaced by new buildings, they provided that the street line should be so many feet behind the present line in order that there might be a widening of the thoroughfare. The Kingsway is a new highway that was built from Constitution hill down to the heart of the city, but the city of London has done the work gradually. There is a big jog by the Tivoli; then there is a straight line and another jog, and wherever a new building is put up there is a widening of the thoroughfare.

Cannot we afford to proceed in this way in Canada, having regard to what our position is? I think so. I do not for one moment underestimate the financial position of this country; but when the Prime Minister referred to the men being short-sighted who

laid out these buildings, I can only say that possibly they were short-sighted but it must be remembered that at that time they were dealing with a very exceptional and difficult position. If as a result of that we are now to denounce them as short-sighted, what would you say with respect to those who in 1908 took a portion of the park and gave it for an hotel? That only took place in the year 1908 and I have under my hand the debate that occurred on that occasion on the 6th day of July. That was only twenty years ago and of course twenty years make a great difference in one's attitude, especially if one has had greater responsibilities. It is pleasing to know that the government of the day, now led by the Prime Minister, is desirous so far as possible of maintaining parks whereas in those days the desire was to put hotels on them. That is what happened in twenty years and, if that be so, it may well be that those who come after us twenty years hence will say that the Prime Minister was extravagant in his proposal. If these men in 1867 were short-sighted under the circumstances I have mentioned and if in twenty years the Prime Minister has had a change of heart and desires to provide a park for that taken from the people of Canada, to put an hotel upon, against the protest of leading public men of that day—if there has been this change in twenty years and we now are seeking to buy a park at a cost of millions of dollars—it is possible that another change may take place whereby people will say that in this regard we are grossly extravagant.

I will not offer any further observations except to the Minister of Finance. If he will read the bill I am sure that he will say that it is unsound financing. Why do we not make appropriations as they do in Ontario in regard to parks? The parks commission lays down a five-year plan; it submits its estimates to the government every year; the government approves them and the appropriations are voted by the legislature. This idea of getting away from the responsibility of parliament is against the whole principle of responsible government about which the Prime Minister used to talk so much. I notice a great change between the Prime Minister in power and in opposition. Orders in council are now the order of the day. In the days of opposition they used to be denounced most roundly and vigorously. Now instead of accepting the responsibility of parliament with respect to expenditures, leaving the house to decide how much money we shall annually put into parks, we are making commitments for the present and for the future that divest this parliament of responsibility with respect to these expenditures. I say essentially that is unsound. It is not in accordance with the theory of responsible government. It is not in accordance with the theory on which Ontario operates its magnificent park at Niagara Falls. That commission lays out its plans; it makes up its budgets; it determines what money shall be paid over a period of years and the way in which the improvements are to be made; it goes to the legislature asking for appropriations; the government puts the appropriations before the legislature in order that, having regard to the financial condition of the province, they may determine what action they will take, and never yet has that commission been unable to carry out its plans as they should be carried out. I do submit that all this legislation divesting parliament of its responsibility, all this placing of money in the hands of commissions, all this authorizing of commissions to raise money on the credit of the Canadian people, for the Minister of Finance knows it is upon the credit of the Canadian people either directly, or indirectly, with guarantees in some cases and moral obligations in others—all this is a negation of the whole principle of responsible government under which we live. I ask the Minister of Finance—I know his government is sufficiently powerful to put this measure through—to recast these financial provisions to provide that this expenditure shall be a direct payment of the Canadian people to this commission, for we never hope to get the money back. The commission had no money with which to pay the interest except the money we give them; that is clear. We do not expect to get the money back; it is not intended that we should; it is not intended that they should pay interest on the money except in so far as we provide them with the money with which to do it. The bill itself makes that point so clear that there can be no difficulty over it. But I do ask the Minister of Finance to put this matter on a sound financial basis if the thing is to be done at all.

I for one do not object to any reasonable expenditures being made to beautify this capital. I am anxious that we should beautify it, but I am also anxious that the beautification should be made in accordance with our present capacity to pay for it, having regard to the demands that are insistently being made upon us by every branch of the public service. We are doing fairly well by Ottawa, I think, and we have been doing so.

We cannot do it all in a single day. We cannot tear down public buildings and turn the area into a beautiful public park just because we feel it is a beautiful thing to do.

The Prime Minister referred to the beauties of Greece and the glories of Rome, but I venture to say to him and to this house that Greece and Rome are not remembered by the buildings they put up. The beauties of Greece and the glories of Rome are remembered by the men they produced, by the laws they made, by the philospohy and the literature they created—not by their buildings. That is not the thing by which these ancient civilizations have been remembered. It is true that the Pyramids and the Sphinx are an enduring monument to Egyptian civilization, that the hanging gardens of Babylon are a monument to Babylonian beauty, that the ruins of the Parthenon and the Colosseum recall the grandeur of Athenian and Roman civilizations, but it is not upon the architectural glories of Greece and Rome, but upon their contributions to the liberty and freedom of mankind, that their great place in history rests. Their laws, their literature, their philosophy, these are the things by which they are remembered, and I say to the Prime Minister that if he thinks by going out and spending money tearing down buildings and laying out a public park, and improving the approaches to this building, we are going to make a permanent contribution to the civilization of Canada, he is very much mistaken. Canada will be judged in the eyes of mankind by the type of men and women we produce, by the laws we enact, by the care we have exercised for those who are dependent upon this country. These are the factors by which our civilization will be judged, and not by material evidence. That at least is my submission.

I have tried to make it abundantly clear on every occasion on which I have spoken of the matter that I yield to no man in my desire to see a beautiful capital in Canada, but I have to regulate my desire for beauty by my financial ability to pay for it, and I ask the ministry to pause before they commit us to this plan of financing, and to all these expenditures, without due regard to our present capacity to pay. I wonder if it is realized by hon. gentlemen opposite—sometimes I think it is not—that in these days when the burden of taxation is so great—why, only this morning I saw a letter from a gentleman who said that he was not going to remain on the Canadian side of the border, but cross over to the other side, "for on my gross income of $16,000," he said, "I pay over $700 in taxes in Canada, and on the other side I would have to pay 76 per cent less."

Mr. DUNNING: A real patriot.

Mr. MACKENZIE KING: The figure is not correct.

Mr. BENNETT: The Minister of Railways says he is not a patriot. His idea is to make money where he can.

Mr. MACKENZIE KING: That is not the total taxation he would pay in the United States.

Mr. LAPOINTE: I suppose he was referring only to the income tax?

Mr. BENNETT: Yes, he was speaking of the income tax, and he said that the income tax was 76 per cent higher in Canada than in Detroit.

Mr. DUNNING: That is income tax alone.

Mr. BENNETT: Yes. I think that we should make only such appropriations for the beautification of Ottawa as our present and immediate future financial position permits, having regard to the claims that are urgently made upon us by every branch of the public service. Until we have passed the stage where railway deficits are annually recurrent, until we have reached the point where our railways are earning sufficient money to pay the interest on their obligations, is it quite fair that we should ask this added obligation to be borne by the Canadian people? I am speaking for myself, because this is not a controversial matter in any sense of the term, and my own personal view would be, if I had the responsibility, to expend such sums as my financial position would permit, and to increase them as my financial resources warranted. But having regard to our present financial condition, and in view of the demands that are so insistently made upon us from every part of this country for public accommodation, for post offices, custom houses, and public buildings of every kind, in communities that have been without proper accommodation for years, and which are now crying out for public buildings, as well as the need for accommodation in the new communities that are being opened up, can we proceed with this venture and forego these very necessary things merely in order to have the capital beautified?

The Prime Minister used one word—he used it twice—and if he will apply it, then my

support of this undertaking will be very much more readily given. He used the word sacrifice. He said they were willing to make the sacrifice. When it is explained to me just what sacrifice the government of this country is making in public expenditures to create this park and make these improvements, my mind will be very much more at rest. Has anybody seen any evidence of sacrifice? Where are they? What are the sacrifices? It was that one word that fastened itself upon my attention as the Prime Minister proceeded. He spoke of other cities, of other capitals, of other nations, of other people, and of the money they had spent, and he spoke of what has been done in this country, and of the willingness of the people to make a sacrifice for beauty, a sacrifice for the capital. When I am given some evidence of the sacrifice contemplated by this government, it will be much more easy for me to accommodate myself to the expenditure.

Mr. JOHN EVANS (Rosetown): I shall not take more than a few minutes, but I wish to say a word on this question. I congratulate the Prime Minister on his presentation of his case, but frankly I am opposed to the whole thing, for reasons which I shall try to make clear. In criticizing the scheme, I would say in the first place that we have no business under any conditions to go across Wellington street. I think it would have been much better had we acquired some of the buildings there, cleared them away and beautified the street, instead of going across to Sparks street. Then some of us might be able to approach this house without taking our lives in our hands. But my main opposition to the scheme is for the reason that it is out of harmony with the crude way in which our people have to make their living and furnish the income of this nation. Take our roads, for example. Thousands of our people to-day, west of the great lakes, are not able to get to the post office for their mail for weeks in the springtime. Then perhaps no country in the world is so crude as to its methods of travel, and every day, particularly every weekend, we have a list of casualties at level crossings. Some of our money might well be spent at this time in removing that menace to highway travel. Then again we need expenditure on branch lines, so necessary throughout certain parts of the country. I am sure that those of our people who are without railway facilities will not become enthusiastic over a scheme of this kind, however much they would like to be. Then I recall many of our soldiers throughout the Dominion suffering from their war service, but who have never yet been able to get on the pension list. I could name some of them off-hand if required. They should be looked after by the country, having faced death in the battle line for our protection. I know of one man to-day who has been in hospital for two years as a result of his war experience, but he has not yet been able to secure a pension. I am sure hon. members generally will recall that only last year the Minister of Finance himself, when asked if some of our civil servants whose wages were below the living line could not be granted an increase of pay, said, "It is time somebody spoke on behalf of the taxpayer." Are we then to spend every year the large sum provided for in this bill, and entrust the money to a body of men who are not even responsible to parliament? And what about the national debt? Surely before making unecessary expenditures in the manner proposed, we should do something to reduce that debt and so make it easier for the national revenue to be raised each year.

Now, I should like to have fallen in with this scheme enthusiastically, for I take second place to no one in my desire for the beautification of our capital, but, as I have already said, this scheme is out of keeping with the crude way in which some of our people have to live. Let me point out that in some of our towns in western Canada to-day—I have in mind particularly a good-sized town of three thousand inhabitants in my own constituency—there is not a government building in which a cabinet minister would house his motor car—not one. The whole cabinet is taking a most inconsistent position in asking the country enthusiastically to adopt this scheme.

I come from west of the great lakes, from a part of the country that is not even allowed to own its public resources; and yet we are asked to approve of a scheme like this. I say it is utterly inconsistent. We are not even allowed the property that belongs to us as a province, and yet we are expected to tax ourselves to provide means for the beautification of this city by making a central park and other improvements. I repeat, the Prime Minister and his cabinet under these conditions is occupying a most inconsistent position.

The Prime Minister has spoken of the public buildings of some of the other provinces, but they cannot all be cited as parallel cases. The public buildings in Regina are surrounded by land on which our settlers cannot make a living. And yet every day we

are spending money to encourage immigration, when the conditions created by the concentration of wealth and industry in our cities have driven our people off the land. This scheme to beautify the capital of Canada is in accordance with the policy that has been followed in this country for many years past of concentrating everything in the cities at the expense of the rural districts. Until those conditions are changed, I say to the Prime Minister across the floor of this house that he cannot expect the agriculturists of western Canada to accept this scheme enthusiastically.

I have nothing further to say, Mr. Speaker, but I would have been remiss in my duty had I not pointed out some of the conditions under which the government expect to secure the money for this scheme.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I believe the country will support the fair and just stand taken by the hon. leader of the opposition (Mr. Bennett). The principle of the bill is all wrong. When this commission was created in 1899 the Prime Minister said it was for the purpose of making Ottawa the Washington of the north. Well, it has become the Washington of the north. It was intended then to work up to making Ottawa a federal district. In fact this whole country has become the Mexico of the north with our new status and as a happy hunting ground for the millionaires of the United States in possessing themselves of our resources. There is no city on the North American continent to-day of anything like the same size and population that has as extensive a park area or as large expenditures on its beautification by the federal government, by the city council and by other public agencies as the city of Ottawa.

I repeat, Mr. Speaker, the principle of the bill is all wrong. We all want to see this a beutiful city, we all are favourable to liberal expenditure by the federal authorities on some definite plan for its beautification, but those expenditures must not be in excess of what the country can afford and a lot of it should wait. The Ottawa improvement commission has been functioning for thirty years or since 1899. With what result? The same old streets covered with snow and ice, the same old water supply, the same old way of doing things that in any business enterprise would spell bankruptcy. Every year the Dominion contributes to the municipality the equivalent of five or six mills of the local taxation, and the financial burden and liability of the taxpayers of Ottawa is distributed over the taxpayers of the whole Dominion. Do not forget that a very large amount of money is spent here every year. Nearly every large public federal building has a park around it. Take the expenditures on the Victoria musuem, and also the expenditures on the experimental farm, Rideau canal, and, further, the expenditures by the Canadian National Railways, by the Canadian Pacific Railway, by the city itself, by the school board and by this commission, running into many millions of dollars. The other day a return brought down showed that several hundred thousand dollars have been spent by the government over a period of years in renting office space in private buildings throughout the city—buildings that nobody else would rent owing to the economic situation here. It would be a far better plan if the government would improve the salaries of the underpaid people in the Post Office and the other government departments and the civil service in general and so help them to pay their rent and taxes and to get a fair day's pay for a fair day's work in Ottawa.

I am not opposing personally the gentlemen composing the commission. They are all public-spirited gentlemen, but their way of doing business is in my opinion deplorable. As an illustration of this, in 1912 they sent out an illustrated booklet showing a large number of small parks and driveways throughout the city and the expenditures that had been made on these improvements. I can show you cement walks, roadways, gradings and driveways built by this commission all over Ottawa where there is considerable poor workmanship and the life of the work has been only ten years; and yet they have issued bonds for thirty-five years. The result is that at the end of the thirty-five years you will find that what should cost $1.20 a cubic yard will cost $3 and $4 a yard as the case may be.

As a result of criticism the government has marked down the proposed increase in maintenance charges from $250,000 to $200,000. Here we have a total expenditure of some $9,000,000— $6,000,000, or $200,000 a year for thirty years, plus $3,000,000 capital expenditure—for the beautifying of Ottawa. And what has been done? They have destroyed the continuity of the Sparks street district, where the bulk of the business assessment in the city exists. Sparks street as a commercial thoroughfare has been destroyed. They have torn down warehouses and commercial buildings and ruined the street in order to create a park, in what should be an industrial district. There you have warehouses and railways sidings, with a canal at the doors of two railway systems, and I contend that these frontages should not be used for

the purpose now intended but left for a great industrial district. This is not Washington. Washington is the capital of a country with a population of 110,000,000, whereas in this country we have a population of 10,000,000. I believe other municipalities of the country do not approve of this expenditure or of this policy of spending money like water. Originally in 1899 it was proposed to make Ottawa a federal district; if that were done the capital would then have the power to levy taxation for such purposes as this and we would have cleaner streets, a better water supply and lower city taxes. The city of Washington is a federal district which has powers of taxation, but this commission has no such powers; it receives no revenues. The result is that bonds have to be issued for every little bit of work that is done over maintenance. If walks have to be built and a little more gardening done, bonds have to be issued for a period of thirty years or thirty-five years—and this at the high cost of money which has prevailed in the past few years.

I cannot find anything comparable to this federal assistance measure in any city in the world. A subvention here is given to the municipality in exchange for property exemption from taxation and for the use of the police and the fire departments. Many other provincial capitals have asked for subventions from the provinces but have not been able to get them. From Victoria to Halifax the various capitals in this Dominion are contributing to the governments of the provinces. Winnipeg, for instance, maintains a police force and fire department but does not receive a dollar in the way of subvention in exchange for these services directly. Nor is there anything like this in Great Britain. In New South Wales the city of Sydney, the capital of the state, gets a million and a half a year, equal to the cost of maintaining the police force or the fire department. Melbourne has a subvention from the state goverment, as has also Wellington, New Zealand, in exchange for civic services. There are no state subventions in the United States in connection with the beautification of the state capital, and I find none in the British Empire. It seems to me that sooner or later, in the interests of efficiency and economy, Ottawa must be taken over and made a federal district.

There is a great deal of criticism of the purchase of the old Russell house site at a cost of more than a million dollars, a fabulous sum, in respect of which no tenders were called for. And only a small part of the property has been taken over. Those who negotiated the transaction got their heads together and agreed to a price of $1,125,000 for property which should certainly have been the subject of an arbitration. The matter should have been referred to a board of arbitration and the value of the land and buildings proved.

Talk about beautifying the capital! Why, as a result of the recent fire there is a wall in front of the Russell building which may fall down on a street car on Sparks street at any time, and no attempt is being made either by the government or by the city of Ottawa to remove the danger. The city architect has the power by law to send someone in at once to remove that menace, and to charge the cost to the owner of the building, but nothing has been done to safeguard the public. Ottawa is called by some of the newspapers—the Stratford Beacon and Globe among them—the mendicant city, and editorials have contended that the country cannot afford the expenditure of money along the lines here proposed or to build a new museum or court building to house the supreme court, as the Evening Journal suggests.

This federal district commission seems to be giving away things. About a month or two ago the chairman of this commission, who is also the head of the Ottawa Electric Company, a private concern which gets about two-thirds of the electrical business of the city, at higher rates than those charged by the hydro-electric, the peoples' own system, proposed to give away eleven acres of quasi civic property at Rockliffe. To whom? To Mr. Phillips, the United States ambassador, for a residence. That is not the way we should deal with public property. No member of the commission would give away his own property that way.

Mr. MACKENZIE KING: My hon. friend has made an entirely erroneous statement, without knowledge of the facts. He says that the chairman of the commission has given away certain property. The chairman had no property to give away. The property to which the hon. member refers is owned by the city of Ottawa, and only the city of Ottawa and its authorities had power to deal with it.

Mr. CHURCH: I am well aware it was owned by the city of Ottawa and was leased to the federal district commission.

Mr. MACKENZIE KING: It is not leased.

Mr. CHURCH: The commission occupied the property and had power to purchase it

on a lease from the city or an agreement regarding an interest in lands. If the Prime Minister will read the minutes of the board of control and city council of the city of Ottawa he will see that this commission has power to take over that civic leasehold property, which it occupied at a rental under a written civic lease. It was proposed to give that property away and a meeting was held at the city hall of people protesting against any such action. I am not aware of the government of the United States giving away public property in Washington.

In connection with this commission, as I have pointed out, we are faced with an expenditure of $9,000,000, while we have to meet an expenditure of $2,500,000 in London on account of Canada House, with maintenance amounting to $130,000 and half a million for a Washington embassy—all this while the people are groaning under heavy taxation. The government is spending money like water; that is all that can be said of this commission.

I submit that the purchase of this particular Russell house property should be looked into by the public accounts committee, and all expenditures of the commission should be similarly investigated. As a matter of fact, in my opinion, the commission should be abolished and its work taken over by the government of Canada. The government does not seem able to clean its own streets on parliament hill any better than Ottawa cleans its streets. The condition of the streets in the immediate vicinity of this building is a disgrace to the city of Ottawa. The Department of Public Works have been so incompetent and have so neglected this condition that one of the most popular members on this side of the house has fallen and seriously injured himself. If the government would only try to provide the citizens of Ottawa with a proper water supply, and make some effort to have the streets cleaned, it would be far better than spending money on this commission in the way it is doing.

Those are not all the expenditures which are proposed; it has been suggested that we should have a new art gallery and new supreme court building, with extensive grounds surrounding it, and that idea is supported by this wonderful paper, the Evening Journal, which has done so much for my friends on the other side of the house. Every time the Journal supports our party in Ottawa we go under, when the ballot boxes are opened. This paper seems to be the mouthpiece of this federal district commission; in the old days it supported the suggestion that Ottawa should be the Washington of the north, but when it was proposed that the hydro-electric commission should extend its activities to the Ottawa valley to break up the monopoly which then existed, this paper opposed the suggestion on election day where it is best known. I think it would be far better to beautify this city by bringing in industries which will help to keep our young men here and provide opportunities for jobs in Ottawa by a proper economic policy. I have heard a good deal of complaint from a few of the retail business men of Ottawa because the government propose to spoil the continuity of Sparks street, which should be one of the greatest retail districts in Canada. This commission has been criticized many times because of the way it buys real estate, going out to buy with a brass band; it first announces that it is going to buy some property, and all the real estate agents get busy and get there first. That is not the way to buy real estate to-day; that is not the way private owners or business men buy it and that is not the way the hydro-electric commission buy it.

We are told that we are to have a wonderful park known as Confederation park, but I believe the people of Canada have had enough expenditures of that kind within the last year or so on confederation fads. This government sent 750,000 men out of Canada; they did not celebrate Confederation day in this country on July 1st last, but took part in the fourth of July proceedings in the United States. Charity should begin at home, and Ottawa would be far better off if it had a few industries, together with a proper economic policy with cheap light and power. That would be better than squandering millions of dollars on such a scheme as this, which could well wait for a few years. I venture to say that if a committee of the house were to go over the estimates and public accounts they would find thousands of dollars which should be spent by the taxpayers of Ottawa but which has to be borne by the taxpayers of Canada. The principle of the bill is all wrong; if it is desired to make Ottawa a federal district, well and good. That was what Sir Wilfrid Laurier proposed in 1899; he wanted to take the city over on that basis, collect the taxes and beautify the city, but that idea was never carried into effect. To-day we have a federal district commission, but this is not a district at all; it is still a municipality. Look at the Rideau canal at the end of Sparks street; on one side we have a shipbuilding yard, and when you look over the wall you see a lot of stone hookers, old dilapidated dredges and

scows lying there under repair. I was asked the other day if that was the first unit of Canada's navy, which was supposed to be locked up in some garage in Halifax. I am sure that is a thing of beauty and a joy forever; so on with the good work of beautifying the capital! No doubt this work is very near and very dear to the heart of the Prime Minister, but I cannot agree with the principle of the measure.

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, with the remarks of the right hon. Prime Minister I am heartily in accord, and consequently I will not have very much to say. It is a very great privilege indeed for me, together with my distinguished colleague, to represent in this house the city of Ottawa. As the Prime Minister has pointed out, this is the capital city of the Dominion, so I would rather speak as one of the members representing in this parliament the capital city of Canada. I think I can safely do so because under British parliamentary procedure once a member of parliament has taken his seat he is not so much concerned with parochial or local matters, but is bound to look at questions as they affect the general welfare of the entire country. So, under these conditions, I would speak as one whose privilege it is to represent the capital city of Canada rather than the city of Ottawa.

Ottawa, as is the case with other cities, is administered by a municipal government and is under the jurisdiction of the province of Ontario. I may say that the city council of Ottawa and the provincial government of Ontario have done well by this city. At the same time, this is the capital city of Canada, and just as there are obligations devolving upon the municipal council and the provincial government with respect to this city, so I submit there are obligations devolving upon this national body with regard to this capital city. No one would appreciate it more and no one would be happier than I should this amount of money which I believe we can afford to spend—since the Minister of Finance has seen fit to let the resolution go on the order paper—be distributed for the individual good of those in this country who deserve and need it. Nobody more than myself would like to see that amount of money paid out to those who have returned from overseas and who are now in a painful condition. But the Department of Health is looking after the national health; the Department of Soldiers' Civil Re-establishment is looking after the painful cases, and what other systems, I ask, could be devised whereby this amount of money could be distributed to the individuals who might benefit therefrom? If such a scheme is feasible; if any hon. gentleman who is opposed to this measure simply because he thinks this amount of money could be spent in a more worthy cause were to devise means to accomplish that end, then, Mr. Speaker, I would vote against this resolution; otherwise I say there that a national obligation devolves upon parliament to look after the capital city of Ottawa as befits this country. This parliament building is but a few years old; many years were spent in its construction. Those who conceived the plans and directed the building of it thought they were looking far into the future, but it has not taken long, Mr. Speaker, notwithstanding the foresight of those charged with the construction of this building, to demonstrate that it is even now too small to meet the demands of this growing nation. And what will happen in a few years? So when we come to talk about foresight, we must look further ahead than say twenty-five or fifty years, even fifty or one hundred years, when it comes to matters of national importance.

We have been told, Mr. Speaker, that Rome and Greece are remembered not by the buildings they erected, not by the splendour of their architecture. But just as the literature of a country reflects the sentiments, the hopes, the ambitions and the desires of its people, so the character of the public buildings, the meeting places of the councils of the nation, the places where the destiny of a country is determined, will indicate to the people of the future whether or not these were people of culture. And it ill behooves anyone, sir, to say at this time of our national life that men and women whose names could be put down to-day will not be regarded by future generations as men and women of culture. And if we remember these countries because of their culture, we remember them also for the tangible evidences handed down to us of their contributions to art, whether in the form of sculpture, or of painting, or by their crude manner of erecting pyramids or other monuments of national importance in their day. So that on that score the argument against this resolution cannot stand.

We will suppose that there are other ways in which we could spend this money, probably in the construction of post offices and in the improvement of other public buildings. Somebody spoke of consistency. Let it be made evident, then, when any proposals for the spending of money on these public buildings or the improvement of other public works come up for consideration, that those who to-day say that there ought to be consistency

are as consistent as they would like others to be at this time. We have been told that this money could be spent on roads. Roads belong to the provincial governments. In other words, Mr. Speaker—

Mr. CAMPBELL: Is not part of this money to be spent on roads in this city and in the surrounding country?

Mr. CHEVRIER: Yes, and that only adds strength to my argument. If the money were spent on roads it would be devoted to the very objects for which the hon. member who spoke before me said it should be spent.

Mr. CAMPBELL: I think the hon. member will say there is a great difference between spending it on roads in or near Ottawa and spending it on roads throughout the country.

Mr. CHEVRIER: I am not disputing that, but the hon. gentleman should put that up to the government of the province from which he comes. Roads, unless they are international highways, are altogether within the jurisdiction of the provincial government.

Now, Mr. Speaker, there is very little more for me to say. What I ask is that this subject be viewed with the same broadness with which it has been conceived. There are obligations towards the capital city. We are told we should do as has been done in London, that we should proceed slowly. Since the institution of the Ottawa improvement commission in 1898—it is now the federal district commission—moneys have been voted to it by parliament for the beautification of the capital city.

We are told that in England matters of this kind progress rather slowly; that old buildings are bought and made the basis of future gradual development. There are no old buildings that can be bought here. The Russell house, which has been destroyed by fire, is the only old building that now stands in the way of this development, and if we are to wait until all the buildings involved are moss covered and so dilapidated that they are apt to tumble down on our heads, there will be no beautification at all.

For the reasons which the right hon. the Prime Minister advanced, as well as for those I have ventured to offer at this time, I intend to support the motion.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, there are only one or two observations I would make. I placed myself on record in opposition to this proposal last year, and I desire to do so again. It is all very well to speak of our national obligations to Ottawa as the capital of the Dominion of Canada. It is true that those obligations exist, and we all must give some consideration to them, but there are other obligations besides those that are related to the city of Ottawa. As long as this goes on I do not see much chance of getting that post office that I want in Sydenham. Why should hon. gentlemen smile over a matter as serious as that? Some of those who smile are expecting buildings or public works in their own constituencies. Does the government owe nothing to the parts of the country outside of Ottawa where works were undertaken or promised fourteen or fifteen years ago but held up by the war? Must nearly every dollar you have to spend be sunk in embassies at Washington, Tokyo or Paris, and the remainder, if any, spent in tearing down city blocks in the city of Ottawa? The Prime Minister has indicated that what he has in mind is to tear down all the city between Metcalfe and O'Connor street from Wellington right down —I do not know how far down. I suppose you would not stop short of Queen street, would you? It is indicated that that is the picture he has in his mind. How beautiful it would be to get rid of those buildings and have an avenue of trees approaching this building! For that matter, how much is to be added to the attractiveness of these buildings by tearing down the city blocks opposite? Get outside of this building, and how much can you see? You would have to have a neck as long as a giraffe to see it. When a park takes the place of the city block, nothing will be added to the beauty of this place. Some years ago, under the federal plan back in 1913, a certain amount of money was spent. As has been said, that was at a time when our national debt was comparatively small, very small as compared with the debt of to-day. Frog ponds were filled up, beautiful drives were made—and some people in Ottawa added considerably to their fortunes when those projects were being put through. Some became comparatively wealthy men through the changes that were produced in Ottawa by the construction of those drives and the beautifying of that part of the city. I venture to say that there are some who are very directly interested in the tearing down of whole city blocks and who will not be any poorer because of the part they have played in that regard. I protest again against an expenditure of this kind, against the government of the day undertaking to place in the hands of a commission, composed of men who are not responsible to parliament, the expenditure of money over a period of thirty years. It would be bad enough if it were done

for a period of four or five years, but to commit those on whose shoulders will rest the responsibility of administering this country thirty years hence by tying up moneys in this way is in my judgment a very wrong principle and one to which I cannot give my support. My hon. friend from Ottawa says in regard to roads: Oh, that is a provincial matter. It is not a provincial matter as regards miles and miles of roads just outside of Ottawa across the river through the city of Hull. That is being taken care of by this government. Roads which run for miles out of the city and which ought to be under provincial control are being constructed and maintained with money advanced by the Dominion of Canada. They are not provincial roads. Where it suits the purpose of those who have the beautification of Ottawa in mind, they can make Dominion roads out of roads which are miles outside the city, and even across the river, under the plea that they are doing this all in order to add to the beauty of the city of Ottawa. The whole principle in my judgment is wrong and I desire to protest as I did last year.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I think the house is indebted to the leader of the opposition (Mr. Bennett) for his very plain, straightforward expression of opposition to the project.

Mr. BENNETT: That I did not say, and the hon. gentleman must know it. It is entirely incorrect.

Mr. DUNNING: I am sorry if I misunderstood my hon. friend. I thought he expressed outspoken opposition to the scheme.

Mr. BENNETT: He did not do any such thing.

Mr. McGIBBON: He said the contrary half a dozen times.

Mr. DUNNING: In that case I must be incapable of understanding the English language, and we will let it go at that. At any rate my hon. friend did not deal with the matter quite fairly in his presentation of figures. I admire the dexterity with which he demonstrated that in reality we were proposing by this scheme an expenditure of something like $9,000,000. True, he did not say that the $9,000,000 all represented new expenditure, but the impression conveyed to the country by his remarks undoubtedly would be that the proposal now before the house involved an expenditure of $9,000,000 over and above that which is at present being expended. My hon. friend of course well knows that the second amount of $6,000,000 which, by that process of fast financial calculation, he added to the $3,000,000 specifically dealt with in the bill, is made up of annual payments of $200,000, whereas already this parliament is committed by legislation to an expenditure of $250,000 per annum. If I followed my hon. friend's financial method in that regard, I could of course demonstrate that we are now committed to an expenditure of $7,500,000.

Mr. BENNETT: But it is not thirty years, so that the amount is not $7,500,000.

Mr. DUNNING: Now I come back to my hon. friend's opposition to the whole project. Would he oppose the expenditure of $250,000 annually which is now taking place in Ottawa on the work which is being done? I feel quite sure he would not, and he must adopt one position or the other. He is either opposed to the continuance of the work now being done, or he is not. If he is not opposed to the continuance of the present work, then he must be committed to the expenditure of the necessary money to carry it on, and there goes the $6,000,000.

We merely want to look at this matter fairly in order to find out what in fact it means. We are committed at this time to an expenditure of $250,000 a year, and it is proposed to commit parliament for the future to an expenditure of $200,000 a year, which is a decrease of $50,000 annually, to provide for a program of thirty years in order that the scheme may be gradually developed. Just what does that mean? It means that at the present time the people of Canada are expending through the federal commission, for the purpose of beautifying this city, approximately two and one-half cents per head per annum, and the proposal now before us, if carried out in its entirety and allowing for the capitalization of the interest upon the $3,000,000 of the capital sum, will involve how much per head? It will involve less than four cents per head per annum by the people of the whole of Canada for thirty years for carrying on a progressive scheme of beautification of their capital.

As a matter of practical fact what does history teach us with regard to these matters? The history of every national capital wherever located teaches us this, that there are always those who, in the interest of economy and sincerely believing as the hon. member for Frontenac-Addington (Mr. Edwards) does, that the expenditure is not necessary and not wise, oppose such expenditures. But history also teaches us in connection with every national capital that succeeding generations

pay many millions more than would have been paid had sufficient foresight been displayed earlier in the history of the capital. I am pleased to say that Regina, the capital of the province which I have the honour to represent, has not been subject to that handicap because we were fortunate in having as the first premier of Saskatchewan a man of really broad vision with respect to the future of his province and its capital city. The Hon. Walter Scott was for a number of years a member of this house and subsequently he became the first premier of Saskatchewan. He put through, in the face of considerable opposition, the purchase of a large tract of what was then farm land outside of the city of Regina and he proceeded there to erect a provincial capital which is to-day the pride of all the people of Saskatchewan. As a consequence of that vision on the part of the Hon. Walter Scott, expenditures for the purposes of the provincial capital of Saskatchewan are lower than they are in the case of any of the other western provinces. That is due to the fact that vision was displayed at the start and a comprehensive plan arrived at. Let me take by contrast the province of Manitoba, which has a beautiful parliament building, located on a site altogether too small and with no approach. Manitoba and the city of Winnipeg are to-day spending large sums of money to clear the approaches to their parliament buildings. In the city of Toronto constant expenditures are necessary in order to remedy conditions such as exist there. I deprecate very strongly the exaggeration of the cost of this proposal to the individual taxpayer of Canada. The cost is easily ascertainable and, as I have indicated, it is less than four cents per head per annum of the population of Canada for the next thirty years. May I point out that those of us who have to cross these streets that are being dealt with, Wellington street and Sparks street, are becoming more and more interested personally in some improvement in traffic conditions, and the provision of more room for traffic, in order that we may have a chance to cross those streets and continue to live. The plan which is now before parliament, drafted by the federal district commission, is such as to indicate that better traffic conditions and greater public safety were taken into account in its preparation.

My hon. friend from Rosetown (Mr. Evans) referred to the necessity for expenditure on level crossings. I have on the order paper a resolution which I hope to have dealt with to-day, and upon which a bill will be based, which has in view a greater use of the grade crossing fund. All these matters are related and must be considered together. I look at the question of the improvement and beautification of Ottawa from a business point of view, and having in mind the experience of other capitals in that regard, I say that if we do not undertake this work to-day, substantially on the basis outlined, the people of Canada will in the future have to pay a great deal more for doing the very thing which is now under discussion, and will in all likelihood spend throughout the year, in connection with enterprises of a similar character, much greater sums than are mentioned here. As my hon. friend from Rosetown was speaking I was reminded of the city in which he lives, Saskatoon. If the people of Saskatoon had been moved in their early history and in their subsequent development by the arguments which the hon. member for Rosetown has advanced to-day, there would not be there that beautiful city, there would not be there that great university, there would not be on every hand the expression of a people's pride in the country which they had helped to build up. That is, after all, what we are doing here. We are just doing our little bit; it is not a very big bit. Are we justified in committing the people of Canada to spend four cents per head each year for the next thirty years in making this capital a little more like what it ought to be as representative of the Canadian people?

Mr. T. W. BIRD (Nelson): I am in favour of this bill because of my conviction that the beautification of our public property is a form of national self-expression which we cannot afford to neglect. It is all very well to talk about the mental and moral achievements of the classic nations of days gone by, but however great they may have been, we must understand that what they achieved was not done in a vacuum. It was produced through the interaction between those peoples and their environment, progressively producing around themselves objects of enduring beauty. I feel that no people, especially a people like we are, can very long be denied its instinct for just this form of self-realization. After all, I think that public buildings and public parks, when accomplished along lines of true artistic merit, become the only kind of depository possible to us whereby we can pass on to future generations any mental and moral achievements we may attain. I cannot see how we can build up any bridge between ourselves and the future unless somehow we crystallize our mental gains into objective beauty of some form.

I happened to read a short while ago a book which very materially corrected my impressions about the wonderful architecture which is scattered throughout the British Isles, and which to-day forms such a strong attraction for the moneyed people of this continent. I was under the impression that these old churches and public buildings which you encounter in England about every three miles along the rural highways were produced out of the superflous wealth of the rich merchants of the thirteenth and fourteenth centuries—produced, in other words, by sweated labour. I always imagined that the mortar that binds those blocks of stone together was somehow mingled with the blood of people in a state of semi-slavery, but I learned from this book that these beautiful churches were actually built by the people themselves. The wonderful stone work was done by the village mason; the beautiful wood carving was done by the village carpenter, and even the church bells were foundered at the village smithy. The whole structure from foundation to spire tip was produced locally, and these local artisans were paid by an impost made locally upon the people of the community. It is a beautiful self-expression of the character of a great people in the first stages of its formation, and all the wealth of character that we associate with the English people has been passed on to us by this means, and by no other. We must understand that the achievements of a nation with regard to character and mental acquisitions are cumulative. We cannot produce in one generation all that we aspire to be, but from generation to generation we must seek some artistic form of self-expression whereby we can effectively pass on to future generations that which we have achieved morally and intellectually.

Another thing. After all, these public improvements which we seek to make worthy of ourselves are a matter for the public. That is to say, we can achieve collectively that which we cannot achieve individually. Personally I am very fond of reading that famous essay of Bacon on Gardens, and I never read it without thinking that if I were a man of means that is precisely the kind of garden I would have around my home; but of course one would have to be a millionaire to achieve such an ideal. Here by the simple process of national co-operation we can produce in Ottawa, in Winnipeg, in Saskatoon, or in Calgary this very ideal of which Bacon spoke, and I am very glad to know that we can produce it at the reasonable cost of four cents each a year. That is much more reasonable than I thought. Is not this worth while at such a small cost to ourselves, compared with what it must have cost those English villagers in centuries gone by to build their churches? Is it not worth while to do collectively these things which bring to us such satisfaction?

I believe, Mr. Speaker, that these things are altogether consistent with all kinds of social amelioration. I do not see anything inconsistent between the production of public buildings and gardens and the emancipation of the people at large. I sometimes think the story of the alabaster box of ointment is altogether lost upon us. There were people in those days who said that this box could have been sold for much and given to the poor. That is an age-old argument. But the thing we want to get into our minds is that we ought to do this thing and not leave the other things undone, and I say that if we are true to our artistic and mental and moral ideals, if we seek to give our inward thought and feeling proper expression, the good time will more speedily come when justice and equality will spread from one ocean to the other.

So long as we choose to wallow in what is squalid and unsightly, I do not think we can ever find it in our hearts to make any widespread movement for social amelioration. I would be the last to discourage the spirit running through the Prime Minister's speech. On the contrary, I should like to see that spirit so developed that it would find expression not only in Ottawa but in every town and village throughout the Dominion. I want to see that spirit sustained so that in my little town at home it will find some form of expression. I do not want my children to go on living indefinitely in surroundings that are not worthy of a great country. I should like by co-operative or national methods to see the love of beauty inculcated in our people so that it would be manifested in their surroundings. I think I catch the right spirit in the speech of the Prime Minister. It seems to me that this young nation in the formative period of its history cannot afford to neglect those things which are sometimes stigmatized as impracticable. We, above all people, even at the cost of a little sacrifice, should see that future generations have something of an objective character by which to judge what we were mentally and morally.

Mr. T. E. KAISER (Ontario): Mr. Speaker, I am sure we were all thrilled by the address of the Prime Minister (Mr. Mackenzie King), and that we appreciate its sincerity and share his desire to see the capital of Canada so beautified as to attract the attention of the

world. For myself, I share in that sentiment without any qualification. But in the proposal before us and in the addresses of those advocating it what is chiefly dwelt upon is the "beautifying" of the city of Ottawa. I wonder if at this particular moment in our history we can spend a great deal of money on the simple element of "beauty." I have visited every legislative building in the Dominion. When in Halifax I was pleased to view the old door through which Joseph Howe used to slip at certain stages of the ceremonial of opening of the local house; I was glad to visit the old building in Charlottetown and to examine the table around which the fathers of confederation sat in 1865, and I derived a similar pleasure when going through the other legislative buildings throughout the Dominion. I have also visited the capitals of other countries, and I have observed that since 1914 no nation has spent much money on the beautification of its capital. The United States is spending no money in Washington to-day.

Mr. MACKENZIE KING: They are spending fourteen million dollars on one bridge at this moment.

Mr. KAISER: That may look a great deal to us, but what does it amount to in the United States? The government of the United States are turning their attention to something that they deem to be much more important, something that we should take cognizance of—the reduction of the national debt. To-day the United States is almost out of debt; it has reduced its national debt from twenty-six billion to sixteen billion dollars—

Mr. DUNNING: They are almost out of debt.

Mr. KAISER: —and eleven billion dollars of that is unloaded upon other countries. In another five or six years the people of the United States will be absolutely relieved of their national debt. If, as a result of this, some of our people are moving across the line to-day in order to be relieved of some of the taxation incidental to our national debt, what will be the condition in this regard a few years hence when the national debt of the United States is no longer a burden in the shape of taxation?

Now, while I should like to see money spent in Ottawa, I have just one word to say to the people of this city: There is a fundamental necessity in every community on the face of the earth which should be provided for, but it has not been provided for by this city—viz a supply of pure water.

Some hon. MEMBERS: Hear, hear.

[Mr. Kaiser.]

Mr. KAISER: As a Canadian I protest against the attitude of the city of Ottawa in regard to its water supply. This is an opportune time for parliament to say something in this regard. I know it is usual for men like the Minister of Immigration (Mr. Forke) to smile when a question of this kind is mentioned, simply because they are not acquainted with the fundamental requirements of every progressive community. We should say to the city of Ottawa: Until you supply the city and the capital with pure water, which is part of your municipal duty, we do not feel disposed to spend any more money in beautifying the city. I take that ground, Mr. Speaker, and I shall urge my views against propositions of this kind until the city of Ottawa comes to its senses in this regard.

For a number of years we have been endeavouring to induce the city to provide a proper supply of water, but we have always met with obstruction. For one thing, the local newspapers take opposite views and raise all kinds of objections. To-day the city of Ottawa is charging its people per capita less for water than is charged by any other city of its size on the continent of North America. If it were to charge a price equal to the average price obtaining on this continent, it could provide a filtered supply of water that would be a credit to the city and be satisfactory to those who have come here to attend to the business of the nation. As a member of the provincial board of health it was my duty, some ten or fifteen years ago, to study water conditions in this city. Sometimes we thought we were coming to a satisfactory conclusion, but difficulties would arise and nothing was accomplished. To-day the work of the provincial board of health has been taken over by the provincial government and its functions are under the control of a member of the provincial cabinet—a circumstance which is weakening the hands of those who are trying to accomplish this improvement, because they are trying to make the question a semi-political issue. The government is afraid to urge the city of Ottawa to do its duty by itself and by the country for fear that some opposition may be reflected in the ballot box—not the unmarked ballots found on the street, but in genuine ballots cast in the election of representatives in Ontario. Unless members of parliament stand up at opportune times and voice their sentiments in this regard, urging the city of Ottawa to do its duty both by itself and by the city as the capital of this Dominion, I fear that

nothing will be done for some time. I oppose the expenditure of public money in trying to beautify Ottawa, until Ottawa attends to the fundamental element of "beauty" in any place —pure, drinkable water.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ADELAIDE MARIE MOORE

The house in committee on Bill No. 75, for the relief of Adelaide Marie Moore—Mr. Church—Mr. Johnston in the chair.

On section 1—Marriage dissolved.

Mr. CHURCH: Mr. Chairman, I move that this bill be now reported. There can be no debate on that motion.

Motion agreed to on division.

Mr. WOODSWORTH: I object to a bill being railroaded through in this fashion.

Bill reported, read the third time and passed.

DELIA ELIZABETH DAVIES

Mr. G. W. McPHEE (Yorkton) moved that the house go into committee to consider bill No. 76, for the relief of Delia Elizabeth Davies.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, before you leave the chair for this bill to go into committee—

Some hon. MEMBERS: Order.

Mr. SPEAKER: This motion is not debatable.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I desire to move an amendment.

Mr. SPEAKER: The motion which I have put from the chair is not debatable, any amendment can be made in committee.

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

On section 1—Marriage dissolved.

Mr. McPHEE: I beg to move that this bill be now reported.

Mr. IRVINE: Is that motion debatable?

The CHAIRMAN: No.

Mr. IRVINE: Perhaps we will be able to discuss it on the third reading.

Mr. WOODSWORTH: Mr. Chairman—

The CHAIRMAN: This motion is not debatable.

Upon the yeas and nays being called for:

Motion agreed to: yeas 46; nays 7.

Bill reported.

Mr. McPHEE thereupon moved the third reading of the bill.

Some hon. MEMBERS: Next sitting.

Mr. SPEAKER: That can only apply when a bill has been amended.

Mr. WOODSWORTH: Mr. Speaker, I humbly submit that a few moments ago I attempted to amend this bill. I was then informed that it was impossible to move an amendment, and now your honour declares that since there is no amendment the third reading of this bill cannot be put over to the next sitting of the house. I submit that this is making the whole performance preposterous. I have some very real reasons for moving an amendment to this bill, and on a point of order I submit that we should be given the opportunity to discuss these bills. Otherwise parliament may as well cease to exist.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: Proceed.

Mr. WILLIAM IRVINE (Wetaskiwin): I do not wish the house to think for one moment that I am trying to filibuster; that is not my intention at all.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: Just wait till I finish. I wish to make a few remarks, and then as far as I am concerned I have done all I intend to do in this regard. I would have made this statement the other night had the opportunity arisen, but nine o'clock arrived and I was unable to proceed. I wish to state now that I agree entirely with the remarks made by the hon. member for Vancouver Centre (Mr. Stevens) and the Minister of Railways (Mr. Dunning) the last evening private bills were being discussed, and on that occasion I opposed the passage of these bills, for several reasons. I ask for certain details, and I hope no hon. member of the

house thinks I wanted those details at all. I asked for them because in the first place I am very well satisfied that the sponsors of these bills do not have them, in the second place that they would not give them to the house if they did have them, and in the third place that parliament would not listen to them if they gave them. Then you may ask why I requested them. I asked for them in order to emphasize the absurdity of this parliament passing bills which cannot be discussed and with regard to which no one has the information which would enable them to be discussed. That is not reasonable.

I wish also to draw the attention of the government—and I am glad to notice that the Prime Minister is now in his seat—to the fact that we have a bill now on the order paper which would place the Ontario cases in the hands of the courts, where they belong, and would dispense with the present absurdity. I desire to ask whether the Prime Minister will give us an opportunity to discuss this bill and, if parliament agrees, to make it law. That is where the divorce jurisdiction belongs; it is a judge's job, not ours. Judges can go into the matter in a proper fashion, and we cannot. As was pointed out by the hon. member for Vancouver Centre, great tragedies are involved in these cases, and the least possible publicity should be given to them. In the courts is the place for these things to be gone into, and I hope the Prime Minister will promise to give the courts a chance. If he will promise, as far as I am concerned I will undertake to let these bills go through without another word.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the other evening I raised a question as to the manner in which these bills were passed. I have no desire to obstruct the business of this house; I would like that to be understood. As I said then, I have no interest in refusing to have these particular bills passed; but I am speaking on a matter of principle, and if I may be permitted I should like to say just a few words here with regard to the general question, rather than give undue publicity to the various cases as they come up.

There is no reference whatever made to the custody of the children. I should like to move, and if necessary I shall do so in the various cases, a resolution in amendment somewhat along this line—I hesitate to do so just at this moment, but I am giving an indication of what I should like to do: That the bill be amended by adding at the end of section 1—which provides for the divorce—the following words:

> The said shall have the custody of the children, and the said shall pay annually to , for her support and maintenance, the sum of five hundred dollars so long as she remains unmarried, and the sum of two hundred dollars annually for the support and education of each of their children.

Now, Mr. Chairman, in the divorce courts which are established in the various provinces provision is made for alimony.

Mr. BENNETT: Only when it is asked for.

Mr. WOODSWORTH: A provision then may be made—shall I alter that?—for alimony. It seems to me that the utmost care ought to be taken in regard to these cases, especially when children are concerned. I take it that the bringing of children into the world and their education is one of the fundamental principles of the family tie; yet we dissolve that tie without making any real protection for the children. I do not think that should any longer be permitted. We should decide definitely which of the two parents should have the custody of the children, and how these children are to be maintained. Even when there are not children, it seems to me that if a man is married to a woman and spends some years with her the least he can do where divorce is granted, especially where he himself is the guilty one, is to make some financial provision for her future. In one of the cases which is before us—I do not wish to enter into the details—there are three children involved. The man apparently has lived a very careless life; as a matter of fact he is at present in an institution and his family are dependent upon the help of friends.

I should like to call attention to the fact that my suggestion is not an unknown thing or without precedent. I find that in the first divorce bill granted in Canada that was not referred to Great Britain, various provisions for the separation of the parties were made, and further there was provision for alimony, provision for the custody of the one child, and an allowance for the support of the child, with very adequate means for the enforcement of these requirements. There was also provision that in case of reconciliation between the husband and wife that the law should not come into force. It was said at the time that this was a matter that involved civil rights and hence did not come under the jurisdiction of the federal authorities. I anticipate that objection on this ground may be raised to an amendment which I may propose to-night—that this is a matter involving civil rights. But this

was the ground which was taken when the motion was finally passed in the house. I refer to the Campbell case of 1879, and I shall read just a paragraph from the statement made at that time by Senator Miller, as follows:

Under the British North America Act the legislation in regard to civil rights is given exclusively to the local legislatures, but it cannot be controverted, I think, that when the parliament of Canada has exclusive power to deal with any subject of legislation, that so far as it is necessary to deal with civil rights in connection with such legislation, we have the undoubted power to deal with them, where this parliament has the right to legislate on any subject it must be considered that we have the power to legislate regarding all matters incident to that subject.

And then later on:

The whole legislative power, the whole functions of the government of this country have been remodelled anew, and under the British North America Act this question has been given absolutely to the control of this parliament.

And then again he says:

Is it not, therefore, absurd to say that if we have the power by act of legislation to sweep out of existence the divorce courts of the provinces, and deprive them of all their authority respecting the subject of marriage and divorce, that we have not the power to deal with the whole subject and its incidents under the terms of the British North America Act? I think there cannot be very strong doubts that we have the power. Marriage and divorce, and everything which is incident to marriage and divorce, as a logical sequence and corollary, are within our jurisdiction. What then is alimony? It is maintenance after the separation of the husband and wife. It is an incident of the contract of marriage. So control of children is also a right growing out of the same contract; and, therefore, being incident to the marriage relationship, belongs to the jurisdiction of this parliament.

I may say that the house passed the bill without debate, the first instance of a divorce bill in Canada being passed without being reserved for his majesty. It is quite obvious that it is next to impossible for parliament to have a committee inquire into the details of the circumstances of each of the families concerned, but surely it is highly important that such an inquiry should be made. That is my reason for urging that we should transfer some of the powers originally held by parliament to a more suitable body which can safeguard the interests especially of the women and children.

But there is something more than that. There are a number of cases—and I want to be frank and say that this condition is not by any means universal—that come before the house this year in which the evidence shows that one or both of the people involved are physically diseased. It seems to me that some day we shall reach the point where we shall insist that every man and woman before marriage shall be able to give a clean bill of health. That should and must come in this country; but it has not yet come, and I suppose in the majority of cases we may take it for granted, unless something to the contrary arises, that the people are physically in good health. But there is in the hands of the members of this house evidence in printed form that some of these people are diseased. There is evidence in at least one case, and I hold in my hand a pamphlet of more than a hundred pages in which the evidence is given that the man has been addicted to the most horrible unnatural practices. I do not want just at this stage to have to connect the name with this, not only because of the man but particularly because of the wife and child; but when we have cases in which there are the most horrible and unnatural practices, where the man is physically diseased and his wife is also physically diseased and under treatment from a physician, it is the most absurd thing and it is morally indefensible for this house to grant the right to marry again. I do not think, in the interest of the future of this country that we should permit such a thing to occur. When a case like that arises I could hardly feel justified in saying that the man has a right to marry again. I suppose technically in the form in which the clause is worded, it is the woman who has the right to marry again, but I understand in practice the man has also that right. Thus we give him an opportunity of going out and ruining other lives as he has ruined the life of the woman who is now his wife. In such cases I should like to have the bill amended by adding the following words at the end of section 2, that is the section giving the right to marry again:

Provided that this right shall be exercised only upon condition that he shall be previously examined by competent medical authorities and pronounced free of venereal disease.

That seems to be a reasonable thing. I do not like to discuss these things; but if we condemn innocent people outside of this house to lives of misery—and I agree with the hon. member for Vancouver Centre (Mr. Stevens) who said the other day that there is tragedy in every one of these cases—we may well take our responsibilities a little more seriously than we have been doing. I am blaming myself along with the rest. Year after year I know I have protested against this procedure; but we all become absorbed in our business; things go as a matter of course, and we do not stop to consider all the consequences involved in

our votes. I will confess that I have read more of these cases in the last two or three days than I have read in the previous six or seven years. Most hon. members have hardly realized that there is no provision for the children, no provision for their education; that they are not even assigned to one or other of the parents. I know many hon. members do not realize the physical disabilities under which some of these people labour and the diseases with which they are afflicted, and these are matters that should be considered.

In view of that situation I do not think we are going too far when we urge that the government should offer facilities for the discussion of the bill that is now on the order paper. Last year a similar bill came from the senate and it received no discussion whatever. It came towards the close of parliament; there was no one to father it at that time, and possibly it would not have passed at that late date. This year again a similar bill comes over from the senate. The senators find it simply impossible to keep up with this work. I am informed that we have something like three hundred divorce bills that must be considered this year, or at least applications have been made for something like that number of divorces. I am also informed that altogether the senate cannot get through more than two hundred divorce cases and that something like seventy-five will go by the board this year. If we are anxious that these people should in some way settle down in their lives, surely it is highly desirable that we do not postpone for another twelve months the decision concerning their marital relations. We should decide and either force them to live together, if we can do that, or give them an opportunity of living apart. We should do that at this session.

We are facing this situation. This bill has come over from the senate in the ordinary course of affairs; it is down in the midst of public bills and orders, and it will hardly be reached this session. In the meantime we are carrying on along the old lines because apparently we have not the courage to break precedents and face the situation which ought to have been faced much earlier. In the earlier times we know that only the wealthy people came to parliament to secure divorces, and while I suppose it was as great a social evil in those days as it is to-day, certainly the numbers involved were not so great. I suppose in most cases then there could be arrangements made with regard to allocation of property; but now that large numbers of comparatively poor people are seeking divorces—

[Mr. Woodsworth.]

and in this province and in Quebec they have no other way of obtaining them than by coming to parliament—our procedure means that they are put to a great deal of unnecessary expense, inconvenience and an enormous amount of publicity that is far from being desirable. After that is all done in no one instance are we satisfactorily settling the case. We are allowing the children to be scattered abroad without making any provision for them. Therefore I would urge the Prime Minister under these circumstances to afford facilities this session for discussing this particular bill. I do not want to threaten as to what we may do; but it is quite obvious that even half a dozen members in this corner could obstruct to such an extent that we would indefinitely delay these bills so that they would not be passed this year and there would be even a greater public scandal; that we would force other bills to be delayed and thus again interfere with the business of parliament and of the country. It is not my desire nor the desire of anyone in this part of the chamber to do anything of that character, and we do not want anyone to think we are going to threaten to do it. But I appeal to the Prime Minister and the government to do what is the reasonable thing under the circumstances, namely, to give us an opportunity of considering the bill which is urged upon us by the senate, if necessary to vote it down, but in any case to consider what is to be done. Then another year, if we are to go forward in this haphazard fashion, some of us will be prepared perhaps to go to greater extremes than we feel justified in doing at the present time.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I do not want to discuss the merits of the bill which my hon. friend would like the Prime Minister (Mr. Mackenzie King) to give the house an opportunity to discuss. If the bill comes in the regular course before the house, I will say that I am opposed to it. May I say now that I am opposed to divorce in principle as my hon. friend is in favour of it; and I merely desire to direct the attention of the house to the fact that the hon. gentleman who is now preventing the passage of these bills is not among those who are opposed to divorce in principle.

Mr. WOODSWORTH: Then, Mr. Speaker—

Mr. SPEAKER: Order.

Mr. WOODSWORTH: I have an amendment to move.

Mr. SPEAKER: The hon. member has already spoken.

Mr. WOODSWORTH: I said that I had an amendment.

Mr. SPEAKER: The hon. member cannot move an amendment. Rule 113 reads as follows:

> No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

So the amendment is out of order.

Mr. H. E. SPENCER (Battle River): I think the request of the hon. member for Wetaskiwin (Mr. Irvine) and the hon. member for Winnipeg North Centre (Mr. Woodsworth), that the Prime Minister state whether he would give the house an opportunity of discussing Bill No. 27, is a reasonable one. Certainly this bill is introduced by a private member, yet it is a public bill that is all important, probably of more importance than anything else on the order paper. If this bill were passed by the house it would make a very great deal of difference in the transaction of the business of this house in future sessions. This bill passed the senate this year at an early stage of the session. We have sometimes heard very hard things said about hon. members sitting in another chamber. They have rejected bills of ours because they have not had time to consider them towards the end of the session. Here is a case where a bill came from that chamber very early in the session, and has been before us for some time. I think it is only reasonable that the house should be given an opportunity to discuss it.

Mr. M. N. CAMPBELL (Mackenzie): My only reason for rising to say a few words at this time is to emphasize the injustice that is done to private members under the rules as they exist to-day. Here we have under the heading of public bills and orders no less than seventeen different bills and resolutions. All these measures have been introduced and partly discussed, and they are all now buried under public bills and orders, which appears to be simply a graveyard for private members' bills and resolutions. It does seem to me that if a private member is allowed to introduce a bill or resolution he should also be allowed to bring it before the house in such a way that parliament can make a decision upon it. What I am protesting against is that while all these measures are of importance to the members concerned, and of importance also to their constituents and to many people in the country, yet under the rules parliament is prevented from coming to a decision upon them. Surely nothing could be fairer than that an opportunity should be afforded for finishing the discussion that has already begun on these questions and having a vote upon them.

It appears to me that under the present rules too much power entirely is centralized in that section of parliament which is called the government. The rest of the house has apparently little or no power; we are hampered in so many different ways. For instance, any bill or resolution involving the expenditure of money cannot be brought before the house by a private member, and any other measure not involving the expenditure of money which a private member does bring forward can very conveniently be buried among public bills and orders.

I am not prepared to say whether or not I am in favour of bill No. 27. I have not given it very much consideration. I am not demanding that the bill be passed. I am simply asking that parliament in the ordinary course of events be given an opportunity to pass its opinion on that bill. The rules are very remarkable when a few members of the house can obstruct business in this way. I am going to be quite frank and say that, so far as I am concerned, I think the obstructionist tactics are quite justified. These rules seem to have been framed deliberately to prevent discussion and to prevent parliament from coming to a decision on matters brought before this house by a private member. The rules are framed to centralize power in that section of parliament which is called the government—

Mr. McLEAN (Melfort): I appeal to you, Mr. Speaker, to rule whether the hon. gentleman is in order.

Mr. SPEAKER: I understand that while the hon. gentleman is not speaking to the bill which is before the house, he complains that another bill does not come up for consideration, and that if an opportunity were given for its discussion we would not have the present impasse in the house whereby the discussion of a long list of bills is prevented. I think the hon. gentleman is in order.

Mr. CAMPBELL: I was going on to state, Mr. Speaker, that I consider this principle is involved in every private bill, and I rose to protest against what I consider an injustice to parliament itself—that power that should not by any right be there is centralized in the government. I say that the government should give parliament the right to pass its

approval or disapproval on every one of these measures that are now in the graveyard that we call public bills and orders, and I would ask the Prime Minister to state whether or not he proposes to give us an opportunity to discuss these measures under public bills and orders.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member who has just taken his seat (Mr. Campbell) has said that the rules of the house had been so framed as to give private members no opportunity whatever to discuss bills or resolutions introduced by them, and to put the control of business into the hands of the government. May I remind him that the rules of the house to which he refers are the result of a conference which took place between all parties in this house, including the party of which he himself is a member, and the report which was brought into this house with regard to the new rules was passed unanimously, my hon. friend himself being one of those who concurred in it. So that as far as the rules under which we are working at the moment are concerned, every hon. member of this house was a consenting party to them. The rules were adopted unanimously. If there are difficulties in the working out of those rules, that possibly is to be expected, but I submit that these difficulties will not be solved by adopting methods which really preclude free discussion, but rather by taking full advantage of the opportunities which the rules themselves permit.

Some hon. gentlemen opposite are interested in reaching a particular bill. The rules provide that on Tuesday and Friday evenings for the first hour private bills shall be the first order of business, and that private bills shall be succeeded by public bills. If the private bills are disposed of, we will then reach public bills, and I submit that the quickest way to reach the particular bill in which the hon. member is interested is to get the private bills out of the way so that we can come to order No. 31 for the second reading of the bill in which the hon. member is interested.

An appeal has been made to the government, and to myself in particular, to undertake to say that a certain public bill shall be given precedence and preference over all other measures. There are at least a dozen members of the house who have made a similar appeal to me, not publicly, but privately, asking that preference be given to the particular bill in which they were specially interested. I have pointed out to one and all that to give preference to any single measure was to work an injustice to all other hon. members who had private or public bills in which they were specially interested. For that reason I have refused to comply with their request.

Mr. WOODSWORTH: Is not a senate bill in a somewhat different class?

Mr. MACKENZIE KING: All private bills are private bills whether they originate in this or in the other house.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: My hon. friend will recall that two or three days ago I made a motion in the house, and I think it was out of that motion that the present discussion has in part arisen, to get certain senate bills out of the way, so that other private bills could be brought on more speedily. Some hon. members took exception to that motion, and the discussion that has been taking place ever since has really grown out of an endeavour on the part of the government to expedite these senate measures with a view to enabling other private bills to be more speedily reached.

Mr. CAMPBELL: Could the Prime Minister not have just as reasonably and just as readily included this bill No. 27 in his motion, or made a similar motion referring to that bill only?

Mr. MACKENZIE KING: May I again point out to my hon. friend that, assuming the government wished to take a particular bill and have it considered, the final decision as to whether or not the bill can be dealt with out of the order prescribed by the rules of the house rests with the house itself, not with the government. I submit that unless there is an obvious disposition on the part of members in all parts of the house to endeavour to facilitate and expedite the business with respect to private bills, any appeal on the part of the government to give preference to a particular bill just because one section of the house is interested in it would not meet with the approval which those most interested wish to have. I suggest that we make an effort to take up these private bills in as expeditious a manner as possible. The government recognizes there are some important measures that hon. members will wish to have considered, and it may be that a little later on in the session the government will find it advisable to grant a special time for further consideration of private bills, but it must be a consideration that applies equally to all bills and not to any one bill in particular.

Hon. R. B. BENNETT (Leader of the Opposition): The observations of the Prime Minister seem to me to entirely meet the situation, Mr. Speaker. This house is to blame for the present situation, and not the government, because when the house was asked to dispense with private members' days the motion was adopted without dissent. Had any of us asked the Prime Minister to give another Monday or another Wednesday for private members, I am certain he would have done so from what I have seen in the conduct of business this session. But none of us was aware of the fact that there was a much larger number of private bills to be considered than in recent sessions, with the result that we gave up those days without dissent. No voice was raised against the motion so far as my memory serves me.

Mr. MACKENZIE KING: Correct.

Mr. BENNETT: That being so, I would suggest to the Prime Minister that, having regard to the very large number of private bills on the order paper, he might agree to give one more day for their consideration, taking them just as they stand on the order paper and as if the motion to discontinue private members' days was subject to one more day being given. If that is done, I think the situation will be fairly met; and perhaps all of us will be a little more astute in the future, and when the government makes the usual motion to take private members' days, as all governments do, we will remember the number of private bills on the order paper and take the means to protect ourselves in the manner provided by the rules.

Mr. MACKENZIE KING: I think my hon. friend will recall what I have just said. It was equivalent to meeting the request he has now made—not in its exact terms as to the matter of time, but I did intimate that later in the session after we make further progress with public business, if we have not then cleared the slate so far as private and public bills are concerned, the government will be prepared to give hon. members an opportunity for further discussion of those measures.

Mr. GEARY: May I ask the right hon. Prime Minister if what he has said—I will not call it an undertaking—covers public bills and orders as well as private bills?

Mr. MACKENZIE KING: The orders of the house provide that when private bills are disposed of public bills follow in their natural sequence, and my undertaking is that the order of procedure which the rules lay down for Mondays will be followed on the day that may be set apart.

Mr. HENRI BOURASSA (Labelle): This discussion, Mr. Speaker, seems to be a little out of order, but there are a couple of observations made by the Prime Minister and the Minister of Justice to which I cannot assent. To say, for example, that in order to reach public bills we should let pass as quickly as possible and without consideration all private bills preceding them is to my mind a rather strange proposition.

Mr. LAPOINTE: I never said that.

Mr. BOURASSA: Well, it practically amounts to this: In order to reach certain public bills no member should discuss the private bills that stand in front of those public bills. But that is not the material point to which I wish to speak. Far more serious to my mind is the point raised by the member for Winnipeg North Centre (Mr. Woodsworth), with the short observations thereon by the Minister of Justice. I think I am just as much opposed to divorce on principle as is the Minister of Justice. I think the manner in which parliament is voting divorces by the bushel is getting to be a scandal and a social evil, threatening the future of this country,—

An hon. MEMBER: Change it.

Mr. BOURASSA: —and I think it is time for it to be considered quite seriously. It would not have been my purpose to take up the large issue upon one single private bill, but since it has been raised I want to make this observation now,—that the bill adopted in the other chamber and presented in this house by the member for Stormont (Mr. Smith), which has been referred to this evening, does not mean the adoption by this parliament of the principle of divorce. Unfortunately that principle was adopted at confederation, and I think it is one of the great mistakes that was then made. So it is not a question of adopting or putting aside the principle of divorce. The question is, in what manner shall the power to grant divorce be exercised with the least evil to society and with the preservation of the family spirit and the maintenance of the social fabric. I do not think the manner in which divorces are granted by this parliament makes for a lesser number of divorces, or for the granting of them with the greatest impartiality, or with the greatest care for the welfare of families and society generally, and I believe everybody is convinced that it is largely haphazard whether a divorce is granted or refused by parliament under the present procedure. For my part, I must say

that during the two years since I came back to this house it has been a question in my mind whether we are doing the right thing when we let these divorce bills pass. Simply because they are inscribed on the votes and proceedings as being "carried on division" is not sufficient to my mind to justify us in voting for their passage as we do. I am prepared to support any measure to render the granting of divorces by this parliament as difficult as possible; I am prepared to support any amendment such as that submitted by the member for Winnipeg North Centre to make people who ask for divorce understand that some responsibility must follow their "relief"; but more especially I am prepared to support every measure that will do away with the present procedure of voting divorces through this house—not to speak of the manner in which they are granted by the senate, as to which I have no desire and probably no right to pass judgment. As far as I am concerned, I propose to vote in favour of every amendment that is moved against the passing of any of these divorce bills. If the measure I have referred to is submitted by the member for Stormont, I think it will have to be considered very seriously, and not be discarded simply because we are opposed to the principle of divorce, because, as I have said, in my view the principle has already been wrongly introduced.

Motion agreed to on division, and bill read the third time and passed.

Mr. SPEAKER: Mr. Thorson moves, seconded by Mr. Goodison:

That bills Nos. 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, being unopposed divorce bills which have been reported by the select standing committee on miscellaneous private bills be now read a third time, and that standing order 21 be suspended in relation thereto.

The motion must have unanimous consent.

Mr. IRVINE: I object.

Mr. SPEAKER: The motion stands.

EDITH DUFF MCCOO

The house in committee on Bill No. 77, for the relief of Edith Duff McCoo—Mr. McPhee—Mr. Johnston in the chair.

The CHAIRMAN: Section 1—Marriage dissolved. Shall section 1 carry?

[Mr. Bourassa.]

Mr. ROSS (Moose Jaw): I move that the bill be reported.

The CHAIRMAN: Is it the pleasure of the committee to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

The CHAIRMAN: The ayes have it; I declare the motion carried.

Bill reported, read the third time and passed.

KATHLEEN MARION BALDWIN

The house in committee on Bill No. 78, for the relief of Kathleen Marion Baldwin—Mr. Ryckman—Mr. Johnston in the chair.

Mr. RYCKMAN: I move that the bill be reported.

The CHAIRMAN: Is it the pleasure of the committee to adopt the motion?

Mr. SPENCER: No.

Some hon. MEMBERS: Carried.

The CHAIRMAN: The ayes have it; I declare the motion carried.

Motion agreed to.

Bill reported, read the third time and passed.

FREDERICK JAMES LEE

The house in committee on Bill No. 79, for the relief of Frederick James Lee—Mr. Anderson (Toronto High Park)—Mr. Johnston in the chair.

Mr. RYCKMAN: I move that the bill be reported.

Bill reported.

Mr. SPEAKER: When shall the bill be read the third time?

Some hon. MEMBERS: Now.

Mr. WOODSWORTH: Next sitting of the house.

Mr. SPEAKER: A bill must be read forthwith when there is no amendment, and there is no amendment in the present case.

Bill read the third time and passed.

FEDERAL DISTRICT COMMISSION ACT, 1927, AMENDMENT

The house resumed consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 218, to amend the Federal District Commission Act, 1927.

Mr. PETER McGIBBON (Muskoka, Ontario): Before this bill passes there are one or two observations I wish to make. I listened this afternoon with considerable interest to the speech of the Prime Minister (Mr. Mackenzie King) and that of the Minister of Railways (Mr. Dunning), and I fancy that nearly every hon. member in this house and everyone in the country will agree that this capital should be beautified. We are all interested in this matter, just as we are interested in our individual municipalities and in our own homes and everything appertaining thereto. But, Mr. Speaker, there is something else that must be considered, and that is the advisability of this parliament voting so much money at the present time for an object of this character. The first essential which this parliament should consider is that the government that raises money by taxation must be held responsible for spending it. That principle has been violated by this government on many occasions this session. Of course, we have always been given reasons. The Prime Minister this afternoon addressed the house for an hour explaining why this expenditure should be made at the present time. In all my public or private career I have never known of a government, a municipality or a person spending money belonging to someone else who could not find excuses for so doing, but I have found it much more difficult to find people who practise economy and handle public funds as they should be handled. Here we are voting $3,000,000 to put so many buildings into the scrap heap—I was going to say it would be squandered, but possibly that is too strong. At any rate we are spending $3,000,000 and in addition we are voting $200,000 a year for thirty years, making $6,000,000 more.

This afternoon the Prime Minister cited the United States as an example, but I should like to ask him whether the financial condition of this country to-day is comparable to that of the United States. Does he think this country has made such progress financially since the war as would enable it to imitate the United States? This afternoon the hon. member for Ontario (Mr. Kaiser) drew attention to a fact of which I do not think sufficient notice has been taken by parliament and the country. He told us that the government of the United States have reduced the national debt of that country from twenty-six billion to about sixteen billion dollars, and have reduced taxes from $50 to $25 per head. In addition to that, of the sixteen billion dollars remaining of their national debt, they have unloaded between eleven and twelve billion dollars on Great Britain and other countries. If they continue their present rate of progress, paying a billion dollars a year, in five years they will be free of war taxation. Consequently we see that they are in a much better position than the Dominion of Canada to undertake obligations of this kind.

I object to this expenditure for another reason; the people in the rural municipalities of the province of Ontario get practically nothing from this government. For example, in my riding there are many localities which receive only two deliveries of mail a week, and when we ask the department for something more they tell us the business will not warrant it. I would also point out that the mail service is practically the only thing given by the government to the ordinary resident in a rural municipality.

Mr. VENIOT: I should like to say just a word on the question of mail service. No request has been received within the last eighteen months from any part of Canada asking for more than two mails a week which has not been granted. I wish to have that statement corrected.

Mr. McGIBBON: Then I would ask the Postmaster General a further question. If such requests come in will he grant them?

Mr. VENIOT: I will, because generally speaking, I do not consider two mails a week sufficient for any part of this country where post offices are established.

Mr. McGIBBON: I am very glad I rose to-night, if for no other reason than that I have secured this promise from the Postmaster General. I have gone to his department, although not to him personally, to ask for this service, and have been told that the business would not warrant it. I am very grateful, therefore, to the Postmaster General for this promise, and I can assure him that before many days pass he will receive such a request from at least one riding.

There is another point to which I would like to direct the attention of the Prime Minister and the government, a point which I am glad to say was touched upon by the Prime Minister this afternoon. I refer to the creation of Ottawa as a federal district. While we are tearing down the Russell house at a cost of $1,250,000 in order to beautify this city, a structure is going up on Wellington street right in front of the parliament buildings which at this stage appears to have no architectural beauty at all. I suggest to the Prime Minister and the government that this should be created a federal district in the near future in order that the government may have some

control over all buildings erected within a certain distance of the parliament buildings. As things now stand, I can see no sense in tearing down a building such as the Russell house because it is an eyesore situated near the parliament buildings, while another building is going up much closer which probably will not be so beautiful.

There are many things which I believe are needed by the country more than what this expenditure is being made for. The Postmaster General has promised a better mail service, and now I would ask the Minister of Finance (Mr. Robb) if he will carry out the intention of parliament as expressed a few years ago in regard to relief for Home bank depositors. A number of people lost their money in that institution. I am not going to discuss the question whether the government were right or wrong in granting them 35 per cent of their losses, but I do say that since that principle was adopted everyone should be treated alike. Up to the present some have received 35 per cent, but because the money ran out others whose claims were admitted received only 25 per cent, 20 per cent, 15 per cent, and in some cases only 10 per cent. As I have said, there might have been some justification for parliament not giving anything, but I can see no justice in a discrimination of this kind. I ask the Minister of Finance if he will not treat all alike and do justice to everyone. I hope he will be as frank as the Postmaster General, so I will pause for a reply.

Mr. ROBB: If my hon. friend will look at Hansard to-morrow morning he will find that I made a statement on the orders of the day this afternoon with regard to the Home bank.

Mr. McGIBBON: I heard the statement made by the minister, but it does not cover what I am asking now. He said then he would grant their claims at least in part, but I do not see how the government can discriminate between these people. I agree that at that time the government had a good argument for not doing anything. I was not in the house then so I do not take any responsibility one way or the other, but there were two sides to the question and Hansard of that time shows that a very good case was presented on the floor of this house for both sides. However, parliament having decided that the government should grant 35 per cent, first to all depositors having under $500 in that bank and then to all those who had over $500 in the bank and could prove that they were in need of it, and the Exchequer Court having decided who were in need of it, I cannot see why there should be any discrimination and why some should be paid 35 per cent while others receive as little as 10 per cent.

Mr. ROBB: If my hon. friend will allow me to say a word just to keep the record straight, the measure which was passed by this chamber at the instance of the government provided for something over $5,000,000, which would have taken care of everyone on the basis just outlined by my hon. friend. That bill was amended in the other chamber, however, and the amendment was accepted by this house.

Mr. McGIBBON: I am quite familiar with that fact. I believe an estimate was called for as to how much money would be required to care for these people, but after all it was only an estimate and because it was below actual requirements I do not see that that is any occasion for doing an injustice. However, I believe the minister is honest enough to see that this is not working out fairly and I believe he will yet remedy the situation, because I do not believe any honest man can justify a discrimination of that kind. If we have millions to spend; if we can hand over seven millions as we did the other night to the Quebec harbour commission and $700,000 to Toronto, and if we can vote millions here for the destruction of buildings in Ottawa, surely we can do justice to those who have lost their all and have got beyond the stage in life where they can earn a living and are depending upon this money. My last appeal to the Prime Minister and the government is to equalize the task which they have undertaken and to do justice to all these people.

Mr. J. C. BRADY (Skeena): Mr. Speaker, I should like to express the pleasure I experienced in hearing the right hon. the Prime Minister this evening give reasons why the national capital should be placed under some definite scheme of improvement. I was very much impressed with the pictures that were drawn of the various capitals in Europe and on the North American continent, and I felt myself in accord with all that the Prime Minister said. But when he had finished I thought this an opportune moment to bring to the attention of the Prime Minister and the government a different aspect of the question, a different picture, so that a due sense of proportion might be brought into action with regard to Canada as a whole.

Centralization of investment and improvement was never a part of the confederation scheme, and much, sir, as I appreciate and realize the necessity of the beautification of

our capital city; much as I admire what has been done here in respect to the victory tower and the perpetuation therein for future generations of the story of the brave deeds of our 50,000 Canadians, still I feel that I should not be doing right if, as the representative of a courageous and hardworking people, I did not present their view in the hope that the same spirit of generosity with which we are now going to vote $6,000,000 covering a period of thirty years and $3,000,000 for immediate use, may be accorded them, I am sure the ministers of every department of the government must be tired reading the letters of hon. members pleading for a little wharf here, a little marine light there, a telephone line to some community for women and children removed from the centres of civilization. But when I find, sir, that sometimes we cannot get even a hundred dollars, —a small amount, but it means a big thing to the people affected—I ask the Prime Minister and his government, not perhaps that they should go out of their way, but that they at least be actuated by the same spirit of generosity in relation to the people who need a little help, who are far removed from the parks and the squares and the boulevards but who are toiling hard to build up by their industry our great seaports and our cities; that they should give at any rate some consideration to the demands of these people.

I do not wish to dwell at length, Mr. Speaker, upon the side of our Canadian life which is often overlooked in this House of Commons. I have travelled not hundreds but thousands of miles through my constituency since last year; I have toiled and walked where roads do not exist, and I now plead for better care and a more sympathetic hearing for the people who are not capable of coming to the House of Commons to plead their own case. There are districts where women and children live with no doctors within often thirty miles, and no telephone communication. That is not confined merely to one part of western Canada; it is a condition which is very general. I have pleaded in this house, sir, for twelve months for fishermen's floats, which are necessary to the safeguarding of the whole of their interests, their capital, their homes, because all these are centred in their boats; but a deaf ear has been turned to the plea of the people.

I wish to say to you, Mr. Speaker, that there is a grave duty incumbent upon a government. They are placed in power for a limited period, to do, not for a section but for the good of the whole, that which ought to be done. I assure the hon. Prime Minister that members on this side of the house are not chronic in their opposition to government measures; they give the deepest consideration to them, and they are ever ready to support measures which are in the national interest. But I say that in the matter of public works, in the matter of the assistance to the people who are building up this country, the government are not carrying out that duty which they should take upon themselves as a sacred pledge to perform. After this matter has been thoroughly threshed out, therefore, I trust that if the representatives of the people of Canada are in accord with the beautification of their capital city, rural interests will not suffer and a response will be made to our requests in this house for the very things which will enable Canada at a crucial moment of her existence to keep her people on the land, to keep them in the vocations for which they are best fitted, and not cause them to be driven daily into our cities with resulting unemployment and such scenes as have been witnessed in Winnipeg in the last few days. The greatest scheme of immigration, sir, that Canada can put into force is the taking of such action as may be necessary to assist our people who are now on the land and who are willing to stay there and whose children would live with them and build up the country if they were given the little help for which they ask. I have placed before the ministers here communications not from one person but boards of trade, representing whole communities, some of them large districts, begging for a few hundred dollars for a wharf upon a lakeside which would enable those people to avoid a journey of thirty or forty miles along very poor roads. And what has been the answer? The answer has very often been a polite little note, very often of three lines, that the matter will be looked into. That is all we get and we have to go back with that to our constituents. The hour is coming when the people of Canada will realize that it is not politics they want, but men who are pledged, irrespective of localitiy or of political feelings, to do what is right for the people as a whole.

I am in sympathy with the scheme of beautifying Ottawa. In my young days I was favoured with the opportunity of travelling throughout Europe and I know the heritage that a great country can store up for future generations in its buildings, museums, libraries and art galleries. All these are necessary for the life, spirit and growth of a nation; but the large sums of money spent in certain localities in Canada are out of all due proportion to their needs, while large parts of this country are left outside in the cold, pleading in vain for trade facilities. That is exactly why I

stand here to-night representing those people I am doing it not as a politician but with a heart as pure, with motives as sincere and with aspirations as great as those of any member on the government side.

When the Prime Minister this afternnon displayed that eloquence of his in support of his measure, I thought for a moment perhaps he was ignorant of another picture on a bigger and broader scale, a picture not of a city but of a vast stretch of country awaiting a little help. It is only a little—a bagatelle when you consider the expenditure of $250,000 a year for thirty years. I thought if only the Department of Public Works, the Department of Marine and Fisheries and the other departments would give even an amount equivalent to a small fraction of that, we would be helping to make a contented, happy people. Canadians love their land. They would like to live there always. We have a great fertile country, millions of acres yet unsettled, and what is happening? People who have spent the best part of their lives in trying to make a living in the country by farming, give up in despair. Who would not under similar conditions? Therefore I appeal this evening to the representatives of Quebec, the oldest and most prosperous province in Canada, that they should treat matters such as we are discussing here to-night on the big, broad basis that what is good for British Columbia, must be good for Canada; for the development of western Canada will, benefit eastern Canada as well. I am not an expert in financial matters; I am not an expert in the business world; but at least I have a knowledge of the history of the past and the present trend of modern life, and, I aver the day will come when Canada will regret that she did not in the golden opportunity of her youth do more to keep our people on the land and build up healthy prosperous rural communities. We are sadly neglecting this important duty today. So far as I have been able I have done my duty. I care a great deal about the future of young Canadian people; I feel deeply for the thousands who are now struggling against difficulties which the government have it in their power to remedy.

In conclusion, let me say that this session of parliament has been an anxious one to many of our members. We found that it was not safe during the winter months for any member leaving the parliament buildings alone to proceed on any of the walks other than that leading directly to the main entrance. Why? He might slip, as many have slipped, on one of the sidewalks and, if hurt, be left lying there the whole night long and probably lose his life. The way the walks to and about the parliament buildings have been kept this winter was a disgrace, and a bounden duty rests upon the government to see that in future the place is at least made safe for pedestrians.

Another matter I should like to speak of is in reference to the water used for drinking purposes, but I am not going to blame the government for it. I have travelled a good deal in my life I have never tasted worse water than that of the city of Ottawa. The other day in my private home where I live the landlady placed water on my table for luncheon and she said: "Do not worry about the water, I have placed something in it."

Some hon. MEMBERS: Oh, oh.

Mr. BRADY: It was nothing except some purifying agent. Why was that done? It was done because the water was so muddy that no one could drink it. I should like the Prime Minister now that he is sponsoring a special scheme providing for the beautification of the city of Ottawa, to exert his power and influence to see to it that the other part, namely, a better water supply and the cleaning up of the city so as to keep pace with the beautification scheme proposed by the Prime Minister, be given the necessary attention.

Mr. G. G. COOTE (Macleod): I wish to take just a few minutes of the time of the house before this bill goes into the committee stage on account of remarks which were made by the Prime Minister this afternoon in reference to the statement that I had made a year ago. I have taken the trouble to look up Hansard of last year, and it may be recalled that I pointed out then that one thing which in my opinion should be done by the Ottawa improvement commisison, with the assistance of the government, was to secure the property on Wellington street between Metcalfe and O'Connor—that is the section immediately facing the parliament buildings —that an open space should be provided there extending at least from the grounds of the parliament buildings down to Sparks street, and that on the remainder of the block buildings be erected which would harmonize with the architectural design of the parliament buildings. Since that time a new building has been started on the corner of O'Connor and Wellington streets, so that we are a year too late in regard to that project. I can only express my regret that the government did not first of all secure this property immediately facing the parliament buildings and proceed to beautify it.

The capital of Canada centres on what we call parliament hill. This is the spot from which we should start to beautify the capital. I am afraid the proposal which is contained in this bill to add one more park to the city of Ottawa, while that is very desirable if we can afford it, is not the step which should have been taken first. If this is all the money we can afford to spend—and I take it from the discussion here to-day that that is the way parliament feels about it—I regret that the money was not used in securing the property on Wellington street directly in front of the parliament buildings, and then starting from the very centre of the capital to beautify it. Any further suggestions or criticisms that I may have to make, Mr. Speaker, I shall postpone until the bill is in committee.

Mr. G. R. GEARY (South Toronto): Before the Prime Minister replies would he allow me to ask him a question? When the plans were adopted and parliament voted $250,000 a year for sixteen years, it seems to me that the commission must have had in view at that time the plaza or open space which is shown on the chart that has been distributed to-day. If so, the commission must have had also in its mind that something should be done with the Russell house block. Whether they contemplated leaving the Russell house standing or acquiring it and doing something with it, may be a matter of question, but in either case one would think they must have had the situation in mind when they were asking for $250,000 for sixteen years. If, on the other hand, the purchase of the Russell house block is a new development, I should like the Prime Minister to indicate that to the house when he is replying.

Mr. A. M. CARMICHAEL (Kindersley): I would like to point out just one or two features in connection with this important bill. I believe when the Prime Minister introduced the bill he made mention of the fact that we should look forward to Ottawa becoming a federal district, and that that ideal would be nearer of attainment after another redistribution measure was before the house. I think our last census was taken in 1921, so the next will be in 1931. A redistribution measure will be due shortly after the census which is to be taken in 1931, and in view of that fact I was wondering if there is any real need at this time for this legislation which is now proposed. Last session we had brought before us a bill providing for an appropriation of a quarter of a million dollars for each of the next succeeding sixteen years for the federal district commission. It would seem to me, Mr. Speaker, that that provision would amply take care of the needs of the commission for such time as will elapse between now and the next redistribution bill, and would it perhaps not be the part of wisdom on the part of this house to go gently along as we are doing, and then make a thorough job of the business after the next redistribution?

It seems to me that we are starting in even on this measure a quarter of a century too late. I think there is more in this city that needs renovating than just the driveways and parks. It is true that it is very pleasant to take a drive over a splendid driveway and to refresh yourself in a most beautiful park, but you forget all that pleasantness if you take a walk along Bank street about five in the afternoon. You are badgered from pillar to post, you trip over water hydrants, and are jostled by pedestrians, so that at times it is certainly not pleasant travelling along Bank street. If this city were under the administration of a commission and the territory turned into a federal district, such a thing as the widening of Bank street and making it more fit for pedestrians might be attended to.

It has also been mentioned here that Wellington street is hardly safe to cross. I am of the opinion, Mr. Speaker, that we are going to continue as we are in that respect until there is a casualty on Wellington street, and then we will seriously consider the situation. Every day, on crossing that street, those of us who are so unfortunate as to have to cross it on foot have to dodge cars coming and going not at any fifteen or twenty miles an hour, but from thirty to fifty miles an hour, and the marvel is to me that we have not had casualties ere this. I do not know who has authority to supervise that situation. I believe that a part of Wellington street is under the control of the federal government, and that another part is under the control of the city, but if the whole street were under a federal commission, and the whole city were turned into a federal district, that situation could easily be taken care of.

Another matter that might be beneficial would be taking care of the civil service. If the city were turned into a federal district, I presume that the civil service would be disfranchised. Possibly that might not necessarily be entailed in such a procedure, but it would seem to me a very wise step to take. Then there would not be a continual bombardment not only of the members representing the city of Ottawa, but of other hon. members with a view to positions in the civil service, the reviewing of salaries, and such like.

The Minister of Railways (Mr. Dunning) mentioned that this expenditure was so trivial that it amounted to only four cents per capita per year. That may be true in regard to this particular expenditure, but the trouble is we have so many of these trivial expenditures. We have $8,500,000 for Quebec harbour, $5,000,000 for St. John harbour, and $500,000 for another harbour, etcetera, etcetera, and we have hanging over our head a national debt of almost two and a half billion dollars, which amounts to almost $300 per capita. So it seems to me, Mr. Speaker, that we are going rather extravagantly, to put it mildly, and that we can well afford to let at least this measure of extravagance ride over for a few years. If we have another census in 1931, that is only a matter of three years, and a redistribution bill will be brought down shortly after that. In from three to five years we could perhaps have a federal district created here, and the commissioners in charge could build from the ground up and create a capital city which would be of real beauty and of which the nation might well be proud.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to express on behalf of the government, my appreciation of the manner in which the proposal that I made has on the whole been received by hon. members. It was perhaps too much to expect that an opportunity would not be taken to point out wherein an equivalent expenditure might serve an infinite variety of needs in different parts of the country and particularly in the constituencies of hon. members. But I would say in respect of any requests that have been made to the government for consideration, if any can be found which promise to be an equally good investment on the part of the nation, I think the government will be ready favourably to consider them. What has possibly escaped the attention of some who have been critical is the fact that the government is not giving away this money. We are purchasing property which will be owned by the Dominion of Canada, and which will enhance in value very greatly as the years go by. A parallel case may be suggested. When parliament hill and the properties in the immediate vicinity were purchased some years ago, no doubt there were many who felt that the money then being expended on this wide-open space might more properly be devoted to a variety of other purposes. But who would say to-day that the investment had not in the course of the years multiplied itself many times over?

[Mr. Carmichael.]

Mr. BENNETT: May I interrupt the right hon. gentleman to remark that as I understand it this land is to become the property of the federal district commission?

Mr. MACKENZIE KING: The federal district commission is created by the government for the purpose of administering the property, but the property will belong to the people of Canada. I venture to say that in the course of the thirty years which has been mentioned as the time over which expenditures might be made, this property will have paid for itself time and time over in the mere appreciation of value that will have taken place. On a cash basis therefore, if we are to measure it in terms of money pure and simple, the government is really making an investment of very considerable value to the nation, and if one were seeking further justification it might well be looked for from that point of view.

May I say a word in regard to what has been expressed by hon. gentlemen opposite as to there being in this particular measure some evasion of the principle of responsible government? There is no such evasion in what the government is proposing. There is no seeking to get away in any particular from the control of parliament. At this very moment parliament is giving all the powers that can possibly be given under this legislation. No power will be given to any commission or to any executive or to any body other than what this parliament gives at this particular time. Every dollar to be expended will be a dollar that this parliament has voted and is appropriating by assenting to this legislation. That is responsible government in the fullest meaning of the term.

Further, I may add that all expenditures by the commission in the nature of capital expenditures have to be submitted to the Minister of Finance in the first instance and then approved by the government. The commission is the body entrusted with giving special thought and attention as to what should be done, but every step has to be approved in the first instance by the government as a whole. So we are not turning over to parties who are in no way responsible to parliament sums of money to be expended as they may think fit. Moreover, the commission makes its report to parliament every year. One hon. member this afternoon had in his hand a report made some years ago, and he said it was the last he was able to obtain. I might say to him that I have a report dealing with the proceedings of the commission for the past

year. It was tabled here only a short time ago by the Minister of Finance. Every year these reports are tabled.

With respect to expenditures, I would point out that the accounts of the commission may be examined by a committee of this parliament at any time. Some hon. member suggested that possibly the expenditures should come before the public accounts committee. Most decidedly they will come before the public accounts committee if there is the slightest reason to suspect that every dollar cannot be accounted for in the fullest measure. The expenditures are audited by the Auditor General. This officer in that particular exercises the same control over the expenditures of the commission as over other expenditures by departments of government.

Mr. BENNETT: I am thoroughly familiar with the Audit Act, and I think the Prime Minister will find that unless special provision is made for the purpose neither the Auditor General nor a committee of the house has any control over the commission's expenditures.

Mr. MACKENZIE KING: The act provides as follows:

> The commission shall from time to time before making expenditures under this act, submit to the Minister of Finance and Receiver General detailed estimates of the expenditures proposed to be made by it, which estimates shall be accompanied by such full information as is sufficient to enable the governor in council to determine as to the necessity or advisability of such proposed expenditures, or of any portion thereof; and no expenditure shall be made by the commission under this act until it has been approved by the governor in council.
>
> The commission shall send to the Minister of Finance and Receiver General on or before the first day of September in each year a detailed statement of all its receipts and expenditures up to the last day of March in such year; and copies of such statements shall be laid before parliament by the minister within the first fourteen days of the next following session thereof.
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> The commission shall, whenever required by the Minister of Finance and Receiver General, render detailed accounts of its receipts and expenditures for such period or to such day as he designates; and all books of account, records, bank books and papers of the commission shall at all times be open to the inspection of the minister or of such person as the minister names to inspect them.
>
> All expenditures by the commission shall be subject to the audit of the Auditor General in the same manner as other public moneys.

Mr. BENNETT: The point I desire to make is that while the reports have to be made to the Minister of Finance and laid on the table, they are not subject to reference to the public accounts committee as are the reports of the Auditor General. If the Prime Minister makes that clear I shall be abundantly satisfied with respect to it. Parliament should have this jurisdiction. In the one case it depends on the Minister of Finance whether the report goes to the public accounts committee; in the other it goes there as a matter of right.

Mr. MACKENZIE KING: The public accounts are laid on the table each year and referred by the Minister of Finance to the public accounts committee. With respect to these accounts, if any hon. member at any time wishes to have them so referred, the government will see that this is done.

Mr. BENNETT: That is very satisfactory.

Mr. MACKENZIE KING: I think that makes it clear that so far as the public money which we are voting is concerned, it is in every particular safeguarded by every means that parliament has devised for safeguarding the expenditure of public funds.

A good deal has been said about what the government is doing for the city. I was glad that the hon. leader of the opposition agreed with me that the distinction between Ottawa as the capital and Ottawa as a municipality should be kept in mind. From the city's point of view I may say that the argument is not all on the side of the government. The government has a large amount of property in the city, and that property is exempt from taxation. I have been given the following figures, which I assume may be taken as reliable. They are to the effect that in 1923—that is the latest year for which I could get them—the value of Dominion government property in Ottawa exempt from municipal taxation was $33,413,025. The present tax rate of the city is 31.70 mills. That is the annual rate that would be paid to the city on government property were it taxed like other property.

Mr. BENNETT: It is unnecessary to say to the Prime Minister that the tax rate would go down at least half, because a million dollars bears such a proportion to the total revenue that the rate would at once decline.

Mr. MACKENZIE KING: I am prepared to admit that this statement must be read in the light of economic considerations which would govern, but I am pointing out a truth which has more or less escaped attention during discussion, namely, that the city of Ottawa does not receive on government property any taxation, and that all it receives in lieu of taxation is an annual grant of $100,000. In 1924, in a memorandum submitted by the city of Ottawa, it was con-

tended that the government should pay annually certain sums which I shall state. I am giving the city's contention; I am not saying that if it were examined, it would be upheld to the degree to which the city alleges it should be. These are the amounts: a grant of say, $100,000, towards the maintenance of a fire brigade, and of $40,000, towards the maintenance of the police department; towards pavements, streets and sewer maintenance, $50,000; towards street lighting, $5,000. These amounts total $195,000 and, if the government were in the same position in respect of its properties as the owners of other property in the city, these it is alleged would be the grants we would have to consider making, to some extent at least, to the city. In addition to the $100,000 in lieu of taxation, we pay, I understand, some $40,000 for a water supply, and that is all the city gets. When we consider the relations between the government and the city, I submit that the extra amount being given by the government to the city for improvement and park purposes may be regarded as certainly not in excess of an equivalent.

Now what is the exact extent of the present proposed outlay? A good deal has been said about the expenditure of millions. I have asked the Finance department to prepare a careful statement showing what an annual allowance of $200,000 over a period of thirty years, plus this capital investment of $3,000,000 extended over thirty years, would amount to per annum, and I am advised that, with borrowing powers at four and a half per cent on a thirty year basis, the capital outlay of $3,000,000, with an annual grant of $200,000, would represent an annual outlay of $384,200. That is the extent of what parliament is being asked at the moment to grant for the purpose of further improvements and maintaining the work that has already been undertaken. I believe the house will feel that this amount, taking all the circumstances into consideration, is a reasonable grant to the federal district commission.

Further, in speaking of the city and its obligations, I may say that I agree heartily with hon. members who have criticized the city for the water supply and the manner in which snow has been cleared. In discussing these matters with the city, I told the mayor very frankly that I should hesitate to come to parliament and ask for this appropriation unless I could get from him a direct assurance that the city intended to improve its water supply and its method of street cleaning. The mayor advises me that with respect to the water supply the board of control is at the present time giving very serious consideration to this important question with a view to seeing what can best be done to improve matters and provide a purer supply of water.

Mr. KAISER: Are they any more serious now than they were twenty years ago?

Mr. MACKENZIE KING: That is something which my hon. friend will have to find out for himself. I cannot speak on behalf of the city council beyond expressing the belief that they are more serious. I imagine that, for one thing, public opinion in this city compels them to be more serious; and I believe that the many expressions of opinion that have come from parliament hill are not without their influence. Certainly unless the city in the matter of a pure water supply does waken up to its responsibilities to the citizens generally as well as to hon. members of this parliament, it will wait a long time before meeting with any sort of reception to a request for further co-operation on the part of the government. Not only must the city take the question of its water supply very seriously into consideration, but it must within a short time show us that it has found a means of providing such a supply of pure water as this city should have. With regard to the manner in which the streets have been cleaned, I am advised that the city has already undertaken to purchase equipment which, in another winter, will facilitate the plowing of 100 miles instead of 25 miles as has been the case up to the present time. They expect to have a much more effective means of dealing with the streets as respects the removal of snow.

As regards Wellington street in front of the parliament buildings, the government has directed attention repeatedly to what has appeared to be an abuse in permitting motors to be parked before the grounds of these buildings. We have also discussed the practice of rapid driving to and fro to the risk of pedestrians crossing Wellington street. Wellington street is controlled by the city and not by the government, and I am informed that the city council has passed an ordinance prohibiting parking on Wellington street in front of the parliament buildings. This regulation will be carried into force. The mayor, as recently as yesterday, assured me that this would be done, and asked for the co-operation of our own Department of Public Works in the matter. This I consider all-important: Wellington street should be kept free from parking, at least in front of these buildings and grounds.

I think I have touched upon most of the points that involve any possible controversy. I may add further, with respect to this particular project of Confederation park, that the board of control of last year undertook to see if the project went through, if parliament voted what is now being proposed, that Elgin street on one side of the park, and Nicholas street on the other side, would each be widened to about twice its present width; and they also undertook to see that at any time in the future no buildings would be permitted to be erected within that park area. As a matter of fact, they have, I am informed, obtained from the Ontario government an act, or promise of an act, authorizing the federal district commission to control the character of buildings, as respects architecture, style and so forth, fronting on the new park along Elgin street. In this way, I believe, character and dignity will immediately be given to the central portion of the city, and such improvements as are effected in that section will undoubtedly be reflected in other parts.

Again I thank hon. members for the manner in which they have received this proposal, and I congratulate my hon. friend opposite (Mr. Bennett) on the skill with which, in at least a portion of his address, he strove to ride two horses, although I am happy to add that the burden of his weight appeared for the most part to be on the right one.

Mr. BENNETT: I am learning from the Prime Minister, although the process is slow.

Mr. SPOTTON: For the Russell house site, I understand, the Prime Minister has paid $1,125,000. After deducting from this amount the sum that he will receive for the wreckage, will he be in a position to say to the people, "Yes, I paid this much money for the site, but I have so much land as a real asset, which in a few years will be worth two or three times the amount paid out"? Perhaps the Prime Minister will tell us how much was paid per foot. If he expects Ottawa to become a New York, will he be able to tell the people of Canada that he has a real commercial asset if he wished to resell it?

Mr. MACKENZIE KING: Perhaps I can answer that question better when we are in committee. I do regret, however, that I omitted to answer a question asked by the hon. member for South Toronto (Mr. Geary), as to whether or not the commission had in mind the purchase of the Russell house last year when parliament was asked to make an appropriation of $250,000 a year. I do not think the commission had that purchase in mind at that time; what they had in mind was the sum needed to complete the driveways and in particular a large bridge being constructed across the Ottawa river connecting the Ontario and Quebec shores near Remic rapids. They also intended to widen the driveways, because many of them are much narrower than they should have been made. However, they did not have in mind the purchase of the Russell house; if they had thought of it this measure would have been brought in last year. As I explained before, this proposal is now before the house for the reason that during the fall of last year the government and the commission were informed by the city council that the owners of the Russell house were about to demolish that building and erect a new hotel there. That was, so far as I recollect, the first intimation received by the government and by the commission of any intention to tear down the Russell block.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: This is without prejudice to the rights of members to discuss the whole matter in committee?

Mr. MACKENZIE KING: Certainly.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Power to sell or lease real property.

Mr. MACKENZIE KING: There is nothing in this section which is new; it is simply reinserting a clause which was left out of the last bill but which was in a previous one.

Section agreed to.

On section 2—Period for payment of annual grants extended.

Mr. MACKENZIE KING: This section simply extends to thirty years the period for which the appropriation of $200,000 shall be made instead of $250,000 for sixteen years as was the case under the act of last session.

Mr. CARMICHAEL: I should like to ask the Prime Minister the reason for extending these payments over a thirty year period in view of his statement that following another redistribution he might seriously consider making Ottawa a federal district.

Mr. MACKENZIE KING: I might say to my hon. friend that a redistribution could not affect the method of financing a project

such as the construction of driveways, park improvements and so on. That would have to be carried on under a federal district commission just as it is carried on now. The reason we are asking for a longer period of time is that it provides a guarantee of permanency and maintenance with respect to improvements which are to be made. It does give to the commission for a few years some small margin to work on in the matter of local improvements, although it is contemplated that by the end of thirty years the full amount of $200,000 will be required solely for purposes of maintenance. At present I understand that half of the original grant, which would be something like $125,000 a year, is required for the actual upkeep of the parks and the overhead expenses of what had been previously provided for.

Mr. BENNETT: I suggest to the government the desirability of substituting the word "five" for the word "thirty". Five years is the life of a parliament, and I cannot think it quite consonant with the ideas of the right hon. gentleman as heretofore expressed that this parliament should bind the hands of future parliaments. I am quite aware of the fact that it would be quite competent for succeeding parliaments to change that figure to forty or to ten; they would have that power, but a vested interest is acquired when a statute of this kind is passed by parliament; the commission naturally expects that that is the end of it. I suggest that instead of making provision for thirty years we endeavour to deal with this matter during the lifetime of a parliament. It is true that one or two sessions of this parliament will have passed, but I think the right hon. gentleman would be quite within the general constitutional practice if he said, "I desire that a given sum shall be available for this commission during the lifetime of the parliament over which I am the directing head." But when you ask parliament to bind its hands for thirty years I cannot help but think that is going too far, and that it is not quite consistent with the general principles under which we conduct our government.

I made inquiries to-day of my hon. friend from Welland as to the practice followed by the Ontario commission, and the house has already heard me state the facts as they apply there. Every year they bring up their estimates; although frequently they have made provision for five year periods or even longer, each year the legislature votes the sum of money which may be required to give effect to the projected plans of the commission. Having regard to the fact that this legislation is practically but an amendment to the Federal District Commission Act which was passed last year, and having regard to the fact that the Minister of Finance must review the expenditures and the governor in council must pass upon them, I cannot but think this mere declaration that $200,000 should be made available should not be binding for more than the life of a parliament as established by statute, which is five years. Assuming there was an election at the end of four years resulting in the defeat of the administration, as has happened in this country, the estimates for the fifth year might be fairly thought to be within the competence of the outgoing administration as far as the commission is concerned.

In order that the matter may be considered by the committee in a concrete way, I move that the word "thirty" be struck out and the word "five" substituted therefor, for the reasons I have indicated.

Mr. MACKENZIE KING: If I thought there was the slightest possibility that this amount would not be required, perhaps for all time to come, for the upkeep of parks, driveways and improvements, I would see a great deal of force in what my hon. friend says, but it is quite evident that a sum of money will be required for maintenance purposes for a number of years. We are reducing the amount which apart from capital expenditure is given to the commission to spend; it is reduced from $250,000 to $200,000, and it was in that connection and at the request of the commission, for reasons which I have already mentioned, that the time was extended. However, if it would help my hon. friend and myself to come a little closer together I would have no objection if we left the period for which the appropriation of $200,000 is to run at the original period which parliament agreed to in the act of last year; that is to say, sixteen years. I think we could leave this act as it is with respect to the length of time, and simply reduce the amount of $250,000 to $200,000.

Mr. BENNETT: I apprehend that this bill will not leave the committee to-night?

Mr. MACKENZIE KING: I hope so.

Mr. BENNETT: It is doubtful; I believe some of the members wish to speak in detail about the expenditures. As the Prime Minister has been good enough to say he would agree to reducing the term from thirty to sixteen years, with the consent of the committee, I will withdraw my amendment until I can discuss the matter further with some of those who are interested.

Mr. MACKENZIE KING: Very well, that section will stand. Let the amendment be withdrawn and section 8, which amends section 2 of the act, stands.

Section stands.

On section 9—$3,000,000 for purposes of commission.

Mr. BENNETT: With respect to that, some hon. members did not expect we were going into committee immediately on this bill, and they are interested in knowing the details of the proposed expenditures. Perhaps the Prime Minister will give a statement as to how the $3,000,000 is to be expended.

Mr. MACKENZIE KING: Yes. For the acquisition of the Russell house block, property, leases, etcetera, and the construction of the park, including the remodelling of the intersection of Sparks and Elgin streets, an outlay of $1,600,000 will be required. To complete the Remic rapids bridge, to which I made reference a moment ago, $423,200 will be required. For new driveways and parks, that is the enlarging of some of the areas already planned, $144,400. For the widening and improving of existing driveways and parks, $116,600—a total program for this year of $2,281,200. That is the total capital expenditure. My hon. friend knows that the bill requires either that that amount should be met immediately and directly out of the consolidated revenue, or that securities for that amount should be issued in the name of the commission, the interest and principal of which would be guaranteed by the Minister of Finance. I gather from what hon. gentlemen opposite have said that it would meet with their approval more completely were the government to meet these capital expenditures in large part immediately, rather than issue securities running over a term of years. If that is the case, I do not mind saying to my hon. friend that the Minister of Finance is quite prepared favourably to consider making the expenditure in that way.

In addition to what I have quoted, it is estimated that during future years, expenditures on new driveways and parks will be $600,000, and the remodelling of the existing driveways will amount to $130,000, or a total of $730,000; this together with the outlay in 1928 makes a total outlay of $3,011,200. I think that gives my hon. friend the particulars for which he asked.

Mr. STEWART (Leeds): Can the Prime Minister give some information as to how the value of the Russell house property was arrived at?

Mr. MACKENZIE KING: I understand that in arriving at the valuation the commission retained the services of leading valuators who gave the commission the benefit of their advice. After consulting counsel and taking into account what had been paid by other interests for properties in localities not far distant, an amount was agreed upon which in the opinion of the commission and of the valuators was a fair amount to pay for the property. The commission were of the opinion that to have instituted court proceedings in the matter would have involved in all probability a still larger expenditure. I understand the sum that has been agreed upon for the Russell house property is $1,125,000, or a valuation per square foot of $22.75. To complete the entire square between Sparks street and the city hall and between Elgin street and the canal there remains some property of Mitchell and McDougall, which it is estimated, will bring the total cost to $1,235,000, or an estimated total cost of all three properties per square foot of $22.18.

Mr. GARDINER: What was the balance made up of in that first item of $1,600,000? We have not the full details.

Mr. MACKENZIE KING: There are some smaller properties in the square. The figures which I have just given relate to the Russell house block, but the total confederation park area includes some other small properties which will have to be acquired, and a considerable amount of work will have to be done in levelling the park and making the driveways through it.

Mr. BOYS: Is it the intention to pull down the post office building?

Mr. MACKENZIE KING: That is not contemplated at the present time, no.

Mr. BOYS: Then has the government considered whether there is any necessity for acquiring the Russell house property, as long as the post office stands? Looking at this plan, it would seem as if it was a wild scheme, with the post office standing in the way. Personally I could support the proposal more willingly if the post office also were taken down, because there would be a more or less unobscured view of the parliament buildings from that open front; but as long as the present post office stands I cannot see the wisdom of spending a million and a half for the Russell house block—for I am given to understand that the value of the Russell house property is placed at $1,250,000.

Mr. MACKENZIE KING: $1,125,000, the total value of the properties is placed at $1,235,000.

Mr. BOYS: Does that include the building at the southwest corner of that block?

Mr. MACKENZIE KING: It takes all the properties between Sparks street and the street which is between the city hall and the Russell house.

Mr. BOYS: My judgment would be that there are about 225 feet on Sparks street, with a depth perhaps not quite so great. It seems to me that it would be the simplest thing in the world to get a driveway leading to the parliament grounds without acquiring the Russell house property at all. I repeat that so long as that post office stands it seems to me to be an incomplete and undesirable scheme. If the Prime Minister is prepared to go so far as to say that while it is not part of the present scheme it is in contemplation and will certainly result, in perhaps three or four years, in the removal of the post office, perhaps we would support that part of the proposition. But that does not appear to be part of the scheme; it is not in contemplation, and therefore I think the proposed expenditure is an extravagance. A driveway which would complete the drive from the experimental farm to Rockliffe, is, I think, very necessary. I have seen many driveways but I have never seen any city which has a more beautiful driveway than has Ottawa. As far as spending money upon that is concerned, I am in favour of it; and there should be a connection between that driveway from where it now enters under Laurier Avenue to a point near the Chateau. I can quite understand that it might be thought necessary to have a driveway starting from somewhere near the drill hall and gradually rising to reach the square in front of the buildings, and this plan of course contemplates that, but it contemplates such a driveway going through the land on which the Russell block now stands. What is the necessity for that? I do not think it is any compliment to the city of Ottawa, with a population of 125,000 or 130,000 people, that from a commercial, industrial and business standpoint you can pull down one of the best blocks on the most important corner in the heart of the city at a cost of $1,250,000, merely to make a park. I do not know whether or not the citizens of Ottawa are in favour of such a scheme; I can hardly imagine they would be, Where can you find on the continent of America a city that would want to have one of its best blocks in the very heart of it pulled down merely to make a park about two hundred feet square? If you could not get an entrance to the parliament grounds without doing this there might be some justification for it.

I agree with the Prime Minister that if a large sum of money is to be spent, the proper place to spend it would be in widening Metcalfe street perhaps as far as Laurier avenue so as to have an approach leading up to the front of this building. But to have an entrance to one side and to spend a large sum in pulling down a building like the Russell block does not appeal to me in the slightest degree. It is quite evident that the Prime Minister has in mind for the future the widening of Metcalfe street, but he does not say how far south of Wellington street the proposed widening of Metcalfe street is going to go; and I understand it is suggested that it is to be widened to from two or three times its present width. As I said before, if that is going to be done, the widening should go at least to Laurier avenue. If it does not go that far, how far is it intended that it should go?

Mr. MACKENZIE KING: To Lisgar street, which is much further south.

Mr. BOYS: That would make a much more imposing entrance. That would be about seven blocks down Metcalfe street, and it can be figured out how much it would cost to widen Metcalfe street from two to three times its present width over that distance. Are there to be two entrances to the parliament buildings, one of them from where the Russell house is? Because that would not be a suitable entrance unless the post office is to be pulled down. Is the government going to pull down the post office and make that site into a park two or three hundred feet square? Then perhaps in four or five years are they going to undertake to widen Metcalfe street down to Lisgar street at a cost of goodness knows how many million dollars? We ought to make up our minds now what we are going to do. If it is the intention to make an approach by widening Metcalfe street, we ought to save our money for that purpose. I want to register as firm and definite a protest as possible against the expenditure of this money to pull down a block in the heart of Ottawa, a block which is not essential to the improvement under contemplation, because the scheme will not be complete when the block is pulled down and the country will still be face to face with the Metcalfe street improvement outlined by the Prime Minister in his address this afternoon. I think we should go slow in the matter. I am quite in favour of making an annual expenditure in connection with improvements in Ottawa on account of its being the capital city, but I do not think we should commit ourselves for a period of

thirty years. It might be all right to provide for a scheme covering a period of five years, but I want to register my protest against wild extravagance in connection with pulling down the Russell block and getting such a little return when we know that a great deal more has to be done in the future.

Mr. STEWART (Leeds): Could the Prime Minister inform the committee as to the cost of acquiring the property between Wellington street, Sparks street, Elgin street and the post office where the buildings have been demolished?

Mr. MACKENZIE KING: I am afraid I have not the figures under my hand. I could give my hon. friend the price per square foot for that property, buildings and land, as purchased by the Department of Public Works. It amounts to $23.75.

Mr. COOTE: I should like to say a word or two in support of the proposal made by the hon. member for North Simcoe (Mr. Boys). It is right in line with the suggestion I made last year that any further money we spend in beautifying Ottawa as the capital city of Canada should be spent directly in front of the main entrance of the parliament buildings. I should not like to state categorically how far south the widening of Metcalfe street should be carried out, but it would be much better for us to spend whatever money we can afford in widening Metcalfe street than in purchasing the old Russell block. My idea is that the government should expropriate the property on the west side of Metcalfe street so far as it is necessary to widen that street and as many blocks south as we can afford to go. Those buildings need not be demolished at the present time; they could be allowed to stand for the next ten years if necessary, and in that time the rents coming from those buildings might largely cover the capital outlay we would incur. The view which the people are going to get of the parliament buildings from this area we are now purchasing will be largely a view of the east block, and many people coming to Ottawa will see the east block from that angle and will think that is the parliament building. We should have a wide avenue leading directly from the main entrance of the parliament buildings into the heart of the city, and I can only regret that the government have not spent this money in purchasing the properties necessary to carry out that improvement instead of purchasing the Russell block. The city of Ottawa is so badly in need of another hotel that it is rather a pity the government did not permit the former owners of the Russell house property to put up a good hotel on that site and spend the money we are now using to acquire the Russell block in purchasing property which would enable us to provide a wide thoroughfare directly opposite the parliament buildings and leading down into the heart of the city.

Mr. McGIBBON: Is it the intention of the government ultimately to expropriate the property between Slater street and Laurier avenue and Elgin street to extend the scheme up to Cartier square?

Mr. MACKENZIE KING: That is not in contemplation at the present time. I understand that within the area to which my hon. friend has just referred there is a block of buildings to the east of Elgin street between Laurier avenue and Queen street. A number of houses, a store and also a church come within the possibility of the enlargement of Elgin street which the city council have undertaken to carry out themselves and I understand they are doing that by a plan of deferred widening of the street.

Mr. BENNETT: With respect to the financial position I did not quite follow what the Prime Minister said. Clause 9 as it now stands is hardly the sort of clause we should enact. We admit that we have not the money with which to pay the interest. The $3,000,000 expenditure will cost roughly $135,000 a year when guaranteed by the Dominion, and there will be no provision for sinking fund, which for the sake of argument we will place at one per cent. That would make a total of roughly $165,000 or $170,000. Now of the $200,000 a year, it takes $150,000 for maintenance, and the rest for general work. I gathered from what the Prime Minister said that the government had no particular preference for any scheme of financing, but I am sure the minister will realize that if we guarantee $3,000,000, and the commission is to get the money and issue its securities, it is really, to use a word that was very much in vogue in this country at one time, camouflage, because the commission has no revenue with which to meet the interest, and, as provided by section 10 of the bill, the interest will be paid out of consolidated revenue. Why not make a direct appropriation for this purpose and provide that we will advance for the purpose of this work the sum of $3,000,000 out of consolidated revenue, instead of taking the securities of a commission which we have ourselves created, knowing that it will not meet any interest obligations, and that we ourselves must meet them, together with the sinking fund, as well as in the end pay the principal itself.

Mr. MACKENZIE KING: What I wanted to say to my hon. friend was this. I understood that he had a preference for the principal sum being paid directly out of consolidated revenue. I hoped it might help to bring us all into agreement were I to give him the assurance that with respect to capital expenditures made immediately on the Russell house block, they would be made chargeable to consolidated revenue and be paid direct by the Minister of Finance. That would reduce considerably the total amount on capital expenditure to be met by securities to be issued by the commission. I think that might well remain optional with the Minister of Finance. I am not sure that the minister might not conclude, when asked for the money for the purpose which these capital expenditures are intended to serve, that it would be better for him to meet that capital expenditure directly out of consolidated revenue. On the other hand, it might serve a useful purpose for the country to have the securities issued by the commission and guaranteed by the Minister of Finance, and distribute the payments over a series of years, seeing that those who will come after us will be benefiting by the expenditures in equal if not larger measure than we are, I think my hon. friend can rest assured that the government, if it is allowed that amount of latitude, will be most careful to take the course which is obviously in the public interest.

Mr. GARLAND (Carleton): May I ask the Prime Minister if the commission have any other driveway scheme in mind outside of the one mentioned past the Russell house to Cartier square?

Mr. MACKENZIE KING: The commission has a plan that involves driveways through all parts of the city, and that scheme is being projected little by little. I think the greater part of it is now nearing completion, but I understand from the commission that the driveways were originally constructed, at a time prior to the use of the motor to anything like the extent it is being used to-day, and that most of the driveways will have to be widened and enlarged. A good deal of the expenditure will be in enlarging existing diveways.

Mr. GARLAND (Carleton): The government own considerable property to the west of these buildings on Wellington street, and I was wondering if the commission had ever thought of running a driveway through that property, connecting with the Sherwood driveway, running around the rear of this building, then connecting up with the driveway to Rockliffe. Such a driveway would avoid the tearing down of very valuable property; it would follow the river and get away from the traffic on the other streets, and would really make more of a scenic driveway than the other. I do not know whether it has been thought of at all, but it could be done for far less money, and would serve the purpose just as well.

Mr. SPENCER: In discussing this bill, which is to vote funds for the beautification of this capital, I agree entirely with the hon. member for West Calgary that it would be in the interests of this country if the necessary moneys were to be provided out of consolidated revenue. First there is the $6,000,000, payable at the rate of $200,000 a year, which is to be paid out of consolidated revenue. Then there is a further $3,000,000 for which the commission is to issue its own bonds or securities. They would issue bonds, say, at 5 per cent. They may get them for less, but we must reckon on a fair margin, and at 5 per cent we should actually be paying in principal and interest $7,500,000 for the use of $3,000,000 to beautify this city. I would like to see the capital beautified; I think it should be, but at the same time I do not want to impose unnecessary taxation on the people of this country. If you spread the $3,000,000 over the thirty years it would amount to $100,000 a year. Would it not be better to pass a statute to take this amount of $100,000 a year out of consolidated revenue fund for the thirty years so that we would get rid of paying the annual interest? I do not think sufficient consideration is paid in this house to the question of interest. It is the biggest tax we have to bear. It is the heaviest burden on the Minister of Finance in connection with the national debt and in the present case I think it would be much better to take $100,000 a year from the consolidated revenue fund, rather than to issue bonds for $3,000,000 on which we would be paying interest for thirty years, and which would eventually cost the people of this country $7,500,000 for the use of that $3,000,000.

Mr. SPOTTON: Perhaps this is an appropriate point at which to repeat the question I put to the Prime Minister. It is the first question I have asked the Prime Minister or any member of the government since coming into this house, and as a matter of courtesy to the constituency which I represent I should like him to give me an answer. I understood the Prime Minister to say to this house, "Yes, we have spent so many millions,

but we have a real asset to show for it. We bought some town lots for you, and these town lots, as time goes by, will increase many times in value." The Prime Minister has said that this land cost $22 to $23 per square foot. At $23 per square foot it means, in the language of my county, over $1,000,000 per acre. Does the Prime Minister mean to say to the people of my county, "Yes, I have bought some town lots, but they are yours. They belong to the people of Canada. It is true I paid $1,000,000 an acre for them, but if at any future time we decide to sell them for commercial purpose I will guarantee that you will get three or four or five or many more times the amount we paid for them." I would just like the Prime Minister to let me know if I misunderstood him, and if not, would he give me his reasons for thinking that this property is going to become very valuable for commercial purposes in the years to come. If he can give me any good reason for thinking so, I would feel more like voting for this bill. If this is a foolish question, all right, say so, and let it go by, but I do not propose to have my first question in this house sidestepped.

Mr. MACKENZIE KING: May I say to my hon. friend that I have every desire to be courteous to him, and particularly to his constituency. I had no thought of evading any question of his, and indeed if I had assumed for a moment that he was asking me a concrete question I would have been very quick to reply to him. What I did say was that the amount of money which the government is expending at the present time is in the nature of an investment in land in the city of Ottawa. Personally I cannot imagine from the point of view of investment pure and simple a better investment that the government could make in real estate than to secure the best property in the city of Ottawa and hold it for the future of the nation. None of us knows what the demands on the city of Ottawa through the course of years are going to be. The day may come when an area in the centre of this city will be required by the government for a variety of purposes. The government of Canada will own that area. What will be its value then in relation to the small figure we are paying to-day? Not a small figure, it is true, when comparison is made with town lots in a small community, but relatively small with regard to the future. The parallel I drew was that at the time parliament hill was purchased there were undoubtedly many like my hon. friend who made comparisons between the amount of money that was then being paid for parliament hill and what was paid for town lots in the small communities from which they came.

Mr. SPOTTON: But take Toronto, New York and other cities.

Mr. MACKENZIE KING: But those who purchased parliament hill made for Canada the best possible investment that could be made by that purchase. The government has no thought of selling town lots out of the area that it proposes to buy in this connection, but it is endeavouring to secure—

Mr. SPOTTON: How is it a commercial asset? It brings in no revenue in the meantime, it is simply a park for the unemployed to sleep in, and in the event of its being sold it must be disposed of for building purposes.

Mr. MACKENZIE KING: I did not speak of the government speculating in real estate. I spoke about this as an investment—and an investment in more senses than one. I think if my hon. friend studies what has taken place in several large cities he will find that they have been saved from total destruction solely because of some open space or spaces which have prevented fire from extending further. Frequently I have thought of what the possibilities might be if this capital were to take fire, as the city opposite did on one occasion, and the fire should sweep through say from lower town to where the proposed park will be located. Such an open space in the heart of the city, from the point of view of insurance against a great disaster of that kind, is a factor which, having regard to its properties, the government might well take into account in connection with this proposal. I was regarding it solely as a national investment in speaking as I did.

Mr. MANION: I do not wish to be hypercritical; in fact I have not yet spoken of the proposal before the house, but is it not incorrect to suggest that the purchase of this property is an investment in any shape or form? An investment in the ordinary term is something upon which we get an immediate return, or, if not, we expect later on to have an opportunity of selling what we have purchased at an enhanced price. Of course the space outside these buildings forms a very fine setting, but, unless you use the word in a sentimental sense, it was certainly never acquired as an investment. As the right hon. gentleman has suggested, it might be considered as an investment in the sense of affording fire protection, but it is decidedly

not an investment from the standpoint of bringing any financial return, because we cannot imagine any circumstances under which we would sell that open space. Nor can I imagine any circumstances under which anyone could purchase from the government the area covered by this scheme. If we go through with the scheme it will be solely for the purpose of beautifying Ottawa, and not for any distinctly monetary return that it may bring us in the future. It has a sentimental value, if you will, or an open air or health value, anything of that sort, but certainly it has not any investment value, because by no stretch of the imagination will we ever think of selling it in town lots. The Prime Minister spoke of the open spaces in some of the European capitals. I well remember an open space to which he did not refer—Princes street in Edinburgh, one of the most beautiful streets in Europe. I think the open space between the Castle and Princes street has been preserved in that condition for centuries, and under no circumstances would Edinburgh think of selling that beautiful park, yet on the opposite side land is of the highest value because it is on the principal street of the city. So in this case I think it is wrong to create the impression that we are buying this property as an investment; it can be regarded as an investment only from a sentimental standpoint.

Mr. MACKENZIE KING: I do not wish to delay matters but I would say to my hon. friend that the authority I had in mind in using the term seemed to me to be fairly good. I have in my hand the report of the federal plan commission on a general plan for the cities of Ottawa and Hull, a commission appointed by the government of Sir Robert Borden. One of the phrases as I recollect, the commission somewhere uses with respect to the purchase of areas for parks and the like is that no better investment could be made. I cannot put my hand upon the passage, but the president of the commission was Sir Herbert Holt, and I think Sir Herbert knows a little about investments.

Mr. MANION: No one has more respect for Sir Robert Borden than I have, but I should not like to accept every word that has been said by every commission appointed by him or by any other prime minister. Even if Sir Herbert Holt made use of the term, with all deference to his financial ability I would say that it does not properly express the idea that he probably had in his mind. Anyway, I am quite sure that all the investments of Sir Herbert Holt bring a much better return in money than this investment will ever return to the Dominion.

Mr. STEVENS: I would point out to the Prime Minister that it is obvious, if you figure the outlay on an investment basis that the property will have to double in value about every twelve or fourteen years in order to keep pace with the annual interest on the capital expenditure. Therefore I think it is a mistake to suggest that this is in any way an investment that will bring in any monetary return. The only justification for the outlay is from the standpoint of beautifying Ottawa. I should like to take this opportunity to say that unless the city council can find some better way of dealing with the filthy condition of the streets every spring—

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: —for a period of two months, they will have very little right to ask for further grants from this parliament. I know of no city possessing such remarkable natural beauty where the streets are allowed to get into such a filthy condition in the springtime as are the streeets of this city. I have observed this every year for the last eighteen years, and to my mind, and I say it advisedly, no reasonable effort is made to clean the streets. Their condition is not only inconvenient, it is exceedingly unhealthy. Inquire among your friends, and you find many of them are suffering from serious colds. They call it an epidemic of grippe, but it is nothing more than the result of the offscourings of winter's accumulation of filth.

I concur in the remarks of my hon. friend from Oshawa (Mr. Kaiser) that it is about time the capital city of the Dominion endeavoured to find a fairly decent water supply. The water in the city is not fit to bathe in, to say nothing of its use for drinking purposes. I have been looking for an opportunity to say this and I have said it in two minutes. And I mean it all. I could speak for half an hour just as strongly on the subject if it would do any good.

Mr. HARRIS: I want to make one or two observations in view of what the Prime Minister has said regarding driveways in the larger centres of population. It is true that in the larger centres there is a tendency to build driveways, but as a rule they are found on water frontages, such as lakes, to which they may be adjacent. In the suburban areas where residences and educational institutions are situated it is customary to

construct boulevards from eighty-six to 100 feet in width. I am opposed to this particular scheme because you are coming into the heart of the city and putting in a wedge, dividing upper town from lower town. It seems to me that business men and visitors who come to the city, desiring to do business in either section, will find it quite inconvenient traversing this area from Elgin street down to Sussex street below the Chateau every time they want to carry on a transaction; it will cause delay, and it will constitute a handicap. If you must have a driveway why not confine yourself to the outskirts of the city, as is done in Toronto? In Kingston the situation is very much the same as it is here. Going along King street, Kingston, if a driver wants to go to Queen's university he has to traverse almost a mile from the centre of the city through a park before he can reach that educational institution. This may be a means of beautifying the city, but from the point of view of the visitor who has business to transact it will be a great handicap when he discovers that the city fathers have seen fit to open in the heart of the city a park area, shutting off one business section from another and one centre of educational institutions from some other. In my opinion we are making a mistake in dividing the city in this way, thus putting a wedge between two sections. It would be better business to build a boulevard of reasonable width up to Elgin street. Certainly I would not take this hotel away from the centre of the city. It would be more advisable in the interests of Ottawa to leave this commercial investment which the Prime Minister speaks about—and he did use the word "commercial"—

Mr. MACKENZIE KING: I did not use that word.

Mr. HARRIS: He said "commercial investment."

Mr. MACKENZIE KING: I venture to say that if my hon. friend looks through Hansard he will not find the word "commercial". I used the word "investment" and possibly it was open to the broader construction given it by some hon. members; but I did not use the word "commercial".

Mr. HARRIS: I accept the Prime Minister's correction and I hope Hansard will do the same. I repeat, it would be better in the interests of those who visit the city on business if we had another first-class hotel on the site of the Russell house.

Mr. KAISER: We have read in the press that $1,125,000 has been paid for some property. Can anyone on the government side tell us from whom it has been bought, and what steps were taken to see that this is a fair price?

Section agreed to.

On section 3—Acquisition of property.

Mr. MANION: In subsection 2 of section 13 it is provided:

> Any plan and description deposited under the provisions of the Expropriation Act may be signed by the chairman of the commission or by the secretary thereof.

Why not have it signed by the chairman or by one of the commissioners?

Mr. MACKENZIE KING: I have no objection to the change. I move that the subsection be amended by inserting the words "one of the commissioners" in place of "the secretary thereof".

Amendment agreed to.

Section as amended agreed to.

Mr. MACKENZIE KING: May I say that in answering a question I gave a figure which I understood was the amount paid for the property between Elgin street and the post office, and Wellington street and Sparks street. I am advised that this is the figure at which the property was valued by the Public Works department, but the actual figure has not yet been finally determined, because there are still proceedings before the court in the matter of the expropriation of the properties.

Mr. STEWART (Leeds): In connection with the whole of the property, or parcels of it?

Mr. MACKENZIE KING: I cannot say, but I am inclined to think it is the whole.

Mr. STEWART (Leeds): The right hon. gentleman cannot give any information as to what that area will cost?

Mr. MACKENZIE KING: I will give further particulars when the bill comes up again. I move that the committe rise, report progress and ask leave to sit again.

Progress reported.

RAILWAY ACT AMENDMENT

APPLICATION OF MONEYS FROM GRADES CROSSING FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I have a resolution which I should like to dispose of before eleven o'clock. I do not know whether my hon. friend (Mr. Bennett) objects.

Mr. BENNETT: I shall be glad to have it moved, so far as I am concerned.

Mr. DUNNING: I move that the house go into committee to consider the following proposed resolution:

Resolved, that the provisions of the Railway Act in regard to the railway grade crossing fund be amended to provide for the application of the moneys by the board towards the cost of actual construction work in respect of crossings at rail level in existence on the first day of April, 1909, and in respect of existing crossings constructed after that date where in any case an agreement, approved by the Board of Railway Commissioners, has been entered into between the railway company and a municipal or other corporation or person by which the municipal or other corporation or person agrees to bear a portion of the cost of the construction; and the total amount applied out of the fund in respect of any one crossing, where the cost of construction does not exceed $100,000 shall not exceed 40 per cent of such cost; and where the cost of construction exceeds $100,000 shall not exceed 40 per cent of such cost with a maximum of $100,000.

The grants or the unexpended portions thereof made under the statutes of 1909, c. 32, 1914, c. 50, 1919, c. 30 of $200,000 each year for twenty consecutive years from the first day of April, 1909, may be expended to aid construction work for the protection, safety and convenience of the public in respect of crossings in existence on the first day of April, 1909, and in respect of existing crossings constructed after that date where agreements have been entered into as aforesaid.

Mr. BENNETT: This is without prejudice to our right to discuss the matter.

Mr. DUNNING: It will be very much easier for hon. members to discuss the matter with the actual bill before them, and with the comparison between the amendments proposed and the existing sections, than it would be to discuss it on the resolution. Of course, this is understood to be entirely without prejudice to the right of any hon. member to discuss any phase of the subject.

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

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 220, to amend the Railway Act.

Motion agreed to and bill read the first time.

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

[Mr. Dunning.]

Wednesday, April 25, 1928

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CIVIL SERVICE EMPLOYEES

Mr. KELLNER:

1. What is the total number of employees in the inside civil service?
2. How many of these employees were born in Canada?
3. How many were born outside of Canada?

Mr. RINFRET:

1. The total number of employees at departmental headquarters on March 31, 1927, 10,317.
2. Information not available.
3. Information not available.

RADIO—WEATHER BROADCASTING

Mr. ERNST:

1. Is it the intention of the government to have station C.H.A.S. continue broadcasting for weather conditions?
2. Will the government extend this broadcasting to include not only weather, but also bait and ice conditions?

Mr. CARDIN: The Department of Marine and Fisheries intends to continue broadcasting weather conditions and it is the intention in the near future to broadcast also time signals, bait and ice conditions and other useful fisheries information.

SERGEANT KEMPTON

Mr. ARTHURS:

1. Between what dates was Sergeant Kempton employed at Yorkton, by the Department of National Revenue?
2. Did he hold an excise writ during that period?
3. What position does he now occupy?

Mr. EULER:

1. Sergeant Kempton was a non-commissioned officer of the Royal Canadian Mounted Police, authorized without pay to effect seizures under the excise law as from 4th June, 1921 to 15th June, 1927. This authority to act under the excise law was only incidental to his position as a federal police officer.
2. Yes.
3. Divisional chief, customs-excise preventive service—western district (Manitoba, Saskatchewan and Alberta).

MARITIME COMMISSIONS

Mr. STEVENS:

1. When did the Duncan commission investigating maritime rights commence its work?

2. How many commissioners and assistants were engaged on the Duncan commission?

3. When did the Duncan commission hand in its report?

4. When did the Maclean commission investigating the fisheries of the maritime provinces commence its work?

5. How many were employed, both as commissioners and assistants on the Maclean commission?

6. What is the cost to be of the Maclean commission?

Mr. RINFRET:

1. July 5, 1926.

2. Three comissioners, a secretary, and an assistant; also stenographic staff.

3. September 23, 1926.

4. 13 October, 1927.

5. Five commissioners, one chief counsel, one assistant counsel and one secretary.

6. Not known, as commission has not yet finished its work.

LIQUOR STATISTICS

Mr. CANTLEY:

1. What was the quantity of wines and spirits imported and which went into consumption during the years ended March 31, 1912-1913-1923-1924-1925-1926, and 1927?

2. What was the duty collected on such wines and spirits during above years?

3. What was the per capita consumption of liquors in each of the several provinces of Canada during the years 1912-1913-1923-1924-1925-1926, and 1927?

4. What was the amount of excise paid on wines and spirits during the fiscal years 1912-1913-1923-1924-1925-1926, and 1927?

Mr. RINFRET: See attached sheets:

1. Imports for Consumption, into Canada, of Alcoholic Beverages

Fiscal Years ended March 31	Alcoholic Beverages Brewed	Alcoholic Beverages, Distilled	Wines, Non-Sparkling	Wines, Sparkling, in bottles, containing— Not more than 1 quart but more than 1 pint, each	Not more than 1 pint but more than ½ pint, each	½ pint each or less	Over 1 quart each
	Gallons	Gallons	Gallons	Dozens	Dozens	Dozens	Dozens
1912	1,459,747	3,059,262	771,704	15,709	51,659	2,592	126
1913	2,033,692	3,575,231	942,521	18,641	57,984	3,080	372
1923	54,241	1,210,413	278,471	14,874	12,407	.....	280
1924	96,647	1,291,847	515,847	12,658	8,908	534	136
1925	91,928	1,194,500	604,655	15,839	13,557	730	332
1926	152,255	1,449,361	560,945	32,431	25,526	956	358
1927	153,105	1,633,254	684,132	40,985	30,849	1,498	1,595

2. Customs Duties Collected on Imports Under Above Headings

	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
1912	332,382 00	7,283,909 60	325,751 84	54,784 50	88,035 75	2,152 74	210 00
1913	468,771 60	8,498,867 30	425,096 14	65,550 30	99,384 90	2,591 90	572 40
1923	22,819 88	11,739,540 80	309,116 84	151,394 40	64,062 15	.....	1,260 00
1924	40,571 18	12,288,812 90	579,784 77	118,436 97	42,692 53	1,117 08	562 50
1925	38,668 80	11,237,093 20	587,722 23	142,065 69	60,775 80	1,524 24	1,385 70
1926	63,962 64	13,679,152 60	466,624 37	282,901 71	110,307 60	1,996 13	1,449 90
1927	64,304 10	15,365,434 60	495,356 30	354,283 41	133,637 73	3,127 85	6,464 25

3. Information not available.

4. Excise revenues collected on spirits and wines during the fiscal years specified.

Fiscal year ended	Excise duty on spirits	Excise tax on wines
March, 1912	$ 8,667,665 82	—
March, 1913	9,474,142 12	—
March, 1923	7,985,808 57	$159,370 05
March, 1924	9,367,680 13	151,580 05
March, 1925	9,389,535 98	66,839 54
March, 1926	10,928,078 03	95,458 51
March, 1927	13,899,584 19	118,080 13

TABLE OF PRECEDENCE

Mr. CHURCH:

1. Has Canada at present a table of precedence? If so, what is it?

2. Has the table at page 661, 1928 Parliamentary Guide, not been abolished in view of Canada's new status, and will a new table be issued?

3. Why is the United Church of Canada excluded from existing table, also the Jewish church, under clause 13, page 662, Parliamentary Guide, 1928?

4. Are not such tables contrary to resolution of the House of Commons, 1919, abolishing titles in Canada, and in view of the fact that the existing table was adopted in a despatch from Downing street, dated December 29, 1893, are members of the House of Commons and Senate placed at the foot of the list because of the principle in such table that the church takes precedence ahead of the state?

5. Who is the corresponding head of the Baptist church in item 13 of table? Is it Reverend Dr. Shields or the modernist Reverend Dr. Marshall?

6. Will a new table be brought down this session, and by whom?

Mr. RINFRET:

1. Since confederation Canada has had a table of precedence, which when last formally revised was as follows:

(December 3, 1923)

1. The Governor General or officer administering the government.
2. The Lieutenant-Governor of Ontario.
3. The Lieutenant-Governor of Quebec.
4. The Lieutenant-Governor of Nova Scotia.
5. The Lieutenant-Governor of New Brunswick.
6. The Lieutenant-Governor of Manitoba.
7. The Lieutenant-Governor of British Columbia.
8. The Lieutenant-Governor of Prince Edward Island.
9. The Lieutenant-Governor of Saskatchewan.
10. The Lieutenant-Governor of Alberta.
11. The Prime Minister of Canada.
12. Archbishops and bishops according to seniority.
13. The moderator of the Presbyterian Church in Canada, the general superintendent of the Methodist Church in Canada, and the corresponding head of the Baptist Church in Canada.
14. Members of the cabinet according to seniority.
15. The Chief Justice of Canada.
16. Members of the privy council not of the cabinet according to seniority.
17. The Speaker of the Senate.
18. The Speaker of the House of Commons.
19. The Prime Ministers of the provinces of Canada.
20. The chief judges of the courts of law and equity according to seniority and the judge appointed to perform the duties of chief justice at Quebec and Montreal.
21. The puisne judges of the Supreme Court of Canada according to seniority.
22. Judges of the Exchequer Court of Canada.
23. The Solicitor General of Canada.
24. Members of the Senate.
25. Puisne judges of the courts of law and equity according to seniority.
26. Members of the House of Commons.
27. The chief of staff, National Defence, the director of naval services and the director of the air force provided they are of the rank of major-general or its equivalent or higher rank.
28. Members of the executive council, provincial, within their province.
29. The Speaker of the legislative council within his province.
30. Members of the legislative council within their province.
31. The Speaker of the legislative assembly within his province.
32. Members of the legislative assembly within their province.

Note.—Judges at present on the retired list and judges at present holding office but who shall retire after the date of the new table shall not be affected as to precedence given to them by the old table.

Retired judges were given precedence next after the present judges of their respective courts by the old table.

2. No.

3. Since the United Church of Canada has come into existence recognition has in practice been given to its head. There has been no change in practice affecting representation of any other denominations or faiths.

4. The answer to both questions is: No.

5. There is no corresponding head of the Baptist Church in Canada. The Baptist church is divided into three separate groups—the Maritime convention, the Ontario and Quebec convention, and the Baptist Union of Western Canada. These bodies function independently of each other, and consequently there is no general head.

6. No.

CUSTOMS PREVENTIVE OFFICERS

Mr. MACDONALD (Richmond-West Cape Breton):

1. When was James Crowdis of Louisburg, Cape Breton, appointed special preventive officer?
2. What is the amount of his annual salary?
3. What are his duties?
4. Is he assigned to any special territory? If so, what territory?
5. How many seizures has he made, and what was the quantity and value of liquor seized in each instance?
6. What is the total amount of fines collected through his seizures?
7. Is he regarded by the department as an active, zealous, and energetic officer?

Mr. EULER:

1. June 1, 1927.

2. $100 per month.

3. To enforce the customs and excise laws.

4. Appointed for the province of Nova Scotia, headquarters Louisburg, N.S. His duties require him to patrol around Louisburg and immediate vicinity, and on special occasions he is required to patrol other districts under the direction of his superior officer.

5 and 6. Three customs seizures,

(1) One 5-gallon keg of rum; duty paid value $55—liquor forfeited—destroyed.

(2) Twelve 10-gallon kegs of rum; duty paid value $1,330—liquor forfeited—held.

(3) One automobile—automobile sold for $65.

7. Yes.

Mr. MACDONALD (Richmond-West Cape Breton):

1. How many preventive officers are there employed in the constituency of Cape Breton West and Richmond?
2. What is the name and address of each officer?
3. To what territory is each officer assigned?
4. What are the duties of each of these officers?
5. What salary was paid, and what expenses were incurrred by each officer during 1927?
6. On whose recommendation was each of these officers appointed?
7. What qualifications were required for these positions?
8. What seizures have been made by each of these officers?
9. On whose suggestion or recommendation was each of these seizures made?
10. What was quantity, value, and character of goods included in each seizure?
11. What disposition, in each instance, was made of the seized goods?
12. Have any investigations been conducted by the Department of National Revenue, or any officer thereof, pursuant to complaints against officials in Cape Breton West and Richmond?

Mr. EULER:

1. Four.

2. J. H. Crowdis, Louisburg, N.S.; J. E. Spray, Gabarouse, N.S.; M. F. Egan, L'Ardoise, N.S.; J. E. Nickerson, St. Peters, N.S.

3. All officers are appointed for the province of Nova Scotia. Their duties require them to patrol in the immediate vicinity where they are stationed, except on special instructions from their superior officers, which may require them at times to patrol in other districts.

4. To enforce the customs and excise laws, particularly in the prevention of smuggling and the apprehension of persons engaged in the illicit manufacture of spirits.

2.	Salary	Expenses
J. H. Crowdis..	$700	$184 10
J. E. Spray..	700	12 00
M. F. Egan..	700	35 15
J. E. Nickerson..	700	Nil

6. Chief, Customs-Excise preventive service.

7. Between the ages of 21 and 45, height not less than 5 feet 9 inches, a fair education, physically fit and a clean previous record.

8. J. H. Crowdis, 3 customs seizures; J. E. Spray, 1 excise seizure; M. F. Egan, Nil; J. E. Nickerson, 2 customs seizures.

9. No information. (Officers not obliged to furnish name of informant.)

10.

1. Five-gallon keg of rum, duty paid value $55.

2. 12 ten-gallon kegs of rum, duty paid value $1,330.

3. One automobile, duty paid value $360.

4. 235 bottles of liquor, duty paid value $504.

5. One automobile, duty paid value $100.

6. One bottle of liquor, duty paid value $3.

11.

1. Five-gallon keg of rum destroyed.

2. 12 ten-gallon kegs of rum are still on hand pending prosecution.

3. The automobile has been sold.

4. 235 bottles of liquor have been destroyed.

5. The automobile is still on hand.

6. The bottle of liquor has been destroyed.

12. Yes. Complaint was made against special officer Nickerson, of St. Peters, which complaint was fully investigated by the district chief in charge of Cape Breton, who reported that the complaint was not founded on facts.

GREAT LAKES OPENING OF NAVIGATION

Mr. COWAN:

1. What provision has been made for the early opening of navigation at Port Arthur and Fort William?
2. Has any contract been made for ice breaking at the above mentioned ports?
3. If so, when was it made, and by what department of the government?
4. What is the duration and terms of the contract?
5. Were tenders asked for before making the contract, and what other persons or corporations put in a tender?

Mr. CARDIN:

1. Provision has been made for opening up from open water in lake Superior, and keeping open until all obstruction from ice is over, suitable free passage for all vessels to the docks, wharves and elevators within the limits of the harbours of Port Arthur and Fort William in time to admit the general upward bound lake traffic after Sault Ste. Marie canal is opened.

2. Yes.

3. 1st October, 1923, by the Department of Marine and Fisheries.

4. Five years from 2nd July, 1923; $30,000 per annum.

5. Yes; Great Lakes Transportation Company, Ltd.

CAP ST. IGNACE POSTMASTER

Mr. CAHAN:

1. Who is the postmaster at Cap St. Ignace?
2. When, and on whose recommendation was he appointed?
3. Is he a returned soldier?
4. How long did he serve overseas?
5. What are his educational qualifications?

Mr. RINFRET:

1. Joseph Mathieu.
2. 15th August 1927—by Civil Service Commission. September 19, 1927, as a result of local competition.
3. Yes.
4. Eleven months.
5. Primary school education.

Mr. CAHAN:

1. Did Joseph Henri Bernier apply for position of postmaster at Cap St. Ignace?
2. If so, when?
3. Is he a returned soldier?
4. When did he enlist, and how long did he serve overseas?
5. What are his educational qualifications?
6. Why did he not receive the appointment?

Mr. RINFRET:

1. Yes.
2. Between February 27 and March 14, 1927.
3. Yes.
4. (a) June 1, 1918; (b) 12 months.
5. Commercial course at Ste. Anne de la Pocatiere.
6. A choice had to be made among three returned soldiers, Mr. Mathieu was selected for appointment.

NATIONAL BATTLEFIELDS COMMISSION

Mr. SHORT:

1. Do the activities of the National Battlefields Commission extend to the maritime provinces?
2. If not, what body has charge of marking historic sites and erecting monuments in the maritime provinces?
3. Have monuments been erected at Louisburg, Fort Cumberland, Fort Lawrence, and Fort Moncton?
4. Of what material are these monuments constructed and what is the cost in each case?
5. At what other places in the maritime provinces have monuments been erected and cost in each case?
6. Has any educational or historical organization or authority in the maritime provinces supported or approved of the character of such monuments?

Mr. STEWART:

1. No.
2. The Department of the Interior, on the recommendation of the Historic Sites and Monuments Board of Canada. Sites of national importance only are dealt with.
3. Yes.
4. Fort Louisburg, N.S.: Two (2) cairns, built of field stones, each bearing a standard bronze tablet. Two (2) additional tablets are affixed to the lighthouse across the harbour. Total cost, $1,383.79.

Fort Cumberland, near Sackville, N.B.: A field stone cairn, bearing two (2) bronze tablets (French and English). Total cost, $723.15.

[Mr. Cahan.]

Fort Lawrence, near Amherst, N.S.: A field stone cairn bearing a bronze tablet. Total cost, $427,95.

Fort Moncton, near Port Elgin, N.B.: A field stone cairn bearing a bronze tablet. Total cost, $322.40.

5. Site—Monument—Cost.

U.E.L. Landing, Shelbourne, N.S., boulder, tablet, $289.05.

U.E.L. Landing, St. John, N.B., boulder, tablet, $453.63.

Fort Charnisay, St. John, N.B., boulder, tablet, $394.20.

Champlain's Habitation, Lower Granville,, N.S., cairn, tablet, $363.21.

First Printing Press, Halifax, N.S., tablet, $186.88.

First Royal Dockyard, Halifax, N.S., tablet, $178.45.

Fort Latour, St. John, N.B., tablet, plate $212.20.

Fort Meductic, near Woodstock, N.B., Cairn, tablet, $437.85.

Battle of the Restigouche, Campbellton, N.B., cairn, tablet, $447.64.

Fort Edward, Windsor, N.S., cairn, tablet, $348.15.

Charlottetown, P.E.I., tablet, $205.75.

Fort Nashwaak, Devon, N.B., cairn, tablet, $412.

Nicolas Denys, Bathurst, N.B., cairn, tablet, $416.99.

Yorkshire Settlement, placed in Fort Beauséjour Park, N.B. (Fort Cumberland.) cut stone memorial, tablet, $443.28.

Tonge's Island, erected in Fort Beauséjour Park, N.B. (Fort Cumberland.) cut stone memorial, tablet, $468.59.

Sir Howard Douglas, Fredericton, N.B., tablet, $202.80.

Joseph Wallet des Barres, Sydney, N.S., tablet, $192.12.

Battle of the Shannon and Chesapeake, Halifax, N.S., cut stone memorial, tablet, $727.59.

6. The character of the monuments has the approval of the Historic Sites and Monuments Board of Canada which includes in its membership two representatives from the maritime provinces.

SUPERANNUATION FUND NO. 5

Mr. CHEVRIER:

1. Is an actuarial examination being made of superannuation fund No. 5?
2. If not, when is it proposed to have such examination commenced?
3. What is the estimated period of time that would be required by actuaries to examine and report on fund No. 5?
4. Is the government prepared to furnish data to enable an independent examination of this fund to be made by actuaries engaged by organizations of contributors?

5. Is the government aware that many civil servants have been unable to take full advantage of the provisions of the Superannuation Act of 1924, owing to the imposition of the 4 per cent interest on payments covering non-contributory periods?

6. In the event of amendments to the act being made, will civil servants be given an opportunity of electing to take all the benefits allowable under the act?

Mr. ROBB:

1. No.
2. As soon as data is available.
3. No information.
4. No such request has been received or considered.
5. No record of the number affected.
6. This is a matter for consideration having regard to whatever amendments should be proposed.

LIQUOR SEIZURE

Mr. GARLAND (Carleton):

1. Was a cargo of liquor, purporting to be owned by one Clovis Bujold, seized by the ss. Margaret in the year 1927?
2. If so (a) at what place, (b) where was the liquor stored?
3. Has the liquor been released?
4. If so, why?

Mr. EULER:

1. Yes.
2. (a) Eight miles off St. Anne des Monts on the Gaspe coast. (b) At Dalhousie, N.B.
3. No.
4. Answered by No. 3.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PREVENTIVE SERVICE APPOINTMENTS

Mr. GARLAND (Bow River):

1. How many appointments were made by the Minister of National Revenue (formerly Minister of Customs) to the preventive service, from April 1, 1925, to November 1, 1926, under authority of the exemption from the provisions of the Civil Service Act, as provided in the estimates for the fiscal years 1925-26, 1926-27?
2. What are the names of those who were subsequently dismissed and what was the reason for dismissal in each case?
3. How many of those appointed during the said period are still in the employ of the Department of National Revenue?

IMPORTS FROM GREAT BRITAIN

Mr. CAHAN:

1. During the fiscal year ending March 31st, 1927, what percentage of Canada's imports from Great Britain entered Canada under preferential tariff rates?
2. What was the difference between the amount of customs duties actually paid on such imports under preferential rates and the amount which would have been paid on the same goods if they had entered Canada under the general tariff then in force upon similar imports from the United States of America?

UNOPPOSED MOTIONS FOR PAPERS

STEAMSHIP FRANK H.

Mr. STEVENS:

For a return of the complete file as prepared by officers of the Customs department for submission to the royal commission investigating the Customs department under the chairmanship of Judge Brown, and which file has reference to the ss. Frank H., which landed a cargo of smuggled goods at or near Grimsby, Ont.

PORT OF VANCOUVER—LAPOINTE PIER

Mr. STEVENS:

For a return of a copy of all correspondence, contracts, engineers' reports, other reports and all other documents relating to the construction of the Lapointe pier in the harbour of Vancouver, together with a copy of the decision of the exchequer court in regard to the expropriation of the land upon which the said pier is located. Also a copy of the decision of the court of appeal in regard to the appeal of the original owners from the decision of the exchequer court; and a copy of all correspondence relating thereto, together with a copy of all the evidence submitted to the exchequer court in the said expropriation proceedings and the argument of counsel, and a copy of all the proceedings, argument of counsel or additional evidence submitted to the court of appeal in connection with the said appeal thereto.

PORT OF VANCOUVER—BALLANTYNE PIER

Mr. STEVENS:

For a return of copy of all correspondence relating to the construction and operation of the Ballantyne pier, Vancouver, together with a copy of all advertising for tenders, tenders and contracts awarded for the construction of the said pier, together with a copy of all contracts, correspondence and documents relating to the construction of No. 2 elevator. And a statement showing the cost of operation of the said elevator, its earnings, and the amount of grain passing through the said elevator year by year from time of construction to date.

PORT OF VANCOUVER—ADMINISTRATION

Mr. STEVENS:

For a return of all reports relating to the port of Vancouver and the administration of the port by the board of harbour commissioners of the port of Vancouver made to the Minister of Marine by Mr. A. R. Tibbits during the years 1913 to April 20, 1928, inclusive.

PORT OF VANCOUVER—ENGINEERING

Mr. STEVENS:

For a return of copy of all reports, engineering data, plans, specifications and recommendations made by Mr. A. D. Swan, engineer, in regard to the port of Vancouver between the years 1911 and 1928, inclusive.

PORT OF VANCOUVER—ELEVATOR NO. 1

Mr. STEVENS:

For a return of copy of all correspondence relating to the construction of No. 1 elevator

at the foot of Salisbury drive, Vancouver, B.C., together with a copy of all evidence taken by the board of grain commissioners at the Pacific coast or at Winnipeg or Fort William or elsewhere regarding the advisability or otherwise of the construction of the said elevator. Also a copy of calls for tenders, tenders and contracts awarded in connection with the construction of the said No. 1 elevator, together with all correspondence relating thereto. And a copy of the revenue and expenses of the operation of the said elevator in yearly statements, showing the amount of grain passing through each year, together with all correspondence in connection with the retirement of Colin MacLean, superintendent of the said elevator in the year 1924.

PORT OF VANCOUVER—CORRESPONDENCE

Mr. STEVENS:

For a return of all correspondence, letters, telegrams and annual reports passing between the board of harbour commissioners, Vancouver, or any member thereof, and the Minister of Marine and/or the Deputy Minister of Marine or any official of the Department of Marine and Fisheries during the years 1911 to 1928, inclusive.

PORT OF VANCOUVER—INSURANCE ON PROPERTY

Mr. STEVENS:

For a return of all insurance placed upon property of the Vancouver harbour commission from the year 1913 to the 20th April, 1928, with a statement showing the agent through whom such insurance was placed and the distribution by such agent to sub-agents and insurance companies, and the amount of premium paid on each policy, and the amount of commission accruing to the said agent in relation to the placing of the said insurance.

PORT OF VANCOUVER—ELEVATOR NO. 3

Mr. STEVENS:

For a return of all correspondence relating to the acquiring, leasing, purchasing, construction and operation of No. 3 elevator formerly known as Woodwards elevator, together with a copy of all calls for tenders, tenders, contracts, engineers' plans, specifications and other data relating thereto, and copies of resolutions of public bodies submitted to the Marine department in connection with the original acquiring of the said elevator. Also a copy of all correspondence relating to the claim of K. A. Blatchford, of Edmonton, and associates in connection with No. 3 elevator or shipping barge associated therewith. And a statement showing the amount paid in settlement of the said claim, and a copy of the legal advice secured by the government as to the merits of the said claim and all other documents relating thereto.

PORT OF VANCOUVER—TERMINAL RAILWAY

Mr. STEVENS:

For a return of all correspondence relating to the purchase of lands for right-of-way of the terminal railway in the port of Vancouver, together with a copy of all documents, title papers, leases or claims for damage relating thereto, with a statement showing in the case of each parcel of property acquired the method by which it was acquired, the amount paid in cash or in bonds, and to whom paid. Also a statement of all commissions paid to agents in acquiring said property.

PORT OF VANCOUVER—PURCHASE OF PROPERTY

Mr. STEVENS:

For a return of all correspondence relating to the purchase by the board of harbour commissioners of Vancouver of all property for the use of the harbour commissioners other than terminal railway property between the years 1913 and to date, together with a copy of all leases, agreements to purchase, deeds or other documents relating thereto.

PORT OF VANCOUVER—HARBOUR FACILITIES

Mr. STEVENS:

For a return of all correspondence, reports, plans, specifications and other documents presented to the Minister of Marine during the last six months by the board of harbour commissioners, and having relation to the extension and facilities at the port of Vancouver.

PORT OF VANCOUVER—BALLANTYNE PIER

Mr. STEVENS:

For a return of correspondence relating to the purchase of all equipment of whatsoever kind installed on Ballantyne pier, together with a copy of all calls for tenders, tenders, contracts and engineers' reports, plans and specifications relating thereto.

AERIAL MAIL SERVICE

Mr. GARLAND (Bow River):

For a copy of all correspondence, letters, telegrams, tenders, and all other documents regarding the selection and appointment of a commercial aviation company to transport mails, etc., between Montreal and Ottawa.

CIVIL SERVICE SUPERANNUATION

Mr. SPENCER:

For a return showing the amount of arrears for temporary service paid into superannuation fund No. 5 by the several departments of the government, or branches of the public service functioning under the authority of the parliament of Canada, for the fiscal years 1925-26, 1926-27, and 1927-28.

RADIO—CKCX STATION AT TORONTO

Mr. T L. CHURCH (Toronto Northwest) moved:

For a copy of all correspondence, letters, telegrams, and all other documents for and against a license to CKCX radio station at Toronto.

He said: I do not want to put the government to a great deal of trouble. I do not desire all the correspondence; all I wish is the material on which the order for the refusal of the license was acted upon. An order similar to that passed on the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth) will do.

Motion agreed to.

CUSTOMS ADVISORY COMMITTEE

Hon. H. H. STEVENS (Vancouver Centre) moved:

For a copy of the report of the advisory committee appointed by the Minister of Customs in 1926, which committee acted in conjunction with Clarkson, Gordon and Dilworth, and which report was signed by the various members of the said advisory committee.

Hon. W. D. EULER (Minister of National Revenue): I will merely say that there is no such report signed by the various members of the committee but there is a report signed by the chairman. If that is what the hon. member desires, I shall be glad to have it brought down.

Motion agreed to.

DUMPING ACT

Mr. T. L. CHURCH (Toronto Northwest) moved:

For a copy of an order in council and all letters and correspondence and other documents on which the same was based, relating to the cancellation of that portion of the Dumping Act applicable to the fruit and vegetable industries, and copy of all protests, if any, received against such action.

Hon. W. D. EULER (Minister of National Revenue): This motion asks for the production of an order in council cancelling a portion of the Dumping Act. No such order in council was passed and no portion of the Dumping Act has been cancelled. I think I know what the hon. member wishes to obtain, but the motion should be worded in a different manner.

Mr. DEPUTY SPEAKER: It is understood that the correction will be made.

Motion agreed to.

PORT OF VANCOUVER—SPILLERS ELEVATOR JETTY

Hon. H. H. STEVENS (Vancouver Centre) moved:

For a return of all correspondence of whatsoever kind passing between Mr. R. H. Gale of Vancouver and the Hon. Dr. King and/or the Minister of Marine or any officer of his department and relating to the purchase or leasing or dealing with the jetty connected with the Spillers elevator and immediately east of the Lapointe pier, together with all agreements, contracts, leases, resolutions of the harbour commission, recommendations or objections from public bodies in Vancouver or private citizens in relation thereto. And also a statement showing in detail the cost of the construction of the said jetty and the quantity of grain passing over the said jetty since its construction to date, and the revenue therefrom year by year. And a statement showing the cost of operation, the carrying charges, interest, sinking fund, insurance and all other charges.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I rise to draw attention to the nature of the request. The motion reads:

For a return of all correspondence of whatsoever kind passing between Mr. R. H. Gale of Vancouver and the Hon. Dr. King.

I do not think the government can undertake to bring down correspondence of whatsoever kind between a private citizen and a minister of the crown in regard to their affairs.

Mr. STEVENS: The motion does not say so. It continues:

And relating to—

Mr. MACKENZIE KING: It does.

Mr. STEVENS: Pardon me. I do not wish to appear rude to my right hon. friend but the resolution is clear. It reads:

All correspondence of whatsoever kind passing between Mr. R. H. Gale of Vancouver and the Hon. Dr. King and/or the Minister of Marine or any officer of his department and relating to the purchase or leasing—

And so on.

Mr. MACKENZIE KING: My hon. friend ought at least to specify the subject, but I would say that he should in the case of a minister specify the minister by the office which he holds, as the hon. member has done in the case of the Minister of Marine and Fisheries. I do not think it is proper, in asking for returns from parliament, to ask them in the name of individuals.

Mr. STEVENS: If I might explain, the only difficulty in that regard is this, that the department of my hon. friend the minister is the Department of Health and it is not the Department of Health that is affected but the minister representing British Columbia, who happens to be in the cabinet, that is affected, and I could not think of any other way to make it clear and limit the matter to the object of the resolution than by inserting the name. I did not do this with any idea of discourtesy. At that time I think my hon. friend was Minister of Public Works That caused the difficulty.

Mr. MACKENZIE KING: The government of course should undertake to bring down any correspondence that is public and I would not for a moment in that regard try to quibble on the question of the form. If that is what my hon. friend wants he can have it, but when a motion refers to correspondence of whatever kind passing between individuals, the line will have to be drawn somewhere.

Motion agreed to.

TITLES OF HONOUR

Mr. C. H. CAHAN (St. Lawrence-St. George) moved:

1. For a copy of the address to His Majesty the King, which was adopted by this house, in or about the month of May, 1919, dealing with the conferring of titles of honour or titular distinctions, decorations or orders, upon His Majesty's subjects domiciled or ordinarily resident in Canada, in the form in which said address was transmitted to His Majesty;

2. For copies of all correspondence between the government of Canada and His Majesty's government at Westminster, or any member thereof, relating to the said address;

3. For a copy of the King's regulations prescribed by or in the name of His Majesty, dealing with or referring to the acceptance by His Majesty's subjects of titles of honour, titular distinctions, decorations or orders, which may be conferred or proposed to be conferred by any foreign government, governmental authority, state, power or potentate;

4. For a list of persons domiciled or ordinarily resident in Canada, who, since May 1, 1919, have been the recipients of any foreign title, titular distinction, decoration or order from any foreign government, govermental authority, state, power or potentate; stating the nature of the title, distinction, decoration, or order so conferred in each case; also stating whether approval of the acceptance of such title, distinction, decoration or order by such recipient was signified by or in the name of His Majesty; and also stating whether and in what cases such approval as aforesaid was refused by or in the name of His Majesty to any such recipient; and also stating specifically the names of those domiciled or ordinarily resident in Canada who, since May, 1919, have accepted any such foreign title, distinction, decoration or order, without approval thereof signified by or in the name of His Majesty.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in so far as it is possible to supply my hon. friend with the information for which he has moved, the government will be glad to do so. But I would draw attention to the fact that some persons may have been the recipients of titular distinctions, honours, decorations or orders conferred by foreign governments or authorities or powers without any communication of that knowledge to the government, and it might unfortunately be the case that their names might be omitted from the return. We shall gather together for my hon. friend the names of as many as we are able to obtain, but lest some of those who have received honours should be sensitive in the matter it must be understood that any omission from the return will in no way be intentional on the part of the government.

Motion agreed to.

OLD AGE PENSIONS—YUKON

Mr. GEORGE BLACK (Yukon) moved:

For a copy of the agreement between the Dominion government and the gold commissioner of Yukon territory on behalf of said territory covering old age pensions.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, there is no objection to the resolution carrying, but I might say that the agreement has not as yet been completed. The new commissioner has taken the agreement back to the Yukon for the carrying out of certain procedure incidental thereto. He had not the seal of the Yukon with him, and several things have to be done.

Mr. BLACK (Yukon): If the minister will produce the agreement without the seal, we will not quibble about that.

Mr. HEENAN: That is all right.

Motion agreed to.

DUMPING DUTY ON FRUITS AND VEGETABLES

On the orders of the day:

Mr. E. J. GOTT (South Essex): Following the interjection of the Minister of National Revenue (Mr. Euler) in regard to the notice of motion for the production of papers relative to the dumping duty on fruit and vegetables, I would ask him a very definite question. Has the authority given to the Minister of National Revenue to determine the value of fruits and vegetables for the purpose of applying the special or dumping duty been cancelled? By this I do not mean has order in council 1088 been rescinded, but has section 47A of the Customs Act been so amended as to take away this authority from the minister?

Hon. W. D. EULER (Minister of National Revenue): There has been no amendment to the act whatever. The order in council authorizing the minister to fix values has been cancelled.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): I would ask the Prime Minister if he has fixed upon a day for private members' legislation.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I intimated last night, but no doubt my hon. friend did not hear me, that the government did intend later on in the session to give additional time for the consideration of private bills.

ALBERTA RAILWAYS

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I desire to ask the Minister of Railways (Mr.

Dunning) whether he has any knowledge of an offer now being made by the Canadian National Railways for the purchase of railways in the province of Alberta.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I know of no recent new developments in that connection. My hon. friend is, of course, aware that negotiations have been going on for some considerable time, but I have no knowledge of any new developments.

OLYMPIC GAMES

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): In reference to the grant made by the government to the Olympic games committee, I would ask if there is any control by the government over the expenditure of that money. In this connection I might say that last fall the finals for the amateur lacrosse championship of Canada were played at New Westminster between the Westons of Toronto and the New Westminster team, and the championship was won by New Westminster. Previous to those games, it was announced by the committee that the winners would be sent to the Olympic games, but now they say, "That is all right; you can go to the Olympic games, but you must pay your own expenses." That does not seem to be fair, and I suggest that if the government is contributing to the expenses, they should see that Canada's national game of lacrosse is properly represented at the Olympic games.

Hon. J. A. ROBB (Minister of Finance): I am not sure whether the question of my hon. friend was intended to advertise the excellent lacrosse team of New Westminster, or to seek information. I shall note his question, however, and give him a reply later.

Mr. T. L. CHURCH (Toronto Northwest): I would like to ask the Minister of Finance if these various Olympic grants have been an accountable or non-accountable expenditure during the past twelve years, and to whom the money was paid, and whether the accounts will come before the public accounts committee. It seems to me there are too many officials going over there. They are nearly all non-contestants.

PRIVILEGE—MR. NEILL

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I desire to rise to what I think is a question of privilege, and to correct a slight error. At page 2455 of yesterday's Hansard I find it recorded that the right hon. the Prime Minister, speaking in answer to an hon. gentleman opposite, said:

> May I remind him that the rules of the house to which he refers are the result of a conference which took place between all parties in this house, including the party of which he himself is a member, and the report which was brought into this house with regard to the new rules was passed unanimously, my hon. friend himself being one of those who concurred in it. So that as far as the rules under which we are working at the moment are concerned, every hon. member of this house was a consenting party to them. The rules were adopted unanimously.

I do not wish it to be recorded that, even inferentially, I was an assenting party to the perpetration on this house of that weird conglomeration of inconsistencies that we now call our rules, and I would refer for corroboration to page 1437 of Hansard of last year. There, at the conclusion of a long debate covering thirty-three pages, during which there were two or three divisions, I read the following:

> Hon. Ernest Lapointe (Minister of Justice) moved:
>
> "That the report of the committee of the whole on the rules of the house be now adopted".
>
> Sir George Perley: I second the motion, Mr. Speaker.
>
> Mr. Speaker: Is it the pleasure of the house to adopt the motion?
>
> Some hon. members: Carried.
>
> Mr. Neill: On division.
>
> Mr. Speaker: Carried, on division.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is quite evident that I was in error in making the statement I did, but I thought at the time I was stating the situation accurately, and that there had been no division. If I made a slip on that occasion, I hope my hon. friend will forgive me.

Mr. NEILL: I thank the Prime Minister for reinstating my self-respect.

QUEBEC HARBOUR COMMISSION

LOAN OF $8,500,000 TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of Bill No. 214, to provide for a loan to the Quebec harbour commissioners.

Hon. R. B. BENNETT (Leader of the Opposition): I assume that we shall not discuss the bill on the second reading? There are some amendments we desire to offer, and I assume that that may be done in committee?

Mr. CARDIN: Yes.

Mr. GARLAND (Bow River): I have not heard a single word which the leader of the

opposition has said. I do not like to ask him to repeat his remarks, but possibly, if they were of sufficient importance, he will have the courtesy to do so. May I ask you to see, Mr. Speaker, that order is preserved in the house?

Mr. SPEAKER: Order.

Mr. BENNETT: I was suggesting to the Minister of Marine and Fisheries (Mr. Cardin) that there were some amendments we desired to offer to this legislation, and that by going into committee at once, without discussing them at the moment, we would preserve our rights, and he said that was satisfactory.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—$8,500,000 may be loaned to harbour commissioners for terminal facilities.

Mr. BENNETT: With respect to this bill and two similar bills that deal with the appropriation of public moneys to be expended through a harbour commission, I think it is quite apparent now from what we have heard during the last few days that the case made by the Minister of Justice with respect to Quebec harbour has been entirely unanswered. It is quite clear that if we are to treat that port as a national port, and it is the only deep-water national harbour that we have in Canada, this money should be directly voted to Quebec harbour, and be spent under the control and supervision of the government of Canada, and not otherwise. The Minister of Finance instructed the audit board to make a report with respect to the harbour commission at Quebec. That report was made and is now upon the pages of Hansard. Rightly or wrongly, the audit board was of the opinion that the harbour could not hope to earn interest upon this large expenditure, which is to be utilized in the manner indicated by the minister. That is now a matter of record.

Under those circumstances should this country play at financing and take securities that are promises by itself to pay to itself?—for that is all it means. The harbour commission securities are promises to pay by a body created by parliament, and those moneys are to be paid to the people of Canada; but the people of Canada are to find the money and the audit board has reported that the interest will not be earned. So what we are doing is taking promises to pay to ourselves that which we ourselves must pay. Therefore once more I appeal to the minister to make this a direct appropriation to the harbour of Quebec. The harbour of Quebec has established its right to the money. The auditor's report establishes the fact that the harbour commission has been expensively administering the affairs of the port, and that it cannot pay the interest. How then can we with any sense of financial consistency pass an act to authorize a body to borrow money which we know it can pay only by money it gets from ourselves? I submit that the case made out by the Minister of Justice last week abundantly and clearly establishes that this harbour is entitled as of right to the expenditure of these moneys for the purpose of equipping it as the deep water port of this country over a period of seven months each year and perhaps longer.

I cannot possibly bring myself to vote to place in the hands of a commission, without the control of parliament over its operations and expenditures, the large sum of eight million dollars when we know that we ourselves must pay the money and the interest on it; and we will not pay 5 per cent interest, because if we borrow the money ourselves, or pay it out of borrowed money, we will pay probably 4½ per cent. If the minister persists in dealing with public moneys in that way, I can only say that there must be some reason to be given for it other than the necessities of the port; for certainly considerations of economy in financial operations and everything that makes for the proper conduct of public business will favour this being done by a direct appropriation of parliament. The harbour of Quebec has just as much right to the expenditure of these moneys as have other ports in various parts of the country to the moneys that are being expended on them. Having established that fact, we know that the harbour commission has been operating at a ratio of expense out of relation to that of any other harbour commission in Canada; coupling that with the audit board's report that the harbour will not earn interest on the advances, we should deal with this as a direct obligation by the people of Canada, and this year make an appropriation of whatever sum is necessary to discharge the initial obligations in connection with the undertaking. It may be that next year and the year after larger sums may be necessary to complete the work at Wolfe's cove and elsewhere in order to make the harbour what it should be.

Once more I repeat, in respect of this and other harbours it is quite apparent that there should be a complete survey made by competent authorities to enable us to understand the situation in its entirety. On previous oc-

casions the right hon. Prime Minister has referred to the importance of securing expert advice on our public undertakings, such as the beautification of the capital and the estuarial conditions at Fort Churchill and Port Nelson. Consequently when we come to deal with what so vitally affects the cost of moving grain, providing passenger facilities, and all that is involved in these harbour works, we should not lightly proceed without having the best advice obtainable. As we have not dealt with these matters on so large a scale as they have been undertaken by other countries, surely we are warranted in having that expert assistance and advice so essential to making this undertaking a success. If the minister is still of the opinion that, although he knows the situation is as reported by the audit board, and persists in making advances to a commission, which amounts to nothing more than a promise to pay ourselves certain money with interest, then I feel that he must surround his measures with safeguards which are not now provided.

Mr. CARDIN: I agree with the opinion expressed by the hon. leader of the opposition (Mr. Bennett) at the conclusion of his observations, that a survey of our ports should be made. I realize that the time has come when such a survey must be made and certain changes effected in the whole system of our harbour commissions.

As to making a direct advance to the port of Quebec, I would hestitate to ask for such a thing at the present time. It is true that the harbour of Quebec has not been in a position to meet its interest, but, as I explained and as the Minister of Justice and other hon. members who spoke on the matter explained, it is due, to a great extent at all events, to the fact that the port was not properly equipped and capable of giving to the harbour commissioners sufficient revenue to meet their obligations. They have always contended, as we ourselves contend, that when the port is provided with adequate equipment they will be in a position within a few years to pay, if not the whole, at least a part of the interest on the advance that we are making. Suppose we were to start with a direct advance to the ports of Quebec, St. John and Halifax; thereupon I am quite sure that Vancouver and Montreal would feel they were unfairly treated in that they were forced to collect dues sufficient to meet their obligations. In fact it would be unfair to place those ports in such a position, while the ports of Quebec, Halifax and St. John—which will be great ports before very long—were placed in the favourable position of not having to pay any interest on moneys advanced. At present I cannot agree to act on my hon. friend's suggestion.

As to the payment of interest by the port of Quebec, I think it is important to remember that the major part of the eight million dollars which is to-day charged as interest in arrear is on loans that were made to the harbour long ago. In fact I think that the interest accruing on expenditures previous to 1913, carried to January 1, 1928, amounts to over six million dollars, while the interest accruing on expenditures since the organization of the commission in 1913 to January 1, 1928, is only three million dollars. By far the larger amount of the advances has been made since 1913. Up to 1913 the expenditures totalled $5,307,106. On these expenditures we are claiming from the harbour commission six million dollars interest; that is, we are claiming more in interest than the capital expenditures made up to 1913. These expenditures were made a long time ago to meet the requirements at that time, and I submit that it is not fair to charge to the present organization at Quebec an amount of $6,000,000 of arrears in interest on an advance of $5,000,000 expended up to 1913. The real responsibility of the present harbour commission would be for the expenditures which have been made since 1913. If we take into consideration the amounts loaned and the expenditures made the arrears and interest will be only $3,280,000. Against that there is, as we have indicated already, the claim which the harbour commissioners are making against the Department of Immigration for the use of 40 per cent of the present facilities in the port of Quebec, and I think it is only fair that the commission's claim to a substantial amount should be recognized and entertained by the government. If that claim were entertained it would wipe out the amount the commission is supposed to owe to the government as arrears in interest.

I think the situation in the port of Quebec has been to a large extent misunderstood. We have always spoken of that large amount of $8,000,000 of arrears in interest, but we have never taken into consideration the fact that these arrears have accumulated on expenditures amounting to $5,000,000 up to 1913. I repeat that the position of the harbour of Quebec which we should consider is the position as it has existed since 1913. That is only fair—

Mr. CAHAN: Why since 1913?

Mr. CARDIN: Because the harbour commission of Quebec, as it exists at the present time, was so constituted in 1913. The body

having charge of the harbour of Quebec before 1913 was not similar to the present organization. One might argue very properly, I think, that the expenditures which had been made in the port of Quebec up to 1913 ought to be considered in the same manner as the expenditures made by the Department of Public Works in all other harbours which are not controlled by any harbour commission.

Mr. CAHAN: Why should not the present expenditures be dealt with in the same way?

Mr. CARDIN: I see no objection to considering the present expenditures in the same light, but I contend that it would not be fair to single out two or three of our ports in Canada and allow them to go scot free in respect of interest on advances, while we make other ports which are just as important, from the standpoint of Canada as a whole—Montreal and Vancouver—earn money to reimburse the government for the advances they have received.

Mr. CAHAN: But there is no unfairness so long as there is no competition.

Mr. CARDIN: Even if there is no competition the situation is the same. You cannot compare Montreal with Vancouver. Vancouver can be compared with Halifax and St. John because it is an open port the year round; and it would have a good claim if it urged that in respect of expenditures which have been made in that port interest should not be paid. My hon. friend, with all his experience, realizes that once we open the door to an exception in reference to any one of these ports it will be a serious matter for the minister. He can readily understand what the life of a minister as well as of the government would be in view of the representations and requests that would come not only from the different harbour commissions but from all commercial and financial institutions; because we must remember that when a vote is before parliament, or when a request is made to the minister or to the government for an advance for St. John, Halifax, Montreal, Quebec or Vancouver, we not only have to deal with the particular harbour commission but we must face the representations and the very strong requests that come from these financial and commercial organizations in the localities affected. Boards of trade are always supporting representations made by commissions everywhere. I do not say that it would be wrong in principle for us to suggest that they should not be bound to pay interest, but it is unfair to single out and make an exception of three ports. I have promised to look into the affairs of these harbour commissions during the recess and I propose, possibly at the next session, to introduce a new scheme to deal with the various harbour commissions in Canada. Then will be the proper time to place them on an equal footing, giving them the same powers and privileges. But, I submit, we should not impose upon one a handicap which will operate to the benefit of others.

In the circumstances I consider it only fair to the ports, and quite logical on the part of the government, to proceed this year along the same lines we have followed in the past. Of course it will be only a matter of procedure. Suppose we make an advance and have an amount placed in the estimates: so far as the money itself is concerned there will be no difference. Whether the money is advanced through the Department of Public Works or through my department by means of a special vote in the estimates, or whether it is advanced through the medium of particular legislation, there is no difference at all as regards the money. There is a difference in the mode of procedure; that may be true; but, I repeat, there is no difference whatever so far as the advance itself is concerned.

I think I had better take this opportunity of answering a few questions which were put to me by hon. gentlemen when we were dealing with the resolution. My hon. friend from Acadia (Mr. Gardiner) drew my attention to a certain figure I had given in 1925 when we discussed the advance of $5,000,000. He asked me what tonnage had passed through the port of Quebec and I replied, 594,614 tons. I am not sure whether I gave the exact amount, but at any rate I gave the figure 594,000. Possibly I was mistaken; according to the information which has been supplied me since, this represents only the imports. The exports for the year 1924 amounted to 206,285 tons. So far as the last year 1927, is concerned, the figures are not available; they have not yet been compiled. I can however give the figures for 1926. In 1926 the imports amounted to 865,611 tons and the exports 356,239 tons. If you compare the tonnage going through the port of Quebec in 1926 and 1922 respectively, you will find that the traffic has practically doubled. In 1922 the imports amounted to 499,620 tons while the exports only totalled 150,781 tons, and I may add that these figures do not include the lumber and timber exported through the port of Quebec. From year to year these figures show very conclusively that even with the incomplete facilities existing at that port the traffic has been growing very rapidly. As we have been told already, very serious complaints have been made by the people interested in shipping;

even this year representations were made by the Canadian Pacific Steamships Limited asking that greater facilities be provided. They requested an interview with the harbour commissioners to discuss the situation, and stated that if nothing could be done, if they could not get more than they have been able to obtain up to the present, they would have to refuse certain cargoes for the port of Quebec. I am informed that at present there are about twenty vessels in that port without accommodation, so that I believe we are absolutely justified in asking for this advance.

Mr. GARLAND (Bow River): Is it not a fact that the condition which the minister states now exists at Quebec, where a large number of vessels cannot be accommodated at once, is quite common in all Canadian ports? I have a distinct recollection of a similar situation which existed at Vancouver in spite of the excellent facilities to be found there, so that does not prove anything. Now, to go back to the other point the minister raised a moment ago, I would ask what facilities are lacking to have caused these complaints to come to him in respect of the small volume of business now going through that port?

Mr. CARDIN: I have already indicated the complaints; some of them have been received from the shipping federation. In 1925 they sent a long memorandum to the Prime Minister asking that the developments for which we are providing be proceeded with, stating that they were absolutely necessary. In addition to that we have had representations from the grain trade.

Mr. GARLAND (Bow River): Were not the complaints of the shipping federation particularly directed to the lack of berthing facilities? On the other hand, the minister has been discussing the lack of facilities for warehousing and taking care of the volume of goods going through that port.

Mr. CARDIN: I do not think it would be profitable to build wharves with no sheds to take care of the cargoes; an ordinary wharf is not of much value without sheds and trackage facilities to handle the goods coming from the ships. To be complete, the port must have not only the proper docks but the sheds, the trackage and the other appliances necessary for the movement of cargoes over the wharves.

Mr. GARLAND (Bow River): Would the minister mind giving the committee any facts in his possession with regard to the unnecessary delay of ships through lack of facilities for loading goods?

Mr. CARDIN: I cannot give any particular details in that regard; I must take the advice of those who know something about these things. I cannot discuss it with the shipping federation or the grain people, who are asking for an extension of the present elevator; they are supposed to know more than I do about these things; they are the experts dealing with the matter, and when they make representations to the department or to myself we must accept them. Surely I should not be expected to follow my own views or to adopt that spirit of opposition which may be in the minds of certain people.

Mr. GARLAND (Bow River): I would not suggest that the minister take that attitude, but I do think it would be common sense to accept the principle that in the case of any representations of that kind the minister should acquaint himself with the facts in connection therewith, thus placing himself in a position to supply the very moderate amount of information sought by the committee.

Mr. CARDIN: The representations we have received appear to be reasonable, in the light of the information given us.

Mr. GARLAND (Bow River): Just on that one important point, how many boats, if any, have been delayed while waiting to load goods as a result of the lack of facilities, and for how long have they been delayed?

Mr. CARDIN: Does my hon. friend refer to the past, or to the present year?

Mr. GARLAND (Bow River): To the present year.

Mr. CARDIN: I repeat that I cannot give any specific details with regard to any particular boat being delayed one day or two days. But I will place on record the letter from the Canadian Pacific Steamships Limited to the chairman of the Quebec harbour commission:

Dear Sir:—

It would appear that the berthage situation at Quebec this season is likely to be so acute as to probably result in our having to refuse to accept cargo for Quebec discharge and loading by our new fast freight boats, and as we are extremely loath to do this if the difficulties can be overcome, I would be very glad if you could make it convenient to grant an interview at an early date to Mr. W. M. Kirkpatrick, foreign freight traffic manager, and to the writer, in order that this question may be discussed.

Yours truly,

W. A. WAINWRIGHT,
Assistant to the Chairman.

I think I am bound to attach some degree of importance to representations of that character.

Mr. GARLAND (Bow River): The minister quite properly does so; no one will blame him in the least, but he might also acquaint himself with the particular situation complained of. For example, I would like to ask him now what were the special cases referred to by the Canadian Pacific Steamships Limited? When did they anticipate the difficulties, and for what reason? Surely since the minister has had this interview with them he has acquainted himself with the details of the complaint.

Mr. CARDIN: No; they addressed themselves to the chairman of the Quebec harbour commission, who sent me these documents to support the requests of the commission. We desire this money to provide for four additional berths for vessels of the Canadian Pacific express type; two additional berths for large size ocean freight steamers and two berths for canal size steamers. So the money for which we are asking is to cover the expenditures necessary to provide for eight new berths which, according to representations made to me by persons who know something about it, are absolutely necessary. All the berths at present completed are occupied; the commission cannot provide any new berths if a company desires to increase its traffic, nor can they meet a situation such as that indicated by Mr. Wainwright. According to the representations made by the shipping companies and by the grain people, eight additional berths are required to place the port in a position to meet the present situation as well as conditions which probably will prevail within a very short time. I can hardly be requested to go into all the expert or technical details in regard to these matters. Suppose the expenditure were made through the Department of Public Works; the Minister of Public Works would have to rely on the reports he would receive from his resident engineers, supervised by the engineer in the department. We have to rely on somebody.

Mr. GARLAND (Bow River): Well, it may be gratifying to the taxpayers of Canada —it is not to me—to know that all that is required for the expenditure of amounts such as these are general statements by some shipping company or railway. The minister is not able to give us any details as to what losses have been sustained by the holding up of cargoes or vessels, but he says in general terms: I have had complaints from the railway and shipping companies, and therefore I am doing this.

[Mr. Cardin.]

Mr. BOURASSA: I might give my hon. friend a little of my own experience in the port of Quebec; which is the converging point of traffic on the river, both from the east and the west, as regards the Canada Steamship Lines. I travel extensively over that route every summer. I have seen boats coming up the river and down from Montreal to Quebec delayed an hour or an hour and a half and compelled to stay in the river until the day boat had sailed or until the Saguenay boat to Quebec had landed—all because the accommodation is so limited. Under present conditions it is impossible to provide accommodation for all the boats proceeding to or passing through that port during most of the summer. Some barge from the great lakes loaded with grain will occupy part of the berth ordinarily used by these boats; a boat will be coaling at another wharf, and as a result there is no room for either the ordinary passenger boats or the freight boats to dock. I have made inquiries of officials of the company in regard to the matter, and they have said: "We have been asking for the last five years for proper wharf accommodation, but we cannot get it. We are crowded and cramped; on the one side there is the pilot wharf"—I do not know what they call it—"and on the other side the accommodation is required by some other company. We need about three times the wharfage capacity we have at present, but we cannot get it because there is no room for it." So that I have personally had to experience the discomfort and inconvenience occasioned by this lack of proper accommodation in respect to freight as well as passenger traffic at the port of Quebec.

Mr. CAHAN: I endorse every word the leader of the opposition said this afternoon about dealing with these appropriations for Quebec. I think the time has come when it is necessary to inaugurate a policy in respect to these national ports. In respect to all large capital expenditures necessary for the development of these national ports, the appropriations should be made directly from the federal treasury and the expenditures made under the direction of or through a commission, but subject every year to review by this house. It is opportune at this time to consider a new policy, because my personal opinion is that in respect of the ports of St. John and Halifax, which are also national in their character, the government, by making advances which are to be repaid by means of sinking funds, is placing upon them financial burdens which will actually in practice strangle their import and export trade. If we are to

develop a national policy of transportation we should make ingress and egress for passengers and freight at our Atlantic and Pacific ports, which come in competition with the ports of the United States on the eastern and western coasts, as inexpensive as possible. So far as we are dealing, therefore, with a national policy, we should consider the fact that the extension of these ports involves an expenditure which is a burden for all of Canada. The government have recognized that principle in respect of ports on the Hudson bay. They must recognize it in respect of such a port as Quebec. We all know there is absolutely no possibility of taxing the trade of the port of Quebec sufficiently to repay to the government the capital expenditures by way of sinking fund while at the same time the port is paying annually the interest upon the debentures issued therefor. Harbour commissions should be bodies authorized, under the supervision of the department, to supervise and manage the business of the port. A commission of business men could do much to bring to the ports of Quebec, St. John, or Halifax a larger measure of business than they now have. And the business of the port should be taxed to the extent necessary, and only to that extent, to carry on the operations of the port, and provide for the maintenance of such permanent harbour works as are constructed by direct appropriations from the treasury of Canada.

I do not wish to digress, but I think this is an appropriate occasion to lay emphasis on the importance of a change in respect to harbour administration, a matter to which the leader of the opposition made some reference. The government are adopting a vicious policy in respect to the ports of St. John and Halifax. I do not pretend to know so much about the port of St. John, but I do look with the greatest apprehension upon the application of that policy to the port of Halifax, which has been and I hope will contiue to be more in the future than in the past one of Canada's national ports. If the business of that port can be conducted so as to pay the operating expenses of the commission and a certain reasonable expenditure for maintenance from year to year, that is all that should be expected of that port. Otherwise the tax which you place upon the export and import trade will be so great as to make it impossible for Halifax or impracticable for St. John to compete with Boston, Portland, or New York. We must make them national ports; we must make them cheap ports for vessels to enter and clear, and we must conduct the business of those ports in as economical a manner as possible consistent with their efficient operation and sure development. Therefore I endorse most sincerely and heartily the suggestions made by the leader of the opposition. If we are to have national ports maintained in this country, the government must adopt that policy.

With respect to being unfair to other ports, the only two other ports to which such a policy might be deemed unfair, are the ports of Vancouver and Montreal. First, as regards Vancouver, I was sent some years ago by a large banking institution to make an investigation of the trade of the Pacific coast and I spent a considerable time upon that work. I came back with the profound conviction that, so far as Canada is concerned, a great volume of our trade, a volume that in a few years will, I believe, exceed the volume of our Atlantic trade, will certainly be going through the port of Vancouver. Vancouver may be doing very well at the present time and with the limited appropriations which have been made for the extension of that port it may offer a fair prospect of paying from year to year the interest on the capital expenditures which have so far been made. But if you are to make the port of Vancouver and the port of Prince Rupert further north, great national ports, this country must be prepared to make annually appropriations from the public treasury for the large capital expenditures which are necessary for their development, without looking for any return of interest thereon to the federal treasury. It will be quite sufficient if you leave to the commission of each port the exacting of the lessened port taxation to defray the ordinary expenses of operation and the expenses of maintaining in good repair the structures which have been built by direct appropriations from the treasury.

In regard to the port of Montreal I am not at the present time going into the larger aspect of the matter, namely, the development of the port in connection with the possible development of the St. Lawrence river. But the United States ports on the great lakes are the competitors of Montreal; the Hudson river will, I am sure, in the near future also become a competitor for Montreal's export trade, and if we are to develop Montreal's export trade in competition with United States ports, certainly large expenditures which are made in the port of Montreal must be made in the national interest, and justified from the point of view of the national interest, and this country must expect no return to its treasury of those principal sums appropriated but must be satisfied with a revenue from that port which will maintain its struc-

tures in good and efficient repair and ensure the operations of the port at such a low cost as will enable it to obtain and keep its business in competition with all rival ports lying to the south of the United States boundary. Therefore I think now is the opportune time, as the leader of the opposition has suggested, to inaugurate a new policy before you place upon the ports of St. John and Halifax a burden which cannot be borne by any prospective trade of those ports and which must prevent them from being developed as they should be in the national interest of the whole country.

Mr. CAMPBELL: On Wednesday last the minister quoted a letter which the harbour commissioners of Quebec had received from the central selling agency of the wheat pool. In case there might be any misunderstanding about that, I should like to read a telegram which I have just received from the man in charge of the central board representing the wheat pool. The telegram reads:

> Smith's letter personal reply to General Tremblay. Quebec harbour improvements never discussed by provincial or central boards. Speaking personally believe pools in sympathy with general policy of harbour improvements that will increase shipments of Canadian grain through Canadian ports but naturally not in position to make definite recommendations to government.
>
> (Signed) GEO. MCIVOR.

Mr. GARDINER: According to the statement of the Minister of Marine and Fisheries a few minutes ago, exports and imports of freight through the port of Quebec in 1924 amounted to approximately 800,899 tons and in the year 1926 this had increased to 1,221,850 tons, or an increase of practically 50 per cent in two years. That is quite an increase in tonnage in a port the size of Quebec. Has the minister any information as to the revenues in 1924 representing the tonnage of that year and also the revenues in 1926 representing the tonnage of that year?

Mr. CARDIN: According to the figures I have, the revenues of the harbour for 1924 were $568,727.77 and in 1926, $678,882.06.

Mr. GARDINER: That is an increase of about $110,000 for an increase of tonnage of 50 per cent. Can the minister explain why the revenues in 1926 have not increased in proportion to the increase in tonnage?

Mr. CARDIN: I must confess that I cannot give the details.

Mr. GARDINER: I take it that those are the gross revenues?

Mr. CARDIN: Yes.

[Mr. Cahan.]

Mr. GARDINER: I should like to bring up again the question of the facilities handed over to the commission in 1913 and also the liabilities with which the commission was charged. This afternoon the minister informed the committee that the facilities turned over to the commission in 1913 cost this country $5,307,106. He also stated at the same time that the interest charges on those facilities prior to the time that they were handed over to the commission amounted to approximately $6,000,000. Is that the exact statement the minister wished to convey to the committee?

Mr. CARDIN: Yes.

Mr. GARDINER: It is apparent to me that the Quebec harbour with this tremendous interest charge on the initial cost of the facilities has not had a fair show. I will admit that, and it seems to me that some remedy is required in that direction. I would like to see the government clear this situation up before we proceed much further with this bill, because if the commission remains with the same liabilities, in the event of it requiring a further appropriation as time goes on for the extension of the harbour facilities, the present situation will be only accentuated, and we shall be in no better position then to remedy that situation than we are to-day. So I would impress upon the minister the necessity of cleaning this matter up before we go much further. I am sure the committee would view such action on the part of the minister with sympathy, in order that we might give the commission the opportunity of starting from a sound basis; and once put on an efficient basis, if they are not successful, we shall know where to lay the blame. But as it is at the present time, we can hardly charge the harbour commission with any incompetency in view of the figures placed before the committee by the minister.

There is another point that I would bring to the attention of the committee, and which was discussed last week, and that is the question of the claims of the Quebec harbour commission against the various departments. I do not know whether the government have had the oportunity of going into this matter since the bill was last before the house, but I would ask the minister if he has had that opportunity. It appears to me that this matter also should be settled before we go any further. I do not like this method of delaying important decisions. Important questions like this should be decided at the earliest possible opportunity, so that the harbour board will be given a reasonable opportunity of showing what it can do. I

would ask the minister if there is any possibility of these matters being settled in a reasonable and amicable way that will be fair to the country and to the harbour board at the same time.

I would also like to support the statement of the leader of the opposition with regard to different treatment of our various harbours. I think the time has come when we shall have to make them national in scope. We are competing with the country to the south of us, which is much richer than we are, and if we are to maintain Canadian trade in Canadian channels, I can see the necessity for a policy different from that pursued in the past in regard to these harbours.

Mr. BENNETT: Before the minister answers, in order to save time, may I say that there are three matters at least on which we are agreed. One is that Quebec should be treated as a national port. The second is that improvements are urgently required. The third is that we are to vote the money to make those improvements. We differ as to whether this should be done directly by the administration or through the commission, and the reason why I urged the minister to reconsider the matter was not because of anything that was in my mind on the day the discussion opened, but because the report of the audit board, laid upon the table of the house by the government itself before the discussion commenced, contained three paragraphs reading as follows:

Examination of the published reports clearly shows the expenses to have increased steadily and out of proportion to the earnings during the three years; this fact is set out in the following percentages:

	1924 per cent	1925 per cent	1926 per cent
Gross earnings.. ..	100	100	100
Gross expenses. ..	69.83	85.25	87.68

The accounts examined by us provided no explanation for these variations, due largely to the suspension some years ago of cost accounts.

The figures submitted above clearly demonstrate that, even allowing for a reasonable increase in traffic at the port of Quebec, the gross earnings will not be sufficient in any year to pay the operating expenses and interest on government loans; and as no provision has been made for depreciation, it may be forecasted that the annual cost of repairs and renewals will increase considerably in the future.

Then this is the final paragraph:

It will be noticed that the annual deficit for three years, excluding claims against departments of the government and interest thereon—neither of which have been paid by any of the departments—but including interest on government allowances, averaged $600,000.

That is the report of the audit board, and it is because of that report, which is not the report of this house, but the report of the official body appointed by statute to consider these matters, that we now make to the government, through the minister, the suggestion—we have made it as strongly as we can, and I am content to leave it at that—that in the light of those facts he should not treat this matter other than as a direct appropriation of moneys for the purpose intended under the supervision and control of the government, and with an audit of the accounts. In order to save time, I am suggesting to the minister that we should add these sections to the bill, if he still persists in putting the bill through as it stands. These are the four sections that we added to the Federal District Commission Act last year, and in adopting them I suggested to the Prime Minister then, and I still think, that he was pursuing the proper course:

15. The commission shall send to the minister on or before the first day of September in each year a detailed statement of all its receipts and expenditures up to the last day of March in such year; and copies of such statements shall be laid before parliament by the minister within the first fourteen days of the next following session thereof.

16. The commission shall on or before the first day of December in each year make to the minister an annual report for the information of parliament, setting forth a description of the nature and extent of the works and undertakings of the commission for the year ended on the thirty-first day of March in that year, and such other matters as appear to it to be of public interest in relation to the said commission. Copies of such annual reports shall be laid before parliament by the minister within the first fourteen days of the next following session thereof.

The section mentions December; that date could be changed. Then section 17 reads:

17. The commission shall, whenever required by the minister, render detailed accounts of its receipts and expenditures for such period or to such day as he designates; and all books of account, records, bank books and papers of the commission shall at all times be open to the inspection of the minister or of such person as the minister names to inspect them.

That is not necessary with respect to the harbour commission, having regard to the provisions of the audit board, but it is very desirable as giving the minister power that is not in terms given in the Audit Act itself. The minister in the statute I am reading from is the Minister of Finance. The minister in the case to which I am directing attention might be either the Minister of Marine and Fisheries or the Minister of Finance. Then section 18 reads:

18. All expenditures by the commission shall be subject to the audit of the Auditor General in the same manner as other public moneys.

I made the suggestion to the Prime Minister last evening, and I gathered from what

he said that he thought the suggestion was wholly in the public interest, that the expenditures by the commission should be subject to investigation from year to year by the public accounts committee, the same as other public accounts certified by the Auditor General. I was dealing last evening with the federal district commission, and if the minister is determined to pursue the course that is now indicated with respect to the bill before us, I desire to make the same suggestion with respect to this bill.

Mr. CANNON: From what act was my hon. friend quoting?

Mr. BENNETT: From the Federal District Commission Act, 1927.

Mr. CARDIN: Under the law the Minister of Finance has the power to send the audit board to make an audit of the accounts of any of these harbour commissions. As I understand the contention of the leader of the opposition and some of his followers, it is that the report of the audit board is not necessarily brought before the public accounts committee. I think last night the right hon. Prime Minister agreed in regard to the federal district commission to refer its reports to the public accounts committee if so required by any hon. member.

Mr. BENNETT: I will assist the minister if I may do so without disturbing the sequence of his remarks. The statute that we passed last session incorporating the federal district commission provided for the audit of the accounts of the commission by the Auditor General and their being laid before parliament. I suggested to the right hon. Prime Minister that there was some little doubt as to whether those accounts would be treated in the same way as the public accounts certified by the Auditor General, and that we might remove any doubts. He was good enough to say that in his opinion the act as it now stood was ample to enable that to be accomplished, if I followed him correctly.

Mr. MACKENZIE KING: Correct.

Mr. CANNON: Does my hon. friend refer to sections 16, 17, 18 and 19 of the Federal District Commission Act?

Mr. BENNETT: I think those are the sections I read.

Mr. CARDIN: I do not see any great objection, Mr. Chairman, to the incorporation of those sections in this bill, but I do not think it is necessary. This bill provides that the harbour commissioners must make monthly reports to the Minister of Marine and Fisheries and supply the department with all the information that may be required from them. At present the audit board has the necessary authority to audit the accounts, and their report has been placed on Hansard. Apparently the only difficulty that may arise and cause apprehension to the leader of the opposition is that the report of the audit board is not of itself submitted to the public accounts committee.

Mr. BENNETT: What we want is a report of the harbour operations by the harbour board. We do not want it to be left to the minister to say that the audit board shall do something; we want it provided for as in the case of the federal district commission, and there the Prime Minister agreed with us that it was in the public interest. The reports of the federal district commission are certified by the Auditor General. The audit board may never report. The minister asked them to in this instance and laid their report on the table, as he was bound to do. That is how we know the condition of affairs in Quebec harbour.

Mr. CARDIN: Every year our harbour commissions are issuing reports of their operations, and those reports are made to the Minister of Marine and Fisheries.

Mr. BENNETT: Quite so.

Mr. CARDIN: Those reports are public documents. I am not sure whether they are laid on the table of the house every year, but they could be, and I see no objection to their being referred to the public accounts committee. Instead of complicating the bill by adding new sections which may conflict with other sections, I may tell my hon. friend that I am prepared to make a declaration that the report of the Quebec harbour commission shall be tabled and referred, if required, to the public accounts committee. I would remind the hon. leader of the opposition that probably we are dealing with this in a temporary manner, because I propose to do something to correct the evils which are said to exist in these harbour commissions. The recommendation in the audit board's report is worthy of consideration:

> The scope of this investigation has not permitted us to formulate any practical suggestion for the improvement of the financial control over the affairs at this port, but we would suggest that the question of consolidating the management of all the contiguous ports should receive your consideration.

This is the suggestion made by the audit board. I am not prepared to say that I will carry it out in its entirety, but I frankly admit that we have to do something. At the pre-

sent time, however, we are not in a position to deal with the problem because we have not been able to give it sufficient thought. I am asking parliament to treat the Quebec, St. John and Halifax harbour commissions in the same way as the other harbours have been treated up to the present time.

Mr. BENNETT: None of them is in the same position, because in this case we have the audit board's report.

Mr. CARDIN: I appreciate that point, but I am giving this undertaking, that in a very short time I shall look over all these harbours, secure expert advice, and bring before parliament legislation which will cover the objections that have been made while this bill has been before the committee. I have no time, as was suggested by the hon. member for Acadia (Mr. Gardiner), to look into the accounts of the commission extending over a number of years and make a settlement right away. I need time to ascertain what charges would be reasonable. I admit that up to the present time they have not been very seriously considered by the department, so we are not in a position to consider how much of the claim would be entertained. I think the government should be empowered to advance the money to the Quebec harbour commission, with the understanding that the commission must observe the law and make to the Minister of Marine and Fisheries a detailed report, which will be tabled and refered to the public accounts committee whenever required. The same remarks apply to any reports of the audit board which may be called for by the Minister of Finance; every such report will be tabled and, when required, referred to the public accounts committee.

Mr. CAHAN: Are you prepared to make such audit annually?

Mr. CARDIN: Yes.

Mr. CAHAN: Now the making of the report is optional.

Mr. CARDIN: No, the act incorporating the commission requires them to make their report annually to the minister.

Mr. CAHAN: But my hon. friend will admit that the report which the harbour commissioners make to the minister is not a detailed accounting of their expenses.

Mr. CARDIN: I beg my hon. friend's pardon. This is a very complete report covering all the operations in the harbour and giving all the details that we have, for example, in the annual report of the Canadian National Railways.

Mr. CAHAN: The report that I have seen from the Montreal harbour commission is printed in a book. True, possibly, it gives as much information as that contained in the report of the Canadian National Railways, but it is simply a balance sheet. That does not meet the complaint made this session and every session since I have been in the house. There should be nothing private or secret or confidential with regard to expenditures made by the Quebec harbour commission, especially expenditures of moneys which are advanced on the credit of the Dominion. And the report which they make to the minister, and which should be laid before this house, should be as complete a report as those of other departments which are audited by the Auditor General and submitted to the public accounts committee and made subject to inquiry from year to year so far as necessary.

Mr. CARDIN: I believe the reports which are made by the harbour commissions are meeting absolutely the requirements indicated by my hon. friend. They give the details of all their operations and report upon all expenditures. I am sure these reports are quite complete and there is nothing secret about them—absolutely nothing. Everything is indicated in them. I have in my hand the report of the Quebec harbour commission for the year 1926, showing the financial condition, the trade passing through the port, expenditures, operations and certificate of audit. Everything is included in the report. I cannot see, therefore, any objection to tabling the report and having it submitted to a committee of the house for the securing of further details on the items indicated. I see no objection to this, and I am sure the commissioners would not either.

Mr. CAHAN: That would meet the objection in part.

Mr. STEWART (Leeds): The conditions in connection with this harbour are exceptional. The board have an unfortunate report in that they have been unable to pay interest. They are now asking for a large sum of money—eight and a half millions—and, as I understand it, their expenditures are not audited by the Auditor General of Canada unless there is a special request from the minister to have this done.

Mr. CAHAN: Not even then.

Mr. STEWART (Leeds): It is stated in the report, if I remember rightly, that there is an absence of cost records of operations in that harbour. The minister says he is anxious to effect some improvement. Why not begin right now in this bill and provide

that these expenditures shall be subject to the Auditor General, and have inserted the clauses which have been suggested by the leader of the opposition? That would not prevent the voting of this money, nor would it prevent the expenditure of it; but it would surround it with safeguards which I think we are entitled to urge in view of the unfortunate record with regard to the repayment of money, and in consideration of the very large sum now asked.

On section 3—Interest on debentures during construction to be charged to capital account.

Mr. BENNETT: With respect to the additional clauses suggested, which appear in the Ottawa bill, do I understand the minister to say that he does not desire to insert these sections in this bill? It is not very difficult for him to maintain his position. He has a majority behind him who can say that they shall not be inserted in the bill, but I ask him whether he does not think it desirable in the public interest that they should be enacted. I should like to have his views in the matter.

Mr. CARDIN: The observation I made in this regard was to the effect that everything which is covered by the clauses to which my hon. friend refers already exists.

Mr. BENNETT: No.

Mr. CARDIN: Yes. In the law incorporating the harbour commission these provisions exist, and they appear even in the present bill. This bill provides that a monthly report shall be made by the commission to the minister, and that the commission shall submit any other report which may be required by the minister at any other time in relation to their affairs. The law constituting the harbour commission stipulates that the commissioners shall make a report annually to the minister. This provision exists in the legislation. The only provision that does not exist is that the report shall be submitted to the public accounts committee.

Mr. BENNETT: No—submitted to the house.

Mr. CARDIN: Yes; they are not submitted to the house.

Mr. BENNETT: That is the point.

Mr. CARDIN: I am ready to undertake that these reports which the commissioners make me shall be tabled, and I will undertake also, at any request, to have them referred to a committee of the house. I agree to that.

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): Are these accounts subject to audit by the Auditor General?

Mr. CARDIN: They are subject to audit by the audit board, which was the body especially created to go over certain branches of the administration not conducted in the same manner as are the departments. When the audit board was created it was given the power to go over the accounts of the Canadian Nationals Railways, of the harbour commissions, of the then Ottawa improvement commission and of all other organizations through which we spend public money or through which we administer public affairs. These bodies were not covered by the Consolidated Revenue and Audit Act, but in order to have the affairs of these commissions audited the audit board was organized. That board, the leader of the opposition (Mr. Bennett) says, has the right to act at the discretion of the Minister of Finance. That is quite right. But if any member should ask the Minister of Finance to have the audit board investigate the Quebec or the Montreal harbour commission, no one would imagine any objection coming from that minister; he would agree to such an investigation. As a matter of fact, the audit board has audited the affairs of practically all the harbours in Canada. It has audited the affairs of the harbour of Vancouver and of Montreal, and the Montreal audit was tabled two years ago. This year it has audited the affairs of the port of Quebec and that report also has been tabled. What remains to be done is to provide some facilities for investigation by a committee, as in the case of any other branch of public administration.

Mr. BENNETT: The difficulty is this: The audit board's report itself states in terms that the board was not asked to make a report on methods of improving management and administration. Perhaps the minister remembers what he read just a moment ago. In one instance the executive power has control while in the other instance the control is with this house. And there is a great distinction between the executive and this house, because the minority in the house are able to do something when the matter is with the house, whereas, when it is with the executive, they have no such power.

Sir EUGENE FISET: On the other hand, my hon. friend knows that the Auditor General audits all expenses after they have been incurred, in accordance with the direction of the audit board. A continuous or a post audit may be ordered: that was the reason for the creation of the board.

Mr. BENNETT: The hon. member for Rimouski (Sir Eugene Fiset) has touched the point we are endeavouring to make, that the accounts are not audited by the Auditor General; and the audit board can function, so far as these accounts are concerned, only at the instance of the Minister of Finance. The Minister of Finance asks them in terms to do only what he wants done, and they themselves have reported here that, owing to the fact that the reference to them was not broad enough, they are not able to report on improved methods of administration or management, for want of which, they say, this condition has been brought about.

Mr. CARDIN: I do not think my hon. friend is quite correct; that is not exactly the position taken by the audit board.

Mr. BENNETT: See the terms of their statement.

Mr. CARDIN: "The scope of this investigation has not permitted us to formulate—"

Mr. BENNETT: Why?

Mr. CARDIN: Because they are venturing on a new program; they are suggesting a complete change in the management of the affairs of the port. They are not speaking about any limitation in the scope of their investigation as regards ascertaining the real financial situation. They say, "We hesitate—"

Mr. BENNETT: They do not say that.

Mr. CARDIN:

> The scope of this investigation has not permitted us to formulate any practical suggestion for the improvement of the financial control over the affairs at this port, but we would suggest that the question of consolidating the management of all contiguous ports receive your consideration.

Mr. BENNETT: I take it that means Chicoutimi; that is the contiguous port.

Mr. CARDIN: I do not know why my hon. friend should particularly refer to the port of Chicoutimi, for which we voted the sum of $500,000 last year.

Mr. BENNETT: Will the minister lay on the table the papers with respect to that port?

Mr. CARDIN: I will have no objection at all, because I am afraid that before very long—I give my hon. friend warning—we will have to come to parliament and ask for a larger grant to the port of Chicoutimi. I think the circumstances and conditions will absolutely justify the request which we will make. Under the circumstances, I think I have gone far in promising what I have promised, and I think this bill should be allowed to go through without complicating it with new sections as suggested by my hon. friend.

Mr. CHAPLIN: Do I understand that the minister will be quite satisfied to have the accounts of the various boards come before the public accounts committee?

Mr. CARDIN: Certainly, or before any other committee the house may appoint.

Mr. GEARY: I would ask the minister to supplement some information which he gave us a short time ago. The money now requested will construct eight new berths, as he has indicated. How many will have been constructed with the sum of $5,000,000 voted by this house in 1925, and what will be the total number of berths when the two plans are completed.

Mr. CARDIN: When the commission came to the government in 1925 they presented a program for the construction of eight berths, but at that time we represented that the amount was rather too large for that year, and suggested that they reduce it to $5,000,000. That only represented half the total, so in 1925 they had a $10,000,000 scheme in hand. They had prepared all their data on that basis, and they said that with $5,000,000 they could only execute half the work they contemplated when the whole program was prepared. So the $5,000,000 voted in 1925 and the $5,000,000 included in this present vote is to complete the program which they prepared with expert advice in 1925, and this whole program will provide the eight berths which I mentioned a moment ago.

Mr. GEARY: Then will the minister tell me this: Would the money voted in 1925 provide for the construction of four complete berths from the bottom up, or would it not?

Mr. CARDIN: It would, and it will.

Mr. GEARY: And that is what has been begun?

Mr. CARDIN: Yes.

Mr. GEARY: Then the work was divided laterally in half?

Mr. CARDIN: Yes, it is practically half.

Mr. GEARY: These are four new berths as distinct from the four which were begun under the vote of 1925?

Mr. CARDIN: This provides for the completion of the program of 1925.

Mr. BENNETT: I think the undertaking of the minister meets the situation, although there is no reason why he should not add to the statute the sections which were proposed. However, in view of the fact that he will

investigate the whole situation during the recess, and in view of his undertaking to lay these accounts upon the table of the house to be dealt with in the manner indicated, so far as I am concerned, and speaking for those associated with me, I regard that as satisfactory and thank him for his undertaking.

Section agreed to.

Sections 4 to 7 inclusive agreed to.

Bill reported.

FEDERAL DISTRICT COMMISSION

IMPROVEMENT AND BEAUTIFICATION OF OTTAWA

The house resumed, from April 24, consideration in committee of Bill No. 218, to amend the Federal District Commission Act, 1927—Mr. Mackenzie King—Mr. Johnston in the chair.

Mr. MACKENZIE KING: I promised that I would verify a certain statement which I made to the hon. member for Leeds (Mr. Stewart) with respect to the price per square foot of the land expropriated between the post office and Elgin street. I find that the statement as I gave it to him was correct. The price I quoted was the price offered by the Public Works department. This was regarded by the owners of the properties as too low, and the adjustment of the amount is before the court at the present time. The actual price has not yet been fixed.

Then in conversation with my hon. friend opposite (Mr. Bennett) I indicated that if it were agreeable to him I would change from thirty years to sixteen years, as it was in the act passed last session, the period for which the $200,000 per annum is to be paid to the commission for purposes of maintenance and small improvements. I think my hon. friend will agree that this is a reasonable change when I mention to him this fact, namely, that possibly the commission may have acted already upon the assumption that the $250,000 which we voted last year was to be paid for a period of sixteen years. Now we are cutting it down to $200,000, and I hope my hon. friend will agree that we are doing the right and safe thing in limiting the period to sixteen years.

Mr. CHAPLIN: Surely in one year they have not made any commitments so far ahead.

Mr. MACKENZIE KING: They were planning a program which would take sixteen years to complete, when the amendment was put through last year.

[Mr. Bennett.]

Mr. CHAPLIN: That period covers the probable life of about three parliaments.

Mr. MACKENZIE KING: I would move that the word "thirty" in line eighteen of section 2, subsection 8, be struck out, and that the word "sixteen" be substituted therefor.

Mr. CAHAN: Under the previous act the sixteen years ran from April 1, 1927, so if we are to confine it to the same period, under the amending act it would be for fifteen years.

Mr. MACKENZIE KING: If my hon. friend thinks it material to make the period fifteen rather than sixteen years, and if that will help to harmonize the views of all, I will not be captious about it, but sixteen years is a short time.

Mr. CAHAN: Perhaps it would not make very much difference, but the objection I have heard stated is that this parliament should not attempt to bind parliaments too far ahead; that this whole matter of the improvement of the federal district must come up from time to time, at least once in each new parliament, and that each new parliament must decide for itself as to the future. It is not wise, therefore, to fix by statute these annual appropriations for too many years ahead; and to reduce the term one-half might to that slight extent meet the pressing criticism in respect of this measure.

Mr. BENNETT: The action of the Prime Minister in respect to this matter is certainly not what we might call a provocative one, but I cannot bring myself to believe that we should go beyond the life of any one parliament. I should like to be able to do so, but there comes a time when you must dissent from a suggestion not because of any political difference but because a fair principle is involved. The question of the responsibility of parliament to the country in respect to the matter is one thing, but to bind the hands of future parliaments in connection with improvements, as I regard it, is a serious matter, and reluctantly I think we shall have to stand by the position we have taken and ask the committee to say whether or not five years is a sufficient period within which to let a commission created by this parliament know that they may rely upon a given sum of money per annum. That is as far as I can go with my hon. friend.

Mr. MACKENZIE KING: May I say to the hon. leader of the opposition that I agree with him about not binding parliament for a period of any undue length. I believe it is wise in these matters, as has been suggested, to arrange that the proceedings of any of the

bodies which are spending public moneys should come before parliament periodically for review, especially before every new parliament. If I felt that in consequence of what we are now doing, the proceedings of the commission in any way would not be subject to review, I would not for a moment suggest that the period be changed from thirty to sixteeen years. I would point out to my hon. friend, however, that to urge that the period stand at sixteen, or at fifteen years, if that will meet the situation, is one thing, but that to reduce it to five years is to undo what parliament did last session in permitting the appropriation to be made for sixteen years; I think that is rather different from making the appropriation now for the first time. I would ask the committee, seeing that what I propose is to reduce from $250,000 to $200,000, the amount which last year was voted for sixteen years, to accept my suggestion that "thirty years," as in the bill before the committee, be changed to "sixteen years."

Mr. GARLAND (Bow River): The Prime Minister means that the maturity of the bonds would be after a period of sixteen years, and the amount would be the same?

Mr. MACKENZIE KING: No, I do not think any bonds will be issued for this purpose. Practically all this money will go for maintaining the improvements which have been made already, and the making of some slight further improvements and alterations. There is no doubt that as long as this commission continues to operate this amount of money will be asked for every year.

Mr. GARLAND (Bow River): Then this has nothing to do with the bill?

Mr. MACKENZIE KING: Yes, it is the part of the bill which relates to the annual appropriation.

Mr. CHAPLIN: It does not deal with the specific amount to be contributed from the consolidated revenue or the $6,000,000 of bonds.

Mr. MACKENZIE KING: There is no mention of $6,000,000, as far as I am aware. The part which referred to the bonds was dealt with by the committee yesterday. I have intimated that the Minister of Finance intends to meet at least half that amount out of the consolidated revenue fund, possibly the whole of it, and not to issue bonds at all.

Mr. CAHAN: If I might have the attention also of the leader of the opposition for a moment, it seems to me that the suggestion made by the Prime Minister is not unfair. This parliament has already committed itself to a larger amount annually. In dealing now with section 2 of this bill the Prime Minister has agreed that he will not increase the term beyond that fixed by parliament last session, but he reduces the annual appropriation by $50,000 a year. In view of the decision of parliament at its last session, and if this permissive period is now reduced to fifteen years so as to adhere to the same term as before, I think it might be fairly considered by the house as a reasonable compromise.

Mr. BENNETT: It is not a compromise at all.

Mr. CHAPLIN: We made a certain arrangement under the act of last year, and now we are now making a cash appropriation of some $3,000,000, which takes up some of the commitments previously made. If we can alter last year's bill to that extent, we can surely alter this one. Do we have to admit that if we made an error last year we have to continue it? This parliament has no right, in my opinion, to go beyond its own lifetime in making commitments; each parliament, if it is worth anything at all, has the right to deal with the expenditures made during its existence. That is the objection I have to that particular clause.

Mr. BENNETT: I move in amendment to the amendment that the period be five years. I did not say five years without mature consideration. All I can say to the hon. member for St. Lawrence-St. George is that the fact that we did it last year is no reason why we should not undo it now. This is the first opportunity we have had of undoing it; therefore I desire to offer this amendment.

Mr. IRVINE: I think the bill as it now stands would be improved by the amendment suggested by the hon. the leader of the opposition. But I am not so much interested in the actual number of years fixed as I am in what the hon. the Prime Minister suggested in his last remark. The bonds for the $3,000,000 were dealt with, I believe, by the committee last night. As I did not happen to be in the house at that moment I should like to make a remark on that point now and perhaps move an amendment on the third reading. I should like the assurance of the Prime Minister that no bonds will be issued in this connection. If he will look at the situation for a moment he will discover that if the bonds are issued it will mean that the people themselves give their own securities to be handled by bond dealers, and the people themselves will have to pay. I notice in another clause that they guarantee the interest on bonds issued on their own security, which is absurd. I know of no better example of

the effects of our present financial system than the one we have right here. It will mean that they will pay over thirty years one and a half times the actual amount expended during the life of the bonds. I should be glad if the Prime Minister would assure the committee that the financing in this case will not be done in that way. If we cannot afford to finance it directly or immediately out of the consolidated revenue fund I suggest that the government issue its own bonds, non-interest bearing; that is that they use the Finance Act in exactly the way the banks use it, namely by the issue of notes on the strength of their own bonds, financing this directly and then taking back so much per annum over a period of as many years as the Prime Minister desires. In that case fifty years would be better than sixteen.

Mr. MACKENZIE KING: In connection with the capital expenditure, as I explained on the second reading of the bill, this is primarily for the purpose of the construction of a confederation park, something commemorative of the diamond jubilee of confederation and a sort of recognition by the present generation of the work of the fathers of confederation. I should not like to have a purpose of that kind frustrated by disagreement amongst the members of the house if I can bring about unanimity. I am prepared to say to my hon. friend, after conference with the Minister of Finance, that he is quite prepared, so far as the capital expenditure is required to be provided for in this bill, to have it advanced out of the consolidated revenue fund. I intimated yesterday that that was the intention with regard to any immediate outlays, and it might be and in all probability would be what the Minister of Finance would do eventually. I still have the feeling that where a great public improvement is to be enjoyed in future years by those who come after us they might well share in meeting the cost of it, and it was for that purpose alone that a longer period of time was suggested. But I would say to my hon. friend and to the committee, with respect to the capital expenditure, that all moneys paid to the commission will be taken out of the consolidated revenue fund.

Mr. GARLAND (Bow River): I have given this whole question some considerable thought over a period of two years. I should like to see Ottawa beautified; I should like to think we are now in the position to undertake that beautification; but in the course of my examination of my viewpoint in the matter, I find it difficult to come to the conclusion that we are yet in a position where we may be able to afford the expenditure. I frankly do not think we are in a position to-day to do so. Had the Minister of Finance not been so gracious to the millionaires of Canada in his reductions in the income tax, there would have been a great deal stronger ground for the position now taken by the Prime Minister. I am going to find it very difficult to explain to my people and to the people throughout the country whom it is stated I represent, why I supported the expenditure of millions of money for the beautification of Ottawa while there are still thousands of people who in many cases are unable to maintain for themselves what is the ordinary standard of living in Canada. How am I to justify voting millions for beautifying Ottawa—and in the final analysis it is for vainglorious purposes; it is the beautifying of something for the satisfaction of our vanity—in the face of 8 per cent money for the farmers, and a wretched $20 a month pension for the aged and infirm who have toiled all their lives in an effort to build up the country? How am I to justify such a vote in the face of the fact that men are being jailed because they are unemployed? How am I to justify it in the face of the attitude of the government towards the Home Bank depositors, when all they hand the depositors is merely regrets? If I go to the fishermen of the maritime provinces and tell them that I voted millions to beautify Ottawa, how can I justify my vote when all they get is a royal commission to examine into their wretched condition? No other member can appreciate things of beauty more than I can or is more desirous of satisfying his desires for beauty and charm of surroundings. If I could bring down to Ottawa the tens of thousands of people scattered throughout this country who, because of social and commercial conditions that exist, are condemned to drab, drear lives of great toil and struggle with no hope of rising above a certain level of living and a certain environment; if I could take them down here for a holiday to enjoy this beautiful city and these things with which we propose to increase its beauty, I would feel easier in mind on the matter and a good deal freer to support the legislation.

In passing may I say that this prating about monuments to our wisdom, about the gratitude of posterity and the foresight and vision of statesmen, does not appeal to me, and the erection of monuments and parks utterly fails to satisfy my conception of the things that are really needed in the country at this mo-

ment. The time may come when all that may be justified, but it is certainly not now especially whilst thousands are struggling through life in Canada at wages which are below the standard of living. I undertook in connection with this matter to make an examination into some statistics, and I find that in spite of the fact that the select standing committee on industrial and international relations, a committee of this very house, in 1926 declared that the minimum standard of living in Canada would require an annual wage of $2,400, the great majority of the wage earners are receiving not much more than $1,000 a year. Here we have the situation where the great mass of toilers in Canada are living on one-half or less than half the wages which a committee of this house says is the minimum upon which a reasonable standard of existence can be maintained. Yet I am expected to go back to them and to justify a vote of millions for beautification while they struggle along through their unfortunate and frequently miserable lives in a condition relative to poverty.

I submit to the Prime Minister that it would be a far more worthy thing, a far more statesmanlike thing, if not all this sum but the larger portion of it were turned over to the relieving of poverty and misery and to a real attempt to solve the problem of unemployment, a problem which is growing more and more acute every year with the introduction of greater and more efficient machinery. The beautifying of Ottawa may be all very well for those whose salaries are now sufficient to guarantee them all the beauties in life which they desire. It may be all very fine for the right hon. gentleman himself, and even for myself at the moment in a much humbler sphere of life, to satiate our appetites for beauty. But we have opportunities that other people in Canada will never have. If the Prime Minister would make an annual excursion for the people of Canada to come and see this city, there might be some reasonable excuse for this work. Let me say to him and to the leader of the opposition that while they were both in a measure correct with respect to the historical remembrance we have of Rome, Greece and even Babylon, my boyhood memory rather carries me to the achievements of the great generals, such as Hannibal, Alexander the Great and so on. If I read history in a less superficial manner than so many do, I find that with all that great display of military splendour, of wonderful monuments, architectural designs, parks and so forth, the most appalling slavery and destitution was the lot of the great masses of the people whether they were of Rome or Imperial Greece or Babylon, or of the unfortunate races who came under the sway of these empires. I think in doing what we are asked to do now we are simply preparing a vision for the eyes of those who are already wealthy enough to live in the Chateau Laurier, men who come here as lobbyists, as persuaders of government for the granting of special privileges. We are going to gratify their senses. I want to say that in great measure our efforts may be wasted, because I can imagine many of these gentlemen who now reside in the Chateau Laurier would get a far greater thrill from the sight of a tax-free bond than from the sight of dawn on the bay of Naples or of a sunset in the Rocky Mountains, and yet we propose to spend millions in order that those who reside in the Chateau Laurier may gaze with admiration at about eleven in the forenoon on this beautiful park which the Prime Minister is asking us to establish—I will not say as a monument to his own memory particularly, but as a monument to our alleged statesmanship in this house. May I say in closing that he would have more worthily served the object he has in view if, instead of embalming in the industrial records of librairies those flowers of idealism that sprang to his mind in the past with reference to justice and humanity, and to which he gave utterance in his book Industry and Humanity, he had taken those flowers, now lying desiccated and flattened between the leaves of his book, out into the open and watered them by the application of practice. That would have been a far finer monument to his memory than ever this public park will be. If we turn our attention to solving the economic difficulties of our people we shall give posterity much greater occasion to remember us than we shall by erecting a park to be gazed upon from the Chateau Laurier.

I am not opposing any attempt to beautify Ottawa, but I think that at this stage, in view of the condition of our finances, so long as we have over two billions of national debt and no reasonable method proposed for paying it off; so long as unemployment continues, with seventeen hundred men jailed in Winnipeg—not because they were not willing to work, but because there was no work for them to do last winter; and the chief of police of Winnipeg stated that in his opinion these men were, with one exception, of types as fine as had ever come to his notice—so long as these conditions continue there is no justification apparent to me at least for the voting of all these millions that are now being asked for. I submit that the Prime Minister would be well advised to reconsider the bill and to reduce the amount from $3,000,000 to $1,000,-

000; or let us vote this thing year by year, if we are to vote it at all, instead of voting one lump sum at the present time. Let us proceed cautiously and reasonably, and not plunge into it as if we were as wealthy as Rome, Greece and Babylon together.

In passing, I agree entirely with the position taken by the hon. member for Macleod last night, that you are going to have a ridiculous left-handed view here under the plan proposed. Anyone walking out from the main entrance of the parliament building will not be able to gaze on a beautiful park. The view he will see will be the drab and miserable picture he sees to-day. There is no change contemplated along Wellington street, fronting the house. Only across to the left will there be a glimpse of the green sward and the flowers, as the proposal now stands.

Now that the Minister of Railways is in his seat, may I refer to the chief argument which he used. He said that this is such a small matter per capita that surely no reasonable excuse could be given for not voting the money. Identically the same argument could be applied to every vote that we have ever been asked to pass in this house. Taken by itself, the per capita taxation would be a very small item, as the result of any particular vote, but to use that as an argument why we should agree, with the condition in which our finances are, to vote this money is not good enough for me, and I intend to oppose this bill unless the Prime Minister can see his way to reduce the amount. I think he is asking for altogether too large a sum at this stage.

I hope that I have not hurt anyone's feelings. Let me simply reiterate before I take my seat that I would far rather support the Prime Minister in carrying into immediate practice those great ideals on behalf of humanity that he set forth in his book, Industry and Humanity, than fall in with this plan for the gratification of the vanity of those who expect posterity's gratitude—gratitude which can be more justly anticipated if we seriously attack our great social and economic problems and by solving them bring charm, beauty and happiness to the people who toil.

Mr. IRVINE: I would like to get clear in my mind what the difference is going to be if this project is going to be financed from the consolidated revenue fund. I would ask the mover of the amendment to the amendment kindly to explain to us what it is about, because we could not hear a word in this part of the chamber.

Mr. BENNETT: As the proposal stands in section 2 of the bill, there was to be an annuity of $200,000 payable for a period not exceeding thirty years from the 1st of April, 1928. That is the annuity; it has nothing to do with the $3,000,000, and that annuity is payable out of the consolidated revenue fund. The amendment of the right hon. the Prime Minister was to substitute fifteen for thirty years, and to that I moved an amendment that we do not bind the hands of parliament beyond the term of parliament, namely, five years.

Mr. CAHAN: I would ask the Prime Minister what is the interpretation which the government place upon this amended section 8. It says:

> The minister is hereby authorized to pay out of the consolidated revenue fund of Canada to the commission the sum of two hundred thousand dollars a year for a period not exceeding . . . years.

Does that bind each succeeding Finance minister to pay that amount for the full term, or does it leave it to the discretion of each succeeding Finance minister whether he will pay it or not? It is "may," not "shall." What interpretation does the government place on this section?

Mr. MACKENZIE KING: If in the next fifteen years there should be another Prime Minister he will be free to propose whatever he may think this house should give to the federal district commission.

Mr. CAHAN: That is not, I think, a pertinent answer. I am dealing with the construction of the statute and with the practice. Where a Finance minister is authorized to pay for a term not exceeding, say, thirty years, does that bind the Finance minister to pay the amount each year? Is it not merely a permissive, and not an imperative, statute?

Mr. MACKENZIE KING: I think the purpose of it is to give the commission the assurance that it will have, from year to year for the period of fifteen years, the money that will be required to maintain the improvements which it is making at the present time, and which it would not make unless it had that assurance. The commission is constructing driveways and parks now, and if it felt that it was not going to have the necessary sum to maintain these driveways and parks when completed, I do not think it would incur the original expenditure. This simply gives the assurance which will permit of a continuity and permanency of policy on the part of the commission.

Mr. CAHAN: I must confess that I read the statute as permissive, and not as absolutely binding.

Mr. MACKENZIE KING: I think the expectation would be that the Finance minister would give that amount to the commission for the period of time mentioned.

Mr. SPENCER: The suggestion has been made that if bonds are going to be issued for this work, we should issue interest-free bonds. I would just like to remind the house that this is not an entirely new suggestion. It has been made not only by many eminent men in Great Britain, but by those who were associated with Henry Ford in the large undertaking of the development of Mussle Shoals. It went so far there that a bill was introduced into congress and and secured considerable support. If we want this money in even amounts per year we could take it out of the consolidated revenue fund, but if we want more than $100,000 per year for the first few years, and at the same time want to extend the capitalization over a number of years, this is the way it could be done. Therefore I take pleasure in supporting the suggestion of the hon. member for Wetaskiwin (Mr. Irvine).

Amendment to the amendment (Mr. Bennett) negatived.

Amendment (Mr. Mackenzie King) agreed to.

Section as amended agreed to.

Bill reported.

ST. JOHN HARBOUR COMMISSION

LOAN OF $5,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of bill No. 216 to provide for a loan to the St. John harbour commissioners.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Mr. BENNETT: Will the minister give the same undertaking with respect to St. John harbour that he has given with respect to Quebec harbour?

Mr. CARDIN: Absolutely.

Mr. BENNETT: May I point out, Mr. Chairman, in order that there may be no misapprehension, that we think these moneys should not be raised by loan through harbour commissioners. In support of this view —I did not have it beside me the other day —I read from the Duncan report these words:

> We are satisfied that neither at Halifax nor at St. John—although developments at St. John have been more extensive than at Halifax—is it possible, in present circumstances, to secure adequate port development. We recommend that, in respect of each of these two harbours, the federal government should establish a statutory harbour commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer. The development of a port is as much a matter of mechanical and technical equipment, business organization and practical administration, as is the development of any extensive manufacturing or industrial business.
>
> We believe it is in the public interest of Canada, and in the interest of the future growth and expansion of its activities, that its Atlantic ports should be developed, just as it has been that its railways and canals should be developed—though development of these has naturally come first. We believe also from the evidence we have had that, under existing conditions of proprietorship at these ports, there will neither be inducement enough, nor impetus enough, to create really great ports, since for some time, at all events, it will be necessary to create facilities even ahead of expansion of trade. All that the Fathers of Confederation said about the importance to Canada of outlets and inlets on the Atlantic ocean open all the year round is as true to-day as it was then (and is indeed, from a commercial point of view, more immediately true now than then), and, in respect to ports—as well as in respect to the railways—the experience of the late war is fresh enough in mind to illustrate one phase of the national viewpoint and national necessity.

The words I particularly direct attention to are those that make it clear, as I submitted the other day, that the purpose and intention of the report was that the ports of Halifax and St. John should be developed by public moneys as national ports, because it is stated that they "should be developed, just as it has been that its—Canada's—railways and canals should be developed," namely, by the direct expenditure of public moneys. There is not a canal in Canada thus otherwise developed.

Mr. DUNNING: Our railways.

Mr. BENNETT: Our railways, publicly owned, have been built largely by public moneys or guarantees of public moneys.

Mr. DUNNING: Guarantees.

Mr. BENNETT: Sir Andrew Rae Duncan said they should be treated as our railways and canals were treated, using those words in their generic sense. Evidently the Intercolonial railway was in his mind—a railway built by the people of Canada through the direct appropriation of their moneys for that purpose. This port will never be a national port in the sense in which the maritime commission meant it if you are merely to borrow money through commissions for the purpose of extending it in the manner indicated. For let me point out that we have three illustra-

tions here of what we may expect. Quebec wants eight million dollars for its harbour. The audit board said that the harbour commission cannot possibly make that profit annually on their operations. Halifax wants only $500,000; the interest on which is $25,000 per annum. The interest on the St. John loan will be $250,000 per annum.

Now, Halifax is a magnificent terminal. That terminal was bought by the direct application of public moneys to the harbour without any harbour commission, so that Halifax now requires only half a million dollars. St. John requires $5,000,000, which will place its harbour at a very great disadvantage with respect to the other ports on the Atlantic seaboard if tolls are to be imposed to meet the annual interest. Therefore it is my submission that the Duncan report contemplated with respect to the development of national ports at St. John and Halifax that public moneys should be directly applied for that purpose through the statutory commission operating in the administration and management of the port. The maritime commission were very careful to add one word more in respect to that:

> We had, at our request, a private session with the Montreal harbour commission and, by hearing from them the steps they took to survey and stimulate production in their immediate territory as well as wider afield, we are confirmed in our view as to what harbour commissions (constituted of business and experienced persons) at Halifax and St. John could do in stimulating the trade of the maritime provinces.

It is those observations which I had in mind the other day, but not having the report under my hand I was not able to refer to them beyond my memory. I cannot think that we are doing our duty by the ports of Halifax and St. John if we merely create harbour commissions under the conditions of the existing Harbour Commissions Act, and ask those bodies to issue securities at 5 per cent per annum and expect them to pay either the principal or the interest. We should make an appropriation of such money from year to year as is required for the purpose of developing those harbours, and it should be a charge upon the revenues of the Canadian people. We should not leave it to the defaults of the local body as happened in Quebec, because low tolls will have to be imopsed to make St. John harbour a success. For instance, how can St. John compete with Halifax if Halifax requires only $500,000 and St. John $5,000,000? How can you ask Halifax to impose tolls to raise $25,000 a year only and ask St. John to impose tolls to raise $250,000 a year?

[Mr. Bennett.]

Mr. RALSTON: The $500,000 is for one year, and the $5,000,000 for three.

Mr. BENNETT: Quite so, and that is all asked for at the moment. The interest required in one instance is $25,000—

Mr. RALSTON: The $250,000 is spread over three years.

Mr. BENNETT: The interest taken out of the $5,000,000 leaves that much less to be spent in the harbour of St. John.

Mr. RALSTON: It is a three-year program.

Mr. BENNETT: Yes, and they have asked for $10,000,000. Now, if we are to start in this way with these harbours we are not doing our duty by the provinces, as indicated by that report, which sets out just what was contemplated. In ports such as Hamburg and London the tolls are kept down to the lowest possible level by reason of competition with other ports. But we are now imposing on these ports by this legislation the necessity of charging, for the use of the harbours, tolls that will have to be high enough to pay the interest on these moneys. The result will be that the port will lose the traffic, which will go through Portland, Boston and other ports. These moneys should be an expenditure by the Canadian people in consequence of estimates brought in and submitted to the house by the minister in order that we may be able from year to year to make our contribution to the development of our ports until they shall have met, in every possible sense, the requirements of the trade of Canada. It was for that reason that I suggested to the minister that an expert report be made with respect to Quebec. At any rate I desire to go on record, as positively and distinctly as I can, as being convinced that this proposal is not what is contemplated by the report, and never can make for the development of national ports. The ports must not be obliged to pay interest on the money we put into their development, and it ought not to be through harbour commissions that moneys are made available for the purpose.

Mr. ROBB: I am sure that the citizens of the different cities whose harbours we are now proposing to improve will look with some favour on the attitude which my hon. friend takes to-day. I may have misinterpreted the sentiment of hon. gentlemen opposite as expressed a few days ago when we were discussing the port of Quebec. As I recall it, we spent the greater part of two days on that debate, every hon. member saying that Quebec was a fine port. But every hon. gentleman opposite made speeches and came out straight against any money being voted to the port of Quebec.

Mr. BENNETT: Name anyone who did so.

Mr. ROBB: No, I will not name anyone. I am in the judgment of the house, and I may have misinterpreted hon. gentlemen opposite. It occurred to me early to-day, particularly when my hon. friend from St. Lawrence-St. George (Mr. Cahan) was speaking, that hon. gentlemen opposite had developed a new policy in this regard. From the economy which they advocated last week they have jumped to the extravagance which we notice this week. They all want to dip into the public treasury, saying, at least by implication, that they are in favour of contributing money to the development of these ports without charging interest. That is a very popular policy with the people in the places where you are spending the money, but it is not so popular with the taxpayers.

Mr. BENNETT: Who will pay the interest in Quebec?

Mr. ROBB: This is not a new policy my hon. friends are introducing to-day; it is a policy that has prevailed in this country for some time. We have spent millions, through the Public Works and other departments, in the port of St. John, and millions in the port of Halifax; and we gather from the information now before us that the work is not yet perfect and that they are coming back for more money. With that part of my hon. friend's observations—I am not sure that I understood him rightly—

Mr. BLACK (Halifax): I take exception to the remark that the government has spent millions in Halifax.

Mr. ROBB: Yes.

Mr. BLACK (Halifax): I take most decided exception to that statement. The expenditure was made as part and parcel of the railway system of the country and not specifically for the development of the port.

Mr. ROBB: My reading—

Mr. BLACK (Halifax): I may add this: In my judgment you might just as well say that the money spent in Moncton in connection with the railway, or the money spent in Truro or anywhere else on the railways, is spent by the government for the development of those places. The money spent in Halifax was spent in order to enable the railways to handle the traffic of their roads. You might just as well argue that a clock without a pendulum is complete. A railway without terminals is not complete.

Mr. ROBB: I am not quarrelling with the statement that harbour development is necessary, but I say that we have spent that money under departments of government and it has not been very satisfactory. In the first place the location of the harbour at Halifax has not been satisfactory, according to shippers and the citizens themselves. And I am told that the same thing applies to St. John. Now, coming back to the observations of my hon. friend, as to having a commission to look after all ports: I am inclined to that point of view. I should be willing perhaps to go even further than my hon. friend and further than my colleague the Minister of Marine (Mr. Cardin). I think that all ports on the Atlantic—and maybe on the Pacific—should be put under one management and that they should all share in the receipts as well as the expenditures with a view to developing good ports. I may say that I am not quite satisfied even with this legislation. But my hon. friend wants to dip into the public treasury and take out the whole amount. Now, my experience has been that if you have a commission responsible for the interest on the money that goes into the port, you will get a better administration, because they will take care of the interest. But when the money is spent at Ottawa the interest charges are forgotten; no one worries about the interest except the Department of Finance who have to provide it. I say to my hon. friend therefore that his party has made a wide jump from last week, when it preached economy, to this week, when it is preaching a doctrine which looks to me like extravagance.

Mr. BENNETT: I am sorry the minister should have made that last observation. It is in the interests of economy that we have been trying all afternoon to strengthen the Quebec act. It is because the audit board, named by him, went there and made a report, which I read to the house this afternoon, that we have been endeavouring to prevent a recurrence of the condition that has prevailed in that port. It is our desire to have the spread between gross expenditures and revenues reduced from the amount reported by the board, and to have the accounts, the contracts and the expenditures sent to the public accounts committee for investigation. And the minister has been good enough to say that this will be done. It is because we believe in national economy rather than national extravagance that we urge that the ports of St. John and Halifax be nationalized by the expenditure of public money under proper control.

Mr. ROBB: We have had that all these years.

Mr. BENNETT: The people of St. John owned their own port without a commission, and it is only since 1913 that there has been a commission in Quebec. In Halifax there has never been a commission, and the Dominion government built there, in connection with the railway terminals, wharves which are a part of the railway expenditures, as the Minister of Finance knows. The minister urges economy: that was the very point I endeavoured to make when I said that we should vote a given sum per annum instead of $8,000,000 to the port of Quebec in the first instance, $5,000,000 to St. John, and some other sum to Halifax. Let this parliament vote the sums of money required for this year, that the accounts may be in the hands of the Receiver General, that the Auditor General may review them and that we may have a parliamentary inquiry to ascertain whether or not for each dollar of the money spent we have received one hundred cents in value. We urged this last week; we have urged it this week and we will urge it next week. We protest against the extravagance with which public moneys are being squandered in this country, and in the light of the expenditures which are being sanctioned it ill becomes the minister to say that because we are endeavouring to tighten up the safeguards and to protect the public exchequer we are therefore endeavouring to be extravagant with the public money. He had to admit the other day that there was no likelihood of interest being paid on the money lent to the Quebec harbour commission; I read the words of the audit board this afternoon, and if you impose tolls and charges for dock services in Halifax and St. John for the purpose of making a return on the money invested at from one-half per cent to one per cent more than it costs this country for money, you cannot hope to have those ports compete with other Atlantic seaboard ports. It is because of the Duncan report which has been adopted by this house and because of the desirability of making these ports free as far as it is possible to make ports free by reducing port and dock charges to a minimum that we urge that the government, which means the people of this country, should take over directly the administration of the ports through a statutory commission. The Duncan report did not specify a commission such as then existed at any given port. The Minister of Marine and Fisheries referred to what was said with respect to Montreal. The Duncan commission studied the operations of the port of Montreal, but as the minister has said, Montreal and Vancouver are exceptional ports. The commission urged the appointment of a statutory commission composed of experienced men. After investigating the situation, the commission recommended that these harbour boards be composed of experienced business men. It was because of that very recommendation that I directed attention the other day to that question in regard to these two ports.

Extravagance as against economy is what the minister is now embarking upon, and since the government now are voting a three-year program here, a sixteen-year program there and a five-year program somewhere else, the Minister of Finance cannot hope to have that economy of control which comes from voting money from year to year to meet the necessities of a given situation, after he had received the report of an expert to ascertain what should be done to make out a rounded program. Parliament exists for that purpose, and when we hand money over to another body parliament divests itself of its control unless it is specifically preserved. If we spend two or three days or two or three weeks on this matter and at the end secure recognition of the fact that this house shall have control over expenditure of public money, then the two or three days or weeks will be well spent. That is all I have to say to the Minister of Finance, and in our efforts to assist him in the conduct of his affairs in an economical and inextravagant manner we should receive his assistance and support instead of being misrepresented as to what we have said.

Progress reported.

PRIVATE BILLS

SENATE BILLS—FIRST AND SECOND READINGS

Mr. G. W. McPHEE (Yorkton) moved that the following bills from the senate be now read a first and second time and referred to the select standing committee on miscellaneous private bills:

Bill No. 221, for the relief of Edward Bennett.

Bill No. 222, for the relief of Annie Amelia Eliza Ferguson.

Bill No. 223, for the relief of Laura Langstaff Dent Kemp.

Bill No. 224, for the relief of Helen McLean.

Bill No. 225, for the relief of Robert Pius Nageleisen.

Bill No. 226, for the relief of Elsie Irene O'Meara.

Bill No. 227, for the relief of Doris Read.

Bill No. 228, for the relief of Thomas Zeamond Toll.

Bill No. 229, for the relief of Katie Louise Turner.

Bill No. 230, for the relief of Samuel Radcliffe Weaver.

Bill No. 231, for the relief of Florence Elizabeth Mousley Monarque Westover.

Mr. DEPUTY SPEAKER: This is pursuant to the motion made by the Prime Minister the other day.

Motion agreed to and bills read the first and second time.

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

Thursday, April 26, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Sixth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—CONTRACT FOR TRANSPORTATION OF COAL

Mr. CAMPBELL:

1. Were public tenders invited by the management of the Canadian National Railways for the freighting of coal to Prince Edward Island from the mainland during the years 1924, 1925, 1926, 1927, and 1928?
2. From what persons or firms were tenders invited, if any?
3. Were specification and tender forms supplied? If so, what were the details?
4. If no forms were supplied, what were the particulars and conditions?
5. How many tenders were received in each year?
6. What is the name of each firm or person tendering and the unit prices of each tender?
7. Are "The Albion Lumber Company," "The New Glasgow Terminal Company" and "The Egerton Coal Company" three separate companies or are they names used by the same party for the purpose of tendering?
8. What are the names of the president, secretary and manager of the above-named companies who have corresponded with the railways officials or signed tenders during the above years?
9. What amount, if any, was the railways management paid for the cargo of coal lost in transit to Prince Edward Island four years ago this season?

Mr. DUNNING: These questions have to do with the freighting of Canadian National Railway coal by water from Pictou, on the mainland, to various railway points on Prince Edward Island. The questions are designed to bring out the prices submitted for the work referred to by numerous competitors during the last five years. The management feel that it would be unfair to all concerned to place competitors in possession of information of this kind, and hold that it is not in the public interest to give out information of that character.

Possibly it would be sufficient to say that the work in question was given wide publicity among vesselmen and forwarders on the island and adjacent shipping points, both by letter direct and by public notice by local agents of the railway; that numerous offers for the work were received, and that the lowest tenderer was given the contract.

APPOINTMENT OF MR. ALEXANDER BATES, LOUISBURG

Mr. MACDONALD (Richmond-West Cape Breton):

1. What office or appointment does Alexander Bates of Louisburg, Nova Scotia, hold in the Department of National Revenue?
2. What is his age?
3. When was he appointed?
4. What remuneration does he receive annually?
5. Did the Civil Service Commission approve of his appointment?
6. What standing was he given by civil service examiners?
7. How many seizures has he made since his appointment?
8. What are the total fines collected through his seizures during each of the years 1925, 1926, and 1927?

Mr. EULER:

1. Customs Excise Examiner, Grade 1 Outport.
2. Fifty-four years on May 16th, 1927.
3. Employed February 8th, 1905. Services dispensed with for political partizanship, O.C. June 8th, 1912. Re-employed July 18th, 1925.
4. $1,440.
5. Yes.
6. He was the only successful candidate, obtaining a percentage on his examination, of 77.1.
7. Nil.
8. Answered by No. 7.

PAYMENTS UNDER DRYDOCKS SUBSIDIES ACT

Mr. COWAN:

1. What was the total amount paid by the Dominion of Canada in each of the years 1921 to 1927 inclusive, to dry docks under the Dry Docks Subsidies Act?
2. What amounts have been paid to each dry dock in Canada under the above act in each of the above years?
3. For what period of time in each subsidy is the government committed?
4. What is the number, name and location of dry docks classified under first, second and third class in Dry Docks Subsidies Act?

Mr. ELLIOTT:

1.

1920-21	$301,120 22
1921-22	144,559 02
1922-23	535,549 21
1923-24	452,371 78
1924-25	540,483 34
1925-26	614,387 79
1926-27	588,921 34

2.

St. John dry dock at Courtenay bay, St. John, N.B.

1920-21	$ 57,198 88
1921-22	82,608 56
1922-23	109,656 99
1923-24	198,459 46
1924-25	247,500 00
1925-26	247,500 00
1926-27	247,500 00

"Duke of Connaught" floating dock at Montreal, P.Q.

1920-21	$105,000 00
1921-22	.....
1922-23	210,000 00
1923-24	105,000 00
1924-25	105,000 00
1925-26	105,000 00
1926-27	105,000 00

"Burrard" dry dock at North Vancouver, B.C.

1920-23	.....
1923-24	$ 9,990 98
1924-25	64,062 00
1925-26	137,966 45
1926-27	112,500 00

Prince Rupert dry dock at Prince Rupert, B.C.

1920-21	$ 76,970 88
1921-22	.....
1922-23	153,941 76
1923-24	76,970 88
1924-25	76,970 88
1925-26	76,970 88
1926-27	76,970 88

Port Arthur dry dock at Porth Arthur, Ont.

1920-21	$37,741 50
1921-22	37,741 50
1922-23	37,741 50
1923-24	37,741 50
1924-25	37,741 50
1925-26	37,741 50
1926-27	37,741 50

Collingwood dry dock No. 1 at Collingwood, Ont.

1920-21	$15,000 00
1921-22	15,000 00
1922-23	15,000 00
1923-24 (final payment)	15,000 00

Collingwood dry dock No. 2 at Collingwood, Ont.

1920-21	$ 9,208 96
1921-22	9,208 96
1922-23	9,208 96
1923-24	9,208 96
1924-25	9,208 96
1925-26	9,208 96
1926-27	9,208 96

3 and 4.

Name of dock	Location	Class	Period of subsidy Years
St. John dry dock	St. John, N.B.	First	35
*Duke of Connaught	Montreal, P.Q.	First	35
*Burrard dry dock	North Vancouver, B.C.	Second	35
*Prince Rupert dry dock	Prince Rupert, B.C.	Second	25
Port Arthur dry dock	Port Arthur, Ont.	Third	20
Collingwood dry dock No. 1	Collingwood, Ont.	Third	20
Collingwood dry dock No. 2	Collingwood, Ont.	Third	20

*Denotes that the dock is a floating dry dock.

CHARTERED BANKS

Mr. CHURCH:

1. How many chartered banks are there now in Canada, and what are their names?

2. What bank mergers have taken place since 1900 in Canada?

3. What applications, if any, are pending at present for merger of banks?

4. Is the stock of chartered banks now being bought for American interests in such large aggregate amounts subject to the double liability where the foreign holders of the stock and their property and assets are outside the jurisdiction of the Canadian courts, and what steps are being taken to protect the Government accordingly?

[Mr. Cowan.]

Mr. ROBB:

1. Eleven: Bank of Montreal, Bank of Nova Scotia, Bank of Toronto, Banque Provinciale du Canada, Canadian Bank of Commerce, Royal Bank of Canada, Dominion Bank,

Standard Bank of Canada, Banque Canadienne Nationale, Imperial Bank of Canada, Weyburn Security Bank.

2. Summerside Bank and Bank of New Brunswick, Commercial Bank of Windsor and Union Bank of Halifax, Halifax Banking Company and Canadian Bank of Commerce, Exchange Bank of Yarmouth and Bank of Montreal, People's Bank of Halifax and Bank of Montreal, Merchants Bank of Prince Edward Island and Canadian Bank of Commerce, People's Bank of New Brunswick and Bank of Montreal, Western Bank of Canada and Standard Bank of Canada, Northern Bank and Crown Bank of Canada under name of Northern Crown Bank, Union Bank of Halifax and Royal Bank of Canada, United Empire Bank of Canada and Union Bank of Canada, Eastern Townships Bank and Canadian Bank of Commerce, Traders Bank of Canada and Royal Bank of Canada, Bank of New Brunswick and Bank of Nova Scotia, Banque Internationale due Canada and Home Bank of Canada, Metropolitan Bank and Bank of Nova Scotia, Quebec Bank and Royal Bank of Canada, Northern Crown Bank and Royal Bank of Canada, Bank of British North America and Bank of Montreal, Bank of Ottawa and Bank of Nova Scotia, Merchants Bank of Canada and Bank of Montreal, Bank of Hamilton and Canadian Bank of Commerce, La Banque Nationale and Banque d'Hochelaga, Sterling Bank of Canada and Standard Bank of Canada, Molsons Bank and Bank of Montreal, Union Bank of Canada and Royal Bank of Canada.

3. None.

4. Section 125 of the Bank Act applies in case of insolvency to all shareholders. Enforcement depends upon the process of law. The provision is for the protection of the creditors of an insolvent bank whose interests, in the first instance, are the concern of the liquidators and the court.

SALE OF GOVERNMENT TELEPHONE LINES IN BRITISH COLUMBIA

Mr. FRASER:

1. Has the government sold to the British Columbia Telephone Company, the telephone lines owned and operated by the government, south of Kamloops, British Columia?

2. If so, at what price?

3. What is the total pole mileage of the lines involved in the transfer?

4. How many telephone stations are affected?

5. What has been the total cost of the property disposed of?

Mr. ELLIOTT:

1. Yes.

2. $50,000.

3. 1,006 miles.

4. 145.

5. As some of these lines were built thirty years ago it would take considerable time to compile data covering total cost to date and would in no way represent their present value. The main feature is that they were being operated at a $30,000 yearly loss which by selling is being saved. A very heavy expenditure would also have been absolutely necessary to standardize them so as to meet long distance toll line requirements.

HOME BANK DEPOSITORS

Mr. ROBINSON:

What sum would be required to pay 35 per cent of their deposits to all depositors of the Home Bank to whom the government has heretofore made payments?

Mr. ROBB: The government is securing certain data in relation to the whole matter of the distribution of relief under the Home Bank Creditors' Relief Act but has not before it the particular amount asked for in this inquiry.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AGRICULTURAL STATISTICS

Mr. EDWARDS (Frontenac-Addington):

1. What was the Canadian production in each province during the calendar year 1927 of (a) butter, (b) cheese, (c) potatoes, (d) wheat?

2. What was the number and estimated value in each province in 1927 of (a) dairy cows, (b) other cattle?

3. What was the number and estimated value in each province in 1927 of (a) horses, (b) sheep, (c) hogs, (d) poultry?

GRAIN IN TERMINAL ELEVATORS

Mr. DONNELLY:

1. How many bushels of wheat were received in the private terminals at Fort William and Port Arthur, Ontario, for each of the years 1921, 1922, 1923, 1924, 1925, 1926, and 1927, respectively, of (a) No. 1 wheat, (b) No. 2 wheat, and (c) No. 3 wheat?

2. How many bushels of wheat were shipped out of the said private terminals at Fort William and Port Arthur, Ontario, for each of the years 1921, 1922, 1923, 1924, 1925, 1926, and 1927, respectively, of (a) No. 1 wheat, (b) No. 2 wheat, and (c) No. 3 wheat?

Mr. DONNELLY:

1. How many bushels of Kota wheat were received in the private terminals at Fort William and Port Arthur, Ontario, for each of the years: 1921, 1922, 1923, 1924, 1925, 1926, and 1927, respectively?

2. How many bushels of Kota wheat were shipped as Kota wheat out of the said private terminals for each of the said years, respectively?

3. How many bushels of Durum wheat were received in the private terminals at Fort William and Port Arthur, Ontario, for each of the years: 1921, 1922, 1923, 1924, 1925, 1926, and 1927, respectively?

4. How many bushels of Durum wheat were shipped as Durum wheat out of the said private terminals for each of the said years, respectively?

Mr. GARLAND (Bow River):

1. Re Public terminals: What is the total amount of each grade of wheat received into the terminal elevators during the past crop season?

Re Private terminals: What is the total amount of each grade of wheat received into the terminal elevators during the past crop season?

2. Re Public terminals: What is the total amount of each grade of wheat shipped out during the same period?

Re Private terminals: What is the total amount of each grade of wheat shipped out during the same period?

3. What is the total number of bushels of grain dried at each inland terminal inspection point during the past season?

4. What is the total number of bushels of tough and damp grain, respectively, which was dried at the inland and terminal elevators during the months of September, October, November and December, 1927?

Mr. E. J. GARLAND (Bow River): In regard to question No. 2 in reference to terminal elevators, which has just been passed as an order for return, I have no objection to that if it does not mean further delay. The question has been called during the last two weeks and it has been allowed to stand on every occasion. I simply wish to ask the minister whether the order for the return is ready or not.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): There is no desire to have unnecessary delay with regard to this question, but it has been very costly and troublesome to procure all the answers for it. I can assure my hon. friend that the answers will be ready so that the return can be tabled to-morrow or Monday.

OLYMPIC GAMES

On the orders of the day:

Hon. J. A. ROBB (Minister of Finance): Yesterday the hon. member for New Westminster (Mr. McQuarrie) and the hon. member for Toronto Northwest (Mr. Church) made certain inquiries regarding grants to the Olympic games and I promised them a reply to-day. Grants have been made towards the expenses of Canadian athletic teams competing at Olympic games as follows:

1920	Antwerp	$15,000
1924	Paris	25,000
1928	Amsterdam	26,000

[Mr. Donnelly.]

Payments have been made to the Olympic games committee. A cheque covering the grant of $26,000 for the 1928 games was paid to the treasurer of the Canadian Olympic committee on July 6, 1927. The grants are not accounted for to the government.

OUTBREAK OF RABIES

On the orders of the day:

Mr. W. E. TUMMON (South Hastings): In view of the serious outbreak of rabies in certain parts of eastern and western Ontario which is causing considerable concern to many people in my constituency and in other constituencies as well, I should like to ask the government whether they would make a statement as to what effort has been made to check the disease, what is being done at the present time, and whether the government propose to comply with the suggestion of the Department of Health of the province of Ontario to place an embargo on dogs entering Canada from the United States?

Hon. W. R. MOTHERWELL (Minister of Agriculture): The first step we take where it is established that an outbreak of rabies has occurred, is to put the area concerned under quarantine. That was done two or three years ago in connection with the city of Ottawa and later with the city of Montreal. If conditions warrant in the parts referred to by my hon. friend, the same procedure will ensue if that action has not already been taken.

Mr. ARTHURS: That does not answer the latter part of the question of the hon. member.

Mr. MOTHERWELL: I presume that will come under the Department of Health. It has not come to my attention.

Mr. TUMMON: I directed my question to the government. The Minister of Agriculture answered, I presume, for his department. If the other question refers to the Department of Health, the Minister of Health is in his seat.

Hon. J. H. KING (Minister of Health): I should like my hon. friend to repeat the question relating to health. I did not catch it.

Mr. TUMMON: I asked whether the government proposed to comply with the suggestion of the Department of Health of the province of Ontario that an embargo be placed on dogs entering Canada from the United States.

Mr. KING (Kootenay): That would have nothing to do with the Department of Health. The Department of Health of the United States might make a request to the government for an embargo.

Mr. ARTHURS: This is a very important subject for the consideration of the government, as it concerns not only health but indirectly the Department of Agriculture. The minister certainly has preconceived ideas regarding this report. He has not considered, I think—

Mr. DEPUTY SPEAKER: Order. The hon. gentleman is an old member of the house and he knows very well that a debate cannot take place on the orders of the day. The hon. gentleman has put his question and the government are now fully advised of the purport of it.

Mr. ARTHURS: And they are not answering it.

Hon. R. B. BENNETT (Leader of the Opposition): This question is being treated with great levity by hon. gentlemen opposite. There is an outbreak of rabies in this country; human life is threatened, and the house cannot get from the government an answer to a civil question as to what is being done to put a stop to that oubreak. That is the story.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that the question has been asked on the orders of the day, and I doubt very much whether any notice was given to the minister in advance by the hon. member who asked it. Had some notice been given I have not the slightest doubt that the minister would have been in a position to answer immediately. Certainly the government will look carefully into the situation and will be in a position to make a statement on the orders of the day to-morrow.

Mr. CHAPLIN: The minister would answer if a dog bit him.

Mr. MOTHERWELL: If a contagious malignant disease, like foot and mouth disease, broke out in the United States my deputy would automatically issue an order putting an embargo on animals subject to that disease coming in from the United States. I am not sure whether or not he has that authority with regard to rabies but if he has, an embargo would go on automatically. With regard to a quarantine, if the circumstances indicate that there is an outbreak of the disease, the chances are that there is a quarantine on now at the place, wherever it may be. That can be done without any reference to the minister.

Mr. PETER McGIBBON (Muskoka-Ontario): Is the whole government so weak that they know nothing and have done nothing about this outbreak up to the present time?

Mr. DUNNING: Cheap.

Mr. BENNETT: Almost as cheap as the insult to the house by the minister.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, some two thousand years ago we are told there were seven sleepers. It seems to me that we have a somewhat similar situation to-day only the number has increased—there are about seventeen sleepers in this government.

Some hon. MEMBERS: Order.

Mr. ROSS (Kingston): Let me ask this further question: Seeing that we have a Department of National Health, is the Minister of Agriculture (Mr. Motherwell) or the Minister of Health (Mr. King) not aware, in reference to the outbreak of rabies, that twenty-four people have been under treatment in the city of Kingston?

Hon. J. H. KING (Minister of Health): Mr. Speaker, on behalf of the Department of Health I would remind my hon. friend that this matter would undoubtedly come within the purview of the Ontario Health Department. If it is desirable that an embargo should be placed on dogs from other countries, representations made by the Health Department of Ontario or any other provincial department should be made to the federal Department of Agriculture, which controls this phase of the matter.

ATHABASKA ELECTION

QUESTION RESPECTING MEETINGS OF PRIVILEGES AND ELECTIONS COMMITTEE

On the orders of the day:

Mr. D. F. KELLNER (Athabaska): I rise to a question of privilege in regard to inaccuracies that occur in some of the records of this house, and also in regard to the conduct of one of its standing committees. Looking over the votes and proceedings, one would be led to believe that the committee on privileges and elections had been called for Tuesday, Wednesday and Thursday of this week. Such is not the case. It was called on Tuesday, but has not been called since, and I think the necessary correction should be made in the records of the house. Further,

when we met on Tuesday, we had before us two bills, Nos. 32 and 28, which were disposed of, and thereupon the chairman immediately advised the committee that the proceedings were ended, that we had concluded the business which was before the committee. The members of the committee did not accept that, and they proceeded to consider the report of Commissioner Clarke in the Athabaska case. It was pointed out that that matter was before the committee regularly, but my recollection is that the chairman stated that that matter had been passed on last year and was not regularly before the committee. If the house will refer to the discussion which took place on Friday when the hon. member for Bow River (Mr. Garland) brought this matter up, it will be seen that on that occasion the chairman of the committee, speaking on this matter, said that the committee would be called on Tuesday, and if there was not a quorum on that day, the committee would be summoned for every subsequent day during the week. I do not know what interpretation you would put on that, but I was wondering if the interpretation was that the committee would be summoned until a quorum was obtained, and not after. I submit that we should have that committee called, and notices of the meeting sent out in the regular way, and a real effort made to have the committee meet.

Mr. J. J. DENIS (Joliette): My hon. friend spoke from a long distance, and I am not sure that I caught quite clearly everything he said. I may tell him and the members of the committee that if the committee was not convened for to-day it was because copies of a report had to be prepared. The committee has been called for next Tuesday. The order was given by me to the clerk to have the committee called for Tuesday of next week, when all the papers will be available to members of the committee.

Mr. D. M. KENNEDY (Peace River): I feel some dissatisfaction with the explanation given by the chairman of the committee on privileges and elections. As a matter of fact, within an hour after the committee had closed its proceedings on Tuesday, I sent to the chairman twelve copies of the report of Mr. Justice Clarke, and so I do not see why there should be any delay due to the lack of copies of that report. It is now a month since this matter was debated in the House of Commons, on March 29th, and this house will probably sit for another month, and we shall require strict attention to the business before the house if we are going to get through and to do our business in a business-like fashion.

[Mr. Kellner.]

There is at least one other meeting of this committee required before we can proceed to the actual business of examining witnesses. We cannot proceed very well without witnesses, and I think it is very unfortunate that the call that was issued for meetings of the committee both yesterday and to-day was cancelled by the chairman, because a preliminary meeting is necessary before we can actually get down to business on the report and summon witnesses in connection with it. I think it would be better for everybody concerned if a little more enthusiasm was shown in the conduct of the business of this committee.

Hon. R. B. BENNETT (Leader of the Opposition): This is a matter touching the privileges of this house, and I would think, Mr. Speaker, that it is not a question that can be put aside in just a light way. One of the standing committees of this house was appointed, and to that committee has been referred a definite item of business. An effort was made the other day to direct attention to the situation, and the chairman promised us that the committee would be called. A meeting was called, and then against the protest apparently of some members of the committee, it is not to meet again until next Tuesday, the meetings which were to have taken place on Wednesday and Thursday of this week having been cancelled. This committee, after all, is in the control of the house, and some steps should be taken to see that it functions in the manner in which it was intended that it should. I think the right hon. the Prime Minister will admit that any matter that touches the privileges of parliament and the conduct of public business, for which, not the Prime Minister personally, but the government as such is responsible, is worthy of being carefully considered, and every step should be taken to see that there is no deprivation of the privileges of members with respect to committees or otherwise. I feel quite sure that a word from the Prime Minister would result in the matter being put on a proper basis. If my hon. friend from Joliette (Mr. Denis) has concluded that the duties of chairman are too onerous or too exacting, or if he does not desire to act, I am sure he would gladly arrange that his position be taken by someone who will see that the committee meets and discharges the business for which it was appointed.

Mr. DENIS (Joliette): I am glad to answer the statement made by the leader of the opposition, all the more so because it was clearer than the question that was put to me a while

ago by the hon. member for Peace River (Mr. Kennedy). The hon. member for Peace River said that twelve copies of the report which is to be submitted to the committee were sent to me, but he forgot to mention that there are twenty-nine members of that committee, and that twelve copies is not sufficient for twenty-nine members. Therefore copies have since been made. The committee was not convened yesterday nor to-day simply because the members composing it insisted that these copies should be printed or duplicated in some other way for distribution at the next meeting. Of course, the leader of the opposition was not conversant with this fact when he criticized the conduct of the chairman for not calling together the committee. Let me point out that there is no attempt at fencing or hedging. The committee will be called together next Tuesday, and all hon. members will be welcome to attend the meeting. The committee will proceed in the same manner as any other committee. I think this explanation should be satisfactory to the house.

RADIO—INQUIRIES FOR RETURNS

On the orders of the day:

Mr. H. E. SPENCER (Battle River): Mr. Speaker, on April 10 I put some questions on the order paper with reference to radio licenses, which were treated as an order for return. Sixteen days have since elapsed, and as the questions are very simple I see no reason why there should be any delay in bringing down the answers. I shall be glad to know if this information will be supplied at an early date.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I think, Mr. Speaker, that I shall be in a position to-morrow to satisfy my hon. friend. I am not quite sure, but I think the return has been prepared and sent to my office.

Mr. A. A. HEAPS (North Winnipeg): May I ask the Minister of Marine and Fisheries when we may expect the correspondence to be tabled in reference to the same subject?

Mr. CARDIN: I think the correspondence will be tabled in a very short time.

BRITISH HIGH COMMISSIONER TO CANADA

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, has the Prime Minister any idea when the British High Commissioner to the Dominion, Sir William H. Clark, will arrive in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that Sir William H. Clark will be coming to Canada very shortly, possibly next June, but I cannot say definitely, no final word having yet been received from him.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, some time ago I asked the Minister of Finance (Mr. Robb) if he had received any reports from the judges of the exchequer court regarding the claims of the Home bank depositors. Has he yet received such a report? If not, does he expect to receive it in time to take any action on it this session?

Hon. J. A. ROBB (Minister of Finance): If my hon. friend will refer to Hansard of the 24th instant, he will find there a statement that I made in reply to a question from the hon. member for South Toronto (Mr. Geary). I shall be glad to furnish my hon. friend with a copy of the memorandum there referred to.

QUEBEC HARBOUR COMMISSION

LOAN OF $8,500,000 TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the third reading of Bill No. 214, to provide for a loan to the Quebec harbour commissioners.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it was our purpose to move certain amendments to this bill on its third reading, but the undertakings given yesterday by the hon. Minister of Marine and Fisheries (Mr. Cardin)—which I take it may be regarded as governmental undertakings—are accepted as embodying the principle which we desired by sections to incorporate in the bill. In order that there may be no difficulty in the future in respect to the matter, I therefore direct the attention of the house to our purpose and to those undertakings.

Motion agreed to, and bill read the third time and passed.

FEDERAL DISTRICT COMMISSION

IMPROVEMENT AND BEAUTIFICATION OF OTTAWA

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the third reading of Bill No. 218, to amend the Federal District Commission Act, 1927.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, I had hoped that in respect to this bill the Prime Minister would have accepted the proposal of the leader of the opposition (Mr. Bennett) to limit the period during

which the annual payments are to be made to five years intead of fifteen. My chief objection to the bill is that this parliament, through a commission, is making commitments for fifteen years, which in the ordinary course of events will cover the lifetime of possibly three, if not four, parliaments. I think the principle is wrong, and I am surprised that it should be seriously proposed, especially after what the Prime Minister said in this house when in opposition and since he became head of the government. To give to a commission the expenditure of moneys over a period of fifteen years is to my mind preposterous, and to take away from future parliaments the right to say how that money shall be spent, I think is also preposterous. Therefore I move an amendment as follows, seconded by Mr. Manion:

That the bill be not now read a third time, but that it be referred back to committee of the whole with instructions that they have power to amend by striking out the word "fifteen" in line eighteen and substituting the word "five" therefor.

Mr. MACKENZIE KING: Mr. Speaker, in order that the house may be fully seized of the significance of the amendment, may I read that portion of the bill which it is proposed to amend? It reads as follows:

The minister is hereby authorized to pay out of the consolidated revenue fund of Canada to the commission the sum of two hundred thousand dollars a year for a period not exceeding fifteen years from the first day of April, one thousand nine hundred and twenty-eight, to be expended by the commission for the purposes and subject to the provisions of this act.

As the bill was originally introduced the period was thirty years, but after listening to what was said by hon. members I agreed to amend the section by substituting fifteen years. In not accepting the further amendment of the leader of the opposition, that five years should be substituted for fifteen, I gave as the reason that this parliament at the last session did authorize the payment of $250,000 a year for sixteen years. That is the law as it stands to-day; the legislation actually in existence at the moment. The commission to-day is authorized by this parliament to receive $250,000 a year for sixteen years. Now, I have cut down from $250,000 to $200,000 the amount which this house proposes to authorize to the commission annually. I am actually proposing that the annual allowance shall be less than that to which the commission is at present entitled by way of an annual appropriation over a period of years. In those circumstances I regretted that I could not see my way to accepting the further amendment moved by the leader of the opposition, and once the house clearly understands, as it understood yesterday when it voted on the subamendment and defeated it in committee of the whole, that that law to-day does give to the commission—and it was given by hon. members on all sides at the last session—an appropriation of $250,000 for another fifteen years, while it is now proposed to give $200,000 for the same period, I hope the section will be allowed to stand as it is.

Mr. IRVINE: Would the commission suffer inconvenience if the amendment were passed?

Mr. MACKENZIE KING: I cannot say whether they would or would not. All I can say is that they have been operating this last year on the assumption that they would receive $250,000 a year, for maintenance and small local improvements, guaranteed over a period of sixteen years. I believe they have made provision with respect to the widening of driveways as well as in connection with other work to be undertaken which has to be planned years ahead if it is to be carried out successfully. This provision they have made in the expectation of the sum of $250,000 for that period of time, and I think we ought to stand by the legislation which parliament has already passed in that regard.

Broadly speaking, I agree with what is doubtless aimed at in the amendment and what in fact was stated by the leader of the opposition, that in making grants to public bodies it is well for parliament not to extend too far into the future the appropriations that are to be made annually. I would submit, however, with respect to a number of important matters which have been dealt with by this parliament in recent years, that the practice has been followed of making grants over a period of years. Grants made for technical education, for example, have been made over a period of ten years; grants made by hon. gentlemen opposite when in office, in aid of highway construction, were made for a period of ten years; grants made also for purposes of agricultural instruction over a period of ten years. May I say to my hon. friend (Mr. Bennett) that in 1919, when his government were in office, they made a grant to this improvement commission for a period of ten years, which period was extended last year to sixteen years from 1927.

While, therefore, my hon. friend is perhaps rendering a helpful service in directing the attention of the house to the wisdom of controlling, possibly more fully than has been

the practice in the past, appropriations made by parliament, I submit with regard to this particular amendment that in the light of the legislation already enacted, the section should be permitted to stand as it is.

Hon. R. B. BENNETT (Leader of the Opposition): This particular bill is, I think, the one in which we endeavoured to apply, as something that should be observed generally in matters of this kind, the principle to which reference has been made. Personally I have held a very strong view for some considerable time as to the undesirability of any legislature or parliament tying the hands of succeeding legislatures or parliaments with respect to annual expenditures. That idea may or may not be sound, but I do not think that when matters of policy are affected —and matters of policy always are affected in relation to grants of public moneys—this parliament should tie the hands of two or three succeeding parliaments. Not denying that parliament has always the right to repeal legislation, I submit that it is undesirable to create vested rights with respect to legislation; and the undesirability of such a policy can never be more apparent than it is in this particular measure. Last year, it is true, this house enacted a measure which granted to the commission an annuity for a period of some thirty years

Mr. MACKENZIE KING: Sixteen.

Mr. BENNETT: Yes, sixteen, the grant being $250,000. If my memory serves me, the matter was not challenged. The government has now introduced legislation reducing that annual grant by $50,000, while the term of the grant is also reduced from thirty to fifteen years. As regards the reduction in the amount, that is something which must always be a matter of policy; and the government, with all the facts before it, has concluded that it is desirable to reduce the grant from a quarter of a million to $200,000 per annum. That is a matter with respect to which the government, as the Prime Minister (Mr. Mackenzie King) has said, accepts fullest responsibility in the light of information obtained and of the knowledge it has of the situation in question.

As to the term: the government has reduced the period of the grant from thirty to fifteen years. Our contention is merely that the very circumstances that have operated to induce the government to change its policy of last year and to reduce the grant from $250,000 to $200,000 may make it very essential for another body of men in another parliament to conclude that there should be a substantial change with respect to the whole matter. For instance, a very strong agitation is being carried on in this city, and the Prime Minister himself admitted, not without reason —and I too am sure it is not without cause— that by reason of the government of Canada, that is to say the people collectively, owning in Ottawa some $45,000,000 of property which is not taxable, there is imposed upon the citizens a burden which is not at all commensurate with their taxing power, and that with respect to the removal of snow, the cleaning of streets, the supplying of water of proper quality, a limitation is imposed upon the ability of the city to meet the situation for the reason that it cannot tax that forty millions odd of property. The Prime Minister referred to this matter the other day. Now, it well may be that this parliament will have to make a grant in lieu of taxes to enable the city of Ottawa not to overburden its own citizens too onerously with taxes in view of the fact that there is so much government property which is exempt. That also is a matter of policy. I submit therefore that we should not do anything whereby we may bind the hands of the next parliament in its attempt to deal with this question in any way it sees fit. Grant the commission $250,000, if you like, or $300,000 or $100,000; and possibly, by reason of the circumstances that have arisen, make a contribution in lieu of taxation that might be imposed on property of the government were it not exempt. This arises out of the clear distinction which must be made, and to which the Prime Minister directed attention, between Ottawa as a municipal organization and Ottawa as the capital of Canada. Because Ottawa is the capital of the citizens of all Canada, we make this a contribution towards the beautifying of the city and not for domestic municipal purposes. I cannot but think that the principle involved —the principle which the right hon. gentleman when in opposition always contended should be applied—is the soundest possible principle with respect to the expenditure of public money. No parliament should create a condition which leaves a succeeding parliament under the necessity of either repealing existing legislation with respect to which vested interests or rights may have arisen, or of carrying on regardless of the views of that succeeding parliament, simply because the preceding government has done what is being done in this case. The cases which have been referred to, with respect to technical education, highways and matters of that kind, in my judgment, stand in exactly the same position, unless there are

very extraordinary conditions which can be submitted to parliament, and without those very extraordinary conditions, which might arise on questions touching the public debt and the necessity of liquidating it, one parliament should not say that in its wisdom it has placed upon its successors a burden which they must respect because of the interests which may have grown up under it. The power of parliament is always there, but that power cannot be always exercised efficiently because commitments may have been made and obligations created and these interests may be affected by reason of any attempt to repeal or amend such legislation.

As I say, it is with regret that one has to deal with this matter as a matter of principle with respect to this particular legislation, and I have endeavoured to assure the Prime Minister that it is because we believe a principle should be laid down which will be of very great value in this country at this time, when there is a tendency to entrust public moneys in large sums to commissions, that we are impelled by whatever sense of duty may actuate us in the discharge of our obligations here to move this amendment to the third reading of the bill.

The house divided on the amendment (Mr. Chaplin) which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Campbell,
Cantley,
Carmichael,
Chaplin,
Charters,
Coote,
Cowan,
Dickie,
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Gott,
Grimmer,
Harris,
Irvine,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Ladner,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
Manion,
Matthews,
Maybee,
Peck,
Pettit,
Robinson,
Ross (Kingston City),
Ryckman,
Ryerson,
Senn,
Short,
Sinclair (Wellington North),
Smoke,
Speakman,
Spencer,
Spotton,
Stevens,
Stinson,
Stirling,
White (London),
Woodsworth.—69.

NAYS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bird,
Bissett,
Blanchard,
Bock,
Bothwell,
Boucher,
Boulanger,
Bourgeois,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Delisle,
Denis (Joliette),
Desaulniers,
Descoteaux,
Dionne,
Dunning,
Elliott,
Euler,
Fafard,
Forke,
Foster,
Gershaw,
Gervais,
Glen,
Goodison,
Goulet,
Hall,
Heaps,
Heenan,
Hepburn,
Howden,
Jacobs,
Jelliff,
Jenkins,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Laflamme,
Lanctôt,
Lang,
Lapierre,
Letellier,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McIntosh,
McKenzie,
McMillan,
McPhee,
Malcolm,
Millar,
Milne,
Morin (Bagot),
Morrissy,
Motherwell,
Neill,
Odette,
Perras,
Pouliot,
Prévost,
Ralston,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Verville,
Ward,
Young (Saskatoon),
Young (Weyburn).—93.

PAIRS

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

Messrs:

Wilson (Vaudreuil-Soulanges),
Rhéaume,
Kay,
Edwards (Ottawa),
Langlois,
Dussault,
Guérin,
Ilsley,
Mercier (Laurier-Outremont),
Marcil,
Veniot,
Duff,
White (Mount Royal),
Church,
Wilson (Wentworth),
Preston,
Tummon,
Cotnam,
Maloney,
MacNutt,
Geary,
Sir George Perley,
Hanson,
Smith (Cumberland),

Hay,	Hubbs,
Power,	Rennie,
Rinfret,	Cahan,
Vallance,	Clark,
McDiarmid,	Price,
Boivin,	Hocken,
Lacroix,	Rowe,
Mercier (St. Henri),	Bell (Hamilton),
Raymond,	Bell (St. Antoine),
Bowman,	Hodgins,
Fontaine,	Anderson (Toronto),
Cahill,	Simpson,
Lapointe,	Spence,
Bouchard,	Tolmie,
Girouard,	Stewart (Leeds),
Lacombe,	Kennedy,
Donnelly ,	Quinn,
Deslauriers,	Young (Toronto).

Mr. CHURCH: I was paired with the hon. member for Jacques Cartier (Mr. Rheaume). Had I voted I would have voted for the amendment.

Mr. TUMMON: I was paired with the hon. member for Chambly-Vercheres (Mr. Langlois). Had I voted I would have voted for the amendment.

Mr. BELL (Hamilton): I was paired with the hon. member for St. Henri (Mr. Mercier). Had I voted I would have voted for the amendment.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the amendment.

Mr. COTNAM: I was paired with the hon. member for Levis (Mr. Dussault). Had I voted I would have voted for the amendment.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted against the amendment.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted for the amendment.

Mr. HAY: I was paired with the hon. member for Prince Edward-Lennox (Mr. Hubbs). Had I voted I would have voted against the amendment.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley). Had I voted I would have voted against the amendment.

Mr. MALONEY: I was paired with the hon. member for St. Ann (Mr. Guerin). Had I voted I would have voted for the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted for the amendment.

Mr. DUFF: I was paired with the hon. member for Cumberland (Mr. Smith). Had I voted I would have voted against the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the amendment.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted I would have voted against the amendment.

Mr. McDIARMID: I was paired with the hon. member for Westmorland (Mr. Price). Had I voted I would have voted against the amendment.

Mr. MacNUTT: I was paired with the hon. member for Hants-Kings (Mr. Ilsley). Had I voted I would have voted for the amendment.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I wish to make a few remarks on the main motion. It is my desire to have for the Canadian people beauty and culture. I believe that is the desire of every hon. member who sits in this house, but I do not believe that we should have splendor in the capital city while hardship exists in Canada in all too many places.

Ottawa is very well supplied with parks and driveways, and besides that it has a glorified farm not far away that serves as a park and a very beautiful one at that. If the plan as proposed by the government is carried out, the view of the parliament buildings from the driveway will be a slanting one; it will not be as good a view as could be obtained if Metcalfe street were very much widened and Wellington street were also widened. I do not think that a view from one corner would do the parliament buildings justice, because they are indeed very beautiful; and if we are going to have a driveway from which they are to be viewed by tourists and visitors, they should be viewed from the point of greatest vantage. I think that Ottawa needs very badly a good commercial hotel, a hotel which will offer to tourists and Canadians comfort and some beauty at prices they can afford to pay. I think it is true that the rank and file of the Canadian people cannot afford to stay at the Chateau Laurier. I have often noticed that the people who most frequently stay there are people who are in the enviable position of being able to pass their hotel bills on down the line.

The Canadian teachers go in parties to Washington almost every year; and I have often wondered why Canadian teachers did not come to Ottawa. It may be because they

cannot afford to stay in any of the hotels in which they would desire to stay. I would say that for my own part, had I been planning this development, I would have liked to see a very good commercial hotel built on the site of the Russell house.

The Prime Minister in his very admirable speech referred to the beauty of the architecture of Greece and Rome. We all agree that their architecture is very beautiful. I have not had the privilege of seeing it but pictures lead me believe this is so. But it is known to all of us that that beauty was created by people burdened with debt and with labour. The building of some of the beautiful structures in rural England, referred to by the member for Nelson (Mr. Bird), falls into an entirely different class. In that case the people themselves decided to build a beautiful building and taxed themselves locally, and with their own hands created the beauty. That was an expression of the ideals of the people of the community. But in this case, the expenditure proposed will bear a close resemblance to that in ancient Rome and Greece, because here the people themselves have not expressed a willingness that this money shall be spent to beautify Ottawa. The people are quite remote from Ottawa, and the most of them will never see the beauty that is Ottawa. I think Ottawa as it is is a very beautiful city. It is true, I suppose, that as time goes on its beauty will be still further enhanced.

I am not so anxious that two or three hundred years hence we will be judged by the beauty of the capital city as I am that we will, with all the facts before us, feel that we are rendering a wise decision. What we think of ourselves is much more important, in my view, than what anyone else will think of us. We live now in a social age, and so I think possibly our age will be judged by a standard different from that of the civilization of the past; I would say that the average living conditions of the individual would be a good test to apply to our civilization.

The greatest piece of art in Canada is a Canadian child; and until all Canadian children have a pretty decent chance to make something worth while of themselves, I am not going to wax very enthusiastic about making an already beautiful place more beautiful still.

There is a very interesting report which was published just recently by the Department of Health, called Maternal Mortality in Canada. I hope all the hon. members in this chamber have read that report. It contains some amazing facts, such as that in the fifty-ninth year of confederation 1,532 Canadian mothers died in childbirth and left motherless 5,073 children. This comment is to be found on page 26:

If these homes had been in Denmark instead of in Canada, a thousand of the mothers would not have died.

On page 27 of the report a statement has been compiled to show that the letters of advice which came from doctors who signed the death certificates of these mothers attributed death in 68 cases to the poverty of the mother. She had to go through the trial and suffering of childbirth and was too poor to be relieved of those further sufferings of which she could have been relieved if she had had more money; and 120 died from exhaustion; they went to their deaths because they had not the vitality necessary; they were overworked and under-nourished. One hundred and forty-seven of these mothers had no doctor in attendance; and it was the opinion of the doctors who wrote the letters of advice that if they had had advice the lives of many of these mothers would have been saved.

The medical profession commenting some months ago upon this report said that they had no doubt at all that 50 per cent of all these mothers could have been saved if the necessary measures had been taken to save them. While that is true, then, I think our first great task is this one which I have outlined.

When I think of the over-burdened farm women, of whom I know some thousands, as you who are sitting here know some other thousands—women who are very much overworked and who break down in middle life because they are overworked—my conviction is that if we are to be well thought of by succeeding generations, our first task is to make things better for Canadian mothers.

Two years ago evidence was given before the industrial committee by a certain Ontario manufacturer who stated that the wages paid in the industries in a certain town amounted to fifteen dollars a week. The Bureau of Statistics states that $972 is the average wage paid for the whole of Canada for 1924. While these things are all true, I do not think we are justified in launching into any lavish expenditure for the beautification of an already beautiful city. I therefore move, seconded by the hon. member for Acadia (Mr. Gardiner):

That Bill No. 218 be not now read a third time but that it be referred back to the committee of the whole with instructions to amend by striking out the words "three million dollars" in the ninth line of clause 9 and inserting therefor the words "one million seven hundred and fifty thousand dollars".

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I should like to say a word or two on this particular question and to give the reason for my vote. I find myself in disagreement with my leader in this little group. My past experience in civic affairs is my guide in the action I take on this particular occasion. During my activities on the city council of Winnipeg, they at times went to the provincial government requesting certain grants for improvements which were more of a provincial than civic nature. Under those circumstances we were always able to obtain promises and grants as well from the provincial government of Manitoba for certain improvements in Winnipeg. If that were the case in Winnipeg and if I, as a member of the city council, could go to the provincial government and obtain grants from them for civic purposes, I cannot see how I could logically oppose a vote of this nature this afternoon, and consequently I supported the proposal of the government. I think most members of the house ought to support the government in a case of this character. We ought to have a certain amount of pride in the national capital of this Dominion and therefore we want to see a capital of such a character that we can have pride in it. Money that is spent by the government for beautifying Ottawa is money that is well spent. I quite agree with nearly all that the previous speaker has said on this question. I am in favour of beauty and of culture. When I am in favour of beautifying the city of Ottawa, I vote in accordance with what I think; that is, I vote for and not against the grant made to beautify the city.

Another question which was brought up this afternoon was that of the control of expenditures by parliament. I am quite in agreement that parliament should have full control of all expenditures made and I do not see that by voting this sum of money this afternoon for a period of sixteen years parliament divests itself of one bit of control of the money that is going to be spent in future years in Ottawa. Next year or any future year parliament can, if it so wishes, merely by a vote of the house, cut off its grant to the federal commission. If it so wishes it can also increase the grant which parliament has made for beautifying the city. To me the laying out of a fifteen-year project by the federal commission is equivalent to the erection of a fifteen-storey building. The plan for the whole building has to be drawn up before you start erecting it storey by storey. So when you draw up a fifteen year program for the city of Ottawa, the plans have to be laid out first so that you may know exactly what kind of a scheme you are going to go ahead with. Therefore I can see nothing wrong in the government asking parliament to accept such a plan.

Another question was raised by the leader of the opposition in reference to the exemption of taxation in this city. There is not in the Dominion of Canada a capital city that is not faced with exactly the same problem. In fact most cities in Canada to-day give large exemptions to corporations which are of a revenue-producing character. Parliament is not a revenue-producing institution; it exists purely for legislative and administrative purposes, and so the question of exempting from taxation the property of the government in either a national or provincial capital is on an entirely different basis from the question of exemption from taxation of commercial organizations. Therefore I do not think a city which is a national or provincial capital can expect to tax its government for any services it may receive from that city.

One statement, however, I should like to have had from the Prime Minister on this particular question and that is as regards the water supply of the city. I should like him to have assured the house that before any money is handed over under this legislation to the federal district commission, there would be an assurance from the civic authorities that they would take some definite steps, beyond speaking about the matter, to give to the people of Ottawa and the members who are compelled to come and reside here for several months of the year, a decent and ample supply of water. In this regard the Prime Minister might perform a good service not merely to the members but to the people of this city. This money ought not to be handed over to the commission until such assurances are given. As I said before, I am in full accord with the proposals looking to the beautification of Ottawa; but I think the first essential to any city is an ample and pure supply of water, and before this money is handed over I think the Prime Minister should make some announcement to the house on this particular question. The man or woman who is well off can buy water for drinking purposes, but the poor people of the city of Ottawa are compelled to drink the water that is being supplied to them at the present time. Some members of this house have claimed that the water supply here is not fit to bathe in, and I quite agree with that sentiment. I think the Prime Minister would be doing a good service if he took this question into consideration and got some definite announcement on the matter from the city government.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I did mention, when we were in committee, that I had discussed very fully with His Worship the Mayor the question of the water supply. I pointed out to him that I was perfectly sure that hon. members of this house would hesitate to vote any money for improvement purposes in the city unless they had the assurance that the city council was giving attention to the question of a pure water supply, and that they intended to deal with that matter speedily. The mayor assured me that the matter is before the city council or the board of control, and that they were hopeful that very shortly they would have a scheme evolved. I also said the other evening that if the government finds that the city does not co-operate as we hope it will, and as I know hon. members of this house expect it will, the government will move with due caution with respect to its part in the matter of co-operation.

This money is required to some extent immediately because, as hon. members know, the demolition of the buildings which have been destroyed by fire and of the property immediately adjacent cannot be postponed with advantage to anyone but with respect to other improvements I agree with my hon. friend from Winnipeg that the city ought to be given to understand that unless they do co-operate with this parliament in the matter in which we are all mutually interested, the government will ask the commission to take that fact into consideration in regard to any further allowances it may make. I might add that every expenditure made by the commission has to be authorized in the first instance by the governor in council, and speaking on behalf of the council, I would say that we will ourselves take cognizance of the city's action in this matter.

With regard to what my hon. friend the mover of the amendment (Miss Macphail) has just said, I would point out to her and to the house, that with respect to large, open spaces in the centre of cities, it is an experience the world over that those who benefit most in the end are those who, unfortunately, are in limited circumstances and who as a consequence are precluded from having the enjoyment of homes and grounds such as those more well-to-do are able to afford. Those people are unable very often to leave even their own tenements; they know nothing of a sojourn in the country over the week-end. They are the ones who perhaps more than any others derive the major benefit of the large parks in the great cities. At the rate at which development is taking place in Ottawa, I am confident that it will not be long before this city will become congested in the matter of population, and I do not hesitate to say that the ones who more than any others will appreciate what this parliament is doing to-day are the mothers of little children who will find it possible to enjoy advantages for their families in this way of which otherwise they would have been deprived.

Mr. BENNETT: That is the duty of the city, though.

Mr. MACKENZIE KING: We are dealing with the capital.

The house divided on the amendment (Miss Macphail), which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Brady,
Cahan,
Campbell,
Cantley,
Carmichael,
Chaplin,
Charters,
Coote,
Cowan,
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Gott,
Grimmer,
Harris,
Irvine,
Jones,
Kaiser,
Kellner,
Lennox,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
Manion,
Matthews,
Maybee,
Peck,
Pettit,
Robinson,
Ross (Kingston City),
Ryckman,
Ryerson,
Senn,
Short,
Sinclair (Wellington North),
Smoke,
Speakman,
Spencer,
Spotton,
Stinson,
Stirling,
Tummon,
White (London),
Woodsworth,
Young (Toronto Northeast).—64.

NAYS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bird,
Bissett,
Blanchard,
Bock,
Bothwell,
Boucher,
Boulanger,
Bourgeois,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Cayley,

Chevrier,	McMillan,
Delisle,	McPhee,
Denis (Joliette),	Millar,
Desaulniers,	Milne,
Descoteaux,	Morrissy,
Dionne,	Motherwell,
Dunning,	Neill,
Elliott,	Odette,
Euler,	Perras,
Fafard,	Pouliot,
Forke,	Prévost,
Foster,	Ralston,
Garland (Carleton),	Rinfret,
Gershaw,	Robb,
Gervais,	Roberge,
Glen,	Robitaille,
Goodison,	Ross (Moose Jaw),
Goulet,	Rutherford,
Hall,	St-Père,
Heaps,	Sanderson,
Heenan,	Séguin,
Hepburn,	Sinclair (Queens),
Howden,	Smith (Stormont),
Jacobs,	Steedsman,
Jenkins,	Stewart (Edmonton West),
King, Mackenzie (Prince Albert),	Sylvestre,
Laflamme,	Taylor,
Lanctôt,	Telford,
Langlois,	Thorson,
Lang,	Tobin,
Lapierre,	Totzke,
Letellier,	Verville,
Macdonald (Glengarry),	Ward,
MacLean (Prince),	Young (Saskatoon),
McLean (Melfort),	Young (Weyburn).—91.
McIntosh,	

PAIRS

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

Messrs:

Stevens,	Malcolm,
Church,	Rhéaume,
Wilson (Wentworth),	Kay,
Preston,	Edwards (Ottawa),
MacNutt,	Ilsley,
Ladner,	McPherson,
Geary,	Mercier (Outremont),
Bell (Hamilton),	Mercier (St. Henri),
Bell (St. Antoine),	Raymond,
Perley,	Marcil,
Hanson,	Veniot,
Black (Halifax),	King (Kootenay),
Hubbs,	Hay,
Tolmie,	Bouchard,
Guthrie,	Dubuc,
Bowen,	McKenzie,
Clark,	Vallance,
Anderson (Toronto),	Fontaine,
Simpson,	Cahill,
Cotnam,	Dussault,
Spence,	Lapointe,
Stewart (Leeds),	Girouard,
Quinn,	Donnelly,
Kennedy,	Lacombe,
Price,	Deslauriers,
Boys,	Parent,
McRae,	Blatchford.

Motion agreed to, and bill read the third time and passed.

ST. JOHN HARBOUR COMMISSION

LOAN OF $5,000,000 FOR TERMINAL FACILITIES

The house resumed from April 25 consideration in committee of Bill No. 216 to provide for a loan to the Saint John harbour commissioners—Mr. Cardin—Mr. Marcil in the chair.

Section 2 agreed to.

On section 3—Interest during construction to be charged to capital account.

Mr. GARDINER: Up to the present time what public works have been turned over to the harbour board?

Mr. CARDIN: The wharves and other facilities constructed by the Public Works department have not yet been turned over to the harbour commission. After construction by the Public Works department these works are turned over to the Department of Marine and Fisheries for administration purposes, so they are now under the control of my department. They have been administered by the corporation since its inception. The cost of the works constructed by the Public Works department at Courtenay bay, including dredging in the bay, channel and breakwater in connection with the drydock, amounted to $9,603,266. On the piers, basins and channels and for dredging at West St. John there has been expended $11,697,393.27. These two amounts represent the expenditures made in the harbour of St. John through the agency of the Public Works department. We are taking over from the city of St. John for transfer to the harbour commissioners property amounting in value to $2,135,118. The harbour commission assumes the financial responsibilities of the city of St. John with respect to this property. It is taking over the bonded indebtedness amounting to $1,467,-164, and is to pay the balance of $667,953.04 to the city in the form of bonds. The bonded indebtedness to be taken over by the commission and the new bonds to be issued to the city are to be guaranteed by the government both as to principle and interest. This is provided for in the act incorporating the harbour commission.

Mr. GARDINER: In regard to the twenty-one million dollars odd worth of property to be turned over to the commission is the government going to charge it up to the commission or make a gift of it?

Mr. CARDIN: This will be handed over to the commission and we do not propose to make any claim in respect of interest on

it. These expenditures have been made for several years past and we have never asked any interest, and they will be treated just the same now. This will be an asset to the commission; we do not intend to claim any interest.

Mr. SHORT: Was not that expenditure of $9,000,000 for Courtenay bay practically for terminals in connection with the Canadian National Railways?

Mr. DUNNING: The Canadian National was not in existence then.

Mr. ARTHURS: We have here an expenditure of $21,000,000 on the harbour of St. John, made previously to the inauguration of the harbour commission. Yesterday we had an expenditure—the minister will correct me if I am wrong—of some $13,000,000 in connection with Quebec, on which the government has been asking interest for many years. Why this distinction? Why should there be an expenditure of $21,000,000 in St. John on which no interest is charged at all while Quebec is asked to account for $13,000,000 in connection with the harbour there?

Mr. CARDIN: The reason for attempting to collect interest on the $13,500,000 in Quebec is that this money has been advanced to the harbour there since the establishment of the commission as it exists at the present time.

Mr. ARTHURS: I am referring to amounts advanced prior to the establishment of the commission.

Mr. CARDIN: The hon. member is wrong in regard to the amount.

Mr. ARTHURS: But I am right in principle.

Mr. CARDIN: The amount advanced originally was between four and five millions. These expenditures were made in Quebec previous to 1913 through a commission different in character from the commission that has been in existence since that year. That is the reason we are charging interest, because the money was expended through the agency of a commision while in St. John the money has been spent through the Department of Public Works.

Mr. ARTHURS: Why charge Quebec with more responsibility than St. John?

Mr. CARDIN: I am inclined to agree with my hon. friend that the port of Queber should not be discriminated against but should be given the advantage of the money spent prior to the organization of the present commission, just as we are making practically a gift to the commission at St. John of the $21,000,000. The contention is worth considering, and in adjusting the accounts between the government and the commission I think the point should be considered in favour of the harbour at Quebec.

Mr. SHORT: The harbour of St. John is charged with $21,000,000 already expended Is that the idea?

Mr. CARDIN: No.

Mr. SHORT: And they will be charged 5 per cent on that expenditure?

Mr. CARDIN: No. As I have explained, these facilities which have been constructed through the expenditure of the $21,000,000 are to be handed over to the present commission without charge as a pure gift. This certainly will help them to obtain some return on the investment they propose to make if they are authorized to receive the loan of $5,000,000. Their liabilities will not be as great as those of Quebec.

Mr. CHAPLIN: How long has the St. John commission been operating?

Mr. CARDIN: It was incorporated last year.

Mr. CHAPLIN: In view of the statement made by the minister yesterday, that he had in mind certain changes that might do away with these commissions, I would ask him whether it is reasonable to turn this over to a commission which he is likely to abolish next year.

Mr. CARDIN: I did not say that I proposed to abolish this commission.

Mr. CHAPLIN: No, but you—

Mr. CARDIN: I intend to study the question and to effect certain changes in the operation of these harbours. But I did not say that I was prepared at the moment to wipe out all these commissions. They may be remodelled, or their practice of accounting and making returns and reports may be changed; but I am not prepared to say that I will abolish them.

Mr. CHAPLIN: But you said yesterday that you might go so far as to abolish them.

Mr. CARDIN: I might; but if I do not go that length I want to make the provision we are asking for.

Mr. GARDINER: I did not understand the minister fully as to whether it is the intention to charge interest on this money.

Mr. CARDIN: No.

Mr. GARDINER: I want to congratulate the minister on the method he is adopting in this transaction. I will merely observe at this point that, in studying the question of national harbours between now and next session, it would be well for the minister to put all harbours on the same basis, giving them all the same opportunities.

Mr. CARDIN: That is the idea.

Section agreed to.

Sections 4 to 7 inclusive agreed to.

On the preamble.

Mr. BENNETT: I understood the minister to say that we would treat this bill as we did the Quebec bill with respect to the suggestions as to the accounts.

Mr. CARDIN: Absolutely.

Mr. BENNETT: I thought that was clear.

Preamble agreed to.

Bill reported, read the third time and passed.

HALIFAX HARBOUR COMMISSION

LOAN OF $500,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of Bill No. 217, to provide for a loan to the Halifax harbour commissioners.

Mr. THOMAS CANTLEY (Pictou): I wish to record my emphatic protest against the passing of this bill, because it is not in accordance with the recommendations of the Duncan commission, which recommendations the Prime Minister (Mr. Mackenzie King) a year or more ago informed the house that the government was prepared to accept practically in their entirety. I have nothing further to say now except to protest against the bill as not being in accord with the recommendations of the Duncan commission.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Marcil in the chair.

On section 1—Short title.

Mr. BLACK (Halifax): I do not rise in opposition to the expenditure of this money at the port of Halifax, particularly in view of the large sums which are being expended in other ports of Canada. Let me say first that the remarks of my hon. friend from Shelburne-Yarmouth (Mr. Ralston)—I am sorry he is not in his seat—have come to my notice, and when he named the commissioners who were appointed he spoke of prominent business men of Halifax, of some considerable standing there. When he indicates to this house that they are not strong partisans and politicians, however, I take exception to his statement. The chairman of that commission, Mr. Jack, I have known for a great many years, indeed, since boyhood; we have been neighbours; as a matter of fact there is a family connection between us. His father was a very strong partisan and a constant contributor to the Liberal organ of Nova Scotia, the Halifax Chronicle. Mr. Peter Jack is a very strong partisan and an ardent worker in the Liberal interests; he is a young man of ability and energy. Mr. Ackhurst, another of the commissioners, is also a very strong partisan who works in the interests of the Liberal party on every possible occasion. The third commissioner, Mr. Murphy, has been a Liberal candidate in the constituency of Halifax, but never has been successful. I know he ran in at least one election and I believe in two, and was defeated each time. He is a constant worker. So much for the political feelings of these gentlemen. They are not, as my hon. friend said, simply Liberals; they are very ardent, earnest and hard-working Liberals.

I maintain that the Duncan report is not being carried out in connection with this vote. In Halifax we have had a very satisfactory system of handling the business of that port; It has been looked after with a very considerable amount of intelligence, energy and enterprise. I am sorry I have not the figures here; I asked for them, but they have not as yet reached me. I can say, however, that as the result of the efforts of the business men of Halifax the business of that port has increased enormously in the past few years. The ship tonnage entering and clearing and the tonnage of the merchandise carried by ships coming and going have increased very considerably due to the energy and enterprise of the merchants of Halifax, and not to the appointment of any harbour commission. Halifax is situated very differently from any other port in this Dominion; it is the end of a system of railways extending across the entire country. I am repeating myself to some extent, I suppose, because I think I have touched upon these points before. But these terminals form part of the system of the Canadian National Railways. It is just as necessary for the railways of this country to have facilities with which to carry on their business as it is for any business concern to have the facilities necessary to operate successfully a private enterprise. For that reason these facilities have been under the management of the Canadian National Railways, and

as far as my knowledge goes that situation has been very satisfactory to the shipping interests of that port. Therefore we do not wish to be hampered with any commissioners; we want to be free to have the Canadian National Railways carry on this terminal work as it has been carried on in the past, unhampered by any rules or regulations which may be formulated by a commission.

So far as I know what is to be done with this vote has not appeared as yet. There are many ways in which it could be spent and in which even more money could be spent, and I am sorry a larger sum has not been granted to us. For instance, the people of Halifax are very much interested now in a bridge across the Narrows. I believe the railways are also interested in it, because at present they are operating two terminals. One is in Dartmouth, where the traffic centres from what is called the Musquodoboit railway, which is really a branch line, probably the most profitable of all branch lines of the same length in the Dominion. That has been reported to me; I do not state it as an absolute fact, but apparently it is true. At all events, a very large business is done by that road, which has a terminal in Dartmouth, across the harbour, and the traffic coming to Dartmouth has to be transferred by truck or lighter or in some other way across the harbour. This applies also to traffic coming to Halifax for Dartmouth; it has to be transported, at considerable expense, by lighter or by truck. If a railway bridge were constructed between these points where traffic centres, I think the saving would be very large not only to the owners of the goods passing to and fro but to the railways as well. That is an expenditure that I would like very much to have seen provided for, at least to some extent, in the estimates.

I have pointed out the peculiar situation in connection with these terminals in that they are a part and parcel of a railway system extending over the whole Dominion and are absolutely necessary for the proper conduct of the business of that road. They were built and paid for by the railway department, and operated by it, I believe, economically and satisfactorily to the shipping interests and the public generally in Halifax. For some reason they are turned over to the Public Works department—how much of them I know not, whether the wharfs only, the wharfs and elevator, the station and local freight shed there, or the whole thing. But whatever has been turned over to the Public Works, it is proposed now that a commission shall take charge of the entire business—a commission unacquainted with the port and with the local traffic handled by that road. Just why these terminals should be turned over to the Public Works department, any more than the freight shed at any station along the road would be, is something I have not yet had explained or learned the reason for.

The traffic of the port was being carried on in a very satisfactory manner up to the time of the appointment of that commission. The commission, I believe, has not yet taken charge. I suppose up to the present they have been studying the situation; in any case they have made no drastic changes in the management. If there are to be charges imposed on the shipping of the port to satisfy the expenses of that commission, I for one, and the whole shipping interests and I believe the people of Halifax generally, will protest against any such tax upon the shipping of the port of Halifax. We have the credit of operating there very economically; it is perhaps the most economically managed port on the Atlantic coast, and we do not want that reputation destroyed or interfered with by any taxes upon shipping that may be imposed by this commission. Futhermore, any such tax is at present absorbed by the railway in their freight charges; that is, the freight rate covers any terminal charges there may be in connection with the traffic of that port. If the terminal charges are transferred to the shipping, then the railway benefits to that extent, and that is a situation we certainly do not want to see arise in the port of Halifax.

Mr. RALSTON: I should like to say a few words, Mr. Chairman, in regard to the subject now before the committee. I was interested in the remarks made by the hon. the senior member for Halifax (Mr. Black) and in the criticism he levelled against the personnel of this commission. I took occasion the other night to express my own opinion of the personnel of the commission, to give to the house something as to the past record of these gentlemen in the business and civic life of Halifax, and to back that up by a resolution from the Halifax board of trade commending myself and the government on the selection of these commissioners, and assuring them of the board's assistance and co-operation. I do not think I ought to have to say more than that. It is down in Nova Scotia, at least, a novel and startling idea that a man is disqualified from accepting a position of this kind simply because he happens to be the adherent of a particular political party.

Mr. BENNETT: That is not the point; it is the other qualifications.

Mr. RALSTON: I have tried to make it clear what the other qualifications are, and have put on record the resolution of the board of trade.

Mr. ARTHURS: Is it desirable to have all the members of a commission of one particular party?

Mr. RALSTON: It seemed to be on the commission of which my hon. friend from Fort William (Mr. Manion) was a member.

Mr. ARTHURS: He did not stay there, either.

Mr. RALSTON: No, but his place was taken by another who possesses the same characteristic as that spoken of by the hon. senior member for Halifax. The gentleman appointed to that commission was the one who has just resigned his position in this house, Sir Henry Drayton.

I also am a little surprised to hear the hon. senior member for Halifax suggest that the fact that a man belongs to a political party is a disqualification for a position, because I happen to remember that in the constituency of Halifax, at the last election, when I presume my hon. friend had the right to recommend, the returning officer, who is supposed to be a judicial officer, and who for years was the sheriff of the county, was displaced and the gentleman put in his place was the defeated candidate of my hon. friend's party in 1921. I should have thought that was a position in which political partisanship would not have had a part; but that was done in the very city of Halifax in which it is now suggested that adherence to a political party precludes a man from taking a position. I do not think I need take more time than to say that these gentlemen have been widely commended as having ability for the task which they have been given.

Mr. BLACK (Halifax): They are only given a half a million anyway.

Mr. RALSTON: And I remember that the same party which now protests about political partisanship dismissed from office two gentlemen well and favourably known in Nova Scotia, Mr. Macdonald and Professor Rogers, efficient and qualified secretaries of the Duncan commission, because it was thought that they might have some political leanings. So that I do not think my hon. friends can claim to be so simon pure as would be suggested.

The point was raised by the hon. member for Pictou (Mr. Cantley) and the hon. senior member for Halifax that this legislation is not carrying out the Duncan report. That is the suggestion on the one hand; and the suggestion of the hon. senior member for Halifax, on the other hand, was that he did not want the report of the commission carried out, because he did not want the commission anyhow. I have telegrams from all over Nova Scotia asking that the Duncan commission report be carried out in every respect.

Mr. BLACK (Halifax): I repeat that the appointment of the commission for the port of Halifax is not carrying out the Duncan report. The Duncan commission's report called for the nationalization of the harbour which is not being done.

Mr. RALSTON: My hon. friend is suggesting that the Duncan report should not be carried out at all. The Duncan commission recommends that there shall be a statutory commission for the port of Halifax. My hon. friend (Mr. Black) is not in favour of that, notwithstanding the fact that no doubt he with hundreds of others in Nova Scotia, including representatives of boards of trade throughout the province, called on the government to implement in full the recommendations of the Duncan report. I will deal in a minute with the question which my hon. friend raises. How are we going to find out what the Duncan report means with regard to a harbour commission? The quickest way to do that would be to read the report, and my hon. friend cannot find in it one line which suggests this nebulous word "nationalization" of a port. The word is never used in the report with regard to harbour commissions. The report is made by a commission one of whom is a barrister and understands something about the English language, while another was a judge. This is the wording used in the recommendations in respect of the harbours:

> We recommend that in respect of each of these two harbours the federal government should establish a statutory harbour commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer, The development of a port is as much a matter of mechanical and technical equipment, business organization and practical administration as is the development of any extensive manufacturing or industrial business.

That is the definite recommendation of the report. Again near the end of the report they state that they have been in communi-

cation with and have had a private session with—whom? With somebody who wants to put into effect new ideas about port development that have not been heard of before in Canada? No; that they have been in communication with the Montreal harbour commission, which has been established for some years; and they say after going over the operations at Montreal:

We are confirmed in our view as to what harbour commissions, (constituted of business and experienced persons) at Halifax and St. St. John could do in stimulating the trade of the maritime provinces.

And again, immediately after the reference to Montreal, they say this:

We express the hope that the recommendation we make with regard to a public commission for each of these two ports will not only be accepted but will be acted upon promptly.

The leader of the opposition the other night pointed out that something was said about railways in this part of the report. If my hon. friend will read the section carefully, he will find—and I say this with all deference—that it does not mean just exactly what he thought it did. This is what they say in the report:

We believe it is in the public interest of Canada, and in the interest of the future growth and expansion of its activities, that its Atlantic ports should be developed, just as it has been—

That means just as it has been in the interest of Canada.

—that its railways and canals should be developed—though development of these has naturally come first.

My hon. friend thought it meant that harbours should be developed just as the railways and canals have been developed. That is not what it says. It says that it is in the interest of Canada the Atlantic ports should be developed just as it has been in the interest of Canada that its railways and canals should be developed. Where did the idea of a statutory commission come from? When the evidence was given, were they talking about what my hon. friend referred to a few minutes ago? Let me read some of the evidence given by Mr. Cornell, the expert called before the commission by the board of trade of the city of Halifax. Mr. Cornell, as reported on page 776 of the evidence, says this:

Probably the quickest way to bring this to the attention of the commission would be to glance through the annual reports of the harbour commissions of Quebec, Montreal and Vancouver, and you will find in reading their reports that the minds of the commissioners are centred principally on the two things: Port development and solicitation of traffic; and inevitably they make a great deal of the improvement in the quantity of traffic moving through the port each year.

[Mr. Ralston.]

That is where harbour commissions are established of the kind mentioned in these bills.

We have no objection to their solicitation of traffic, and believe that they are acting wisely as trustees for that property, which belongs to the Dominion government; but we do claim, as I stated before that a similar body should be constituted—

Note the words "similar body".

—for the port of Halifax and not with any idea of taking traffic away from Montreal or any other port, but rather in the hope that it will at least offset the competition of these other ports which are being developed by the aid of government money.

I am further instructed, Mr. Chairman, to place the board of trade on record that should you see fit to recommend that such an organization for the proper development of this port and the solicitation of traffic through this port be created, the endeavours of the organization to build up the port at Halfax will receive the utmost support of the Halifax Board of Trade.

It is as a result of those representations that the commission recommended what it did. Let me go a step further. My hon. friends seem to think that, a statutory commission having been appointed in accordance with the recommendation of the Duncan report, that is not enough. A statutory commission involves of course the financial arrangements which are generally made with regard to harbour commissions. Can anybody believe that if those gentlemen of the Duncan commission had intended the harbour commissions to be established at St. John and Halifax to be something totally different from those established at Montreal, Quebec and Vancouver, they would not have had the clearness of expression to say so? Does anybody think we would have to read whole paragraphs in order to endeavour to deduce something that was not in the words themselves? Those gentlemen, in submitting their recommendations, expressed themselves plainly and clearly. They say: Having considered the harbour commission of Montreal, we recommend statutory commissions, and we say that having regard to the experience of Montreal those statutory commissions will benefit Halifax and St. John. I take issue with anybody who says that the government is not carrying out to the full the recommendations of the Duncan report when it establishes the harbour commissions as they are being established by these measures.

Mr. MacNUTT: Why did the people of Halifax, irrespective of party, oppose this commission for fully a year or more?

Mr. RALSTON: My hon. friend's question is based on a wrong assumption. A portion of the people of Halifax worried over the

appointment of the commission. The city council were divided ten to five, I think, but that is not all the people of Halifax by any means. I think the people were a little fearful, as the hon. senior member for Halifax has said, that there might be results seriously detrimental to the port. I felt that the only thing the government could do after receiving all representations was the bold and courageous thing, namely, to go ahead and carry out the recommendations of the Duncan commission. We have already done that and what we are trying to do now is to provide the financial arrangements in connection with the matter.

What is the benefit of a commission? It is to do away with the idea that the hon. senior member for Halifax suggested, namely, that this whole port is going to be run by the railways. I say that advisedly. My hon. friend says that the development that was made there was made by the railway authorities. We have there railway interests, steamship interests, city interests and commercial interests, and the harbour commission is a trustee for all those interests, so to administer the port that all interests are served; that primarily there is a continuous program of development instead of having one day the board of trade suggest something, another day the railways, another day the city council and another day the people on the waterfront. The harbour commission will co-ordinate the efforts and ideas of all these interests down there in order to see that there is some continuity of administration. That is the benefit that is being received in the other ports of the Dominion and the whole question after all is one of financing.

It has been suggested that these two harbour commissions should be made advances in some different way from that adopted in the case of other harbour commissions in the Dominion of Canada. Let me remind the committee that when my hon. friend the leader of the opposition uses the words "imposing a burden" on the port of Halifax or the port of St. John, I am afraid he has not regard for the history of harbour commissions all over this country. No greater burden is intended to be imposed on these ports having regard to the service provided. The government, it seems to me, would be committing suicide and defeating the very object for which these commissions are appointed if they did something which would impose the port charges which would hurt the business of the port.

Mr. CANTLEY: That is what you are doing.

Mr. RALSTON: My hon. friend, may I say with all respect, does not understand the constitution or the working of a harbour commission.

Mr. CANTLEY: I think I do.

Mr. RALSTON: I beg my hon. friend's pardon. There is no suggestion in this bill that there shall be any increase in the port charges.

Mr. BENNETT: Who said there was?

Mr. RALSTON: My hon. friend the member for Pictou just a moment ago said, "That is what you are doing," and I thought that is what he meant.

Mr. BENNETT: No.

Mr. RALSTON: I have no doubt that that is what he meant.

Mr. BENNETT: That is not what he said.

Mr. RALSTON: What I am arguing is that there is no suggestion in this bill at all about increasing the charges.

Mr. BENNETT: Of course there is not.

Mr. RALSTON: I am glad to have that admission, because my hon. friend is the one who spoke so frequently of imposing a burden on the port.

Mr. BENNETT: I said that as the interest charges are increased, the burden on the port is increased if the charges are earned.

Mr. RALSTON: My hon. friend has made speeches to the effect that the interest charges should not be paid by the port. That is exactly the point he has taken, and he has also taken the position that the interest charges already incurred by these commissions should not be paid. That is the position he took yesterday. Only a few days ago it was a somewhat different position, when he was suggesting that these ports ought to be established on a business basis, and that there should be an issue of bonds to represent the old indebtedness, so that these amounts would have to be paid.

Mr. BENNETT: That is not what I said at all. Just turn it up in Hansard.

Mr. RALSTON: My hon. friend can turn it up. My hon. friend's statement, and I am within the judgment of this house and of Hansard, was to the effect that there should be an issue of bonds to take care of and to cover the previous deficits, if we may call them that, and to put the port on a business basis.

Mr. BENNETT: That is not so.

Mr. RALSTON: My hon. friend from Vancouver Centre dealt with the matter also, and stated that these things should be put on a business basis, and that we should see that these harbours could earn interest on the money advanced. That is not the history of port development in Canada. The history of port development in Canada is this: What the government has done has been to receive the reports of the harbour commissioners who have been administering the ports, to examine in detail what their proposals are, and to give them, by bill, the money necessary to the carrying out of these projects for the benefit of the port; and then to ask them so far as possible to pay interest on the money advanced. But no government has ever been foolish enough to ask them to increase the tolls beyond the point which the traffic will bear or in any way to stifle or impair the business of the port. No government would be foolish enough to do that, and my hon. friend need have no fear whatever on that ground. The point is, just as in the case of the railways, that the tolls chargeable in connection with the harbour dues and port business generally are what the traffic will reasonably bear, and any government or any commission which goes beyond that and attempts to impose tolls which are too high having regard to the purpose for which the harbour is being used and the service afforded, will defeat the very objects for which the commission is established, just as the railway will defeat its object if it imposes too high charges, because it means that the traffic will not be forthcoming. That has been the history of harbour commissions up to the present.

What has been done is that the harbour commissions which have received advances have issued their bonds and have turned them over to the federal government. Those bonds represent the advances which have been made. That is, I think—and I am not prepared at this date to say it is wrong—a good way to ensure careful and prudent administration, in order that you may segregate the amount of money which has been actually advanced to the commission, in order that they may know how much money is coming from the federal treasury, and in order that the federal system of bookkeeping may be such that there will be no difficulty whatever in ear-marking particular funds going to the development of that port. Further than that this government has not gone, and further than that previous governments did not go. All they have done is to see to it that the tolls imposed have been fair.

[Mr. Bennett.]

May I say one thing further? It requires the initiative of the harbour commission to fix tolls in connection with port dues and harbour charges. The commission must first recommend that the government increase the tolls. All the governmet can do is to approve or disapprove; and if the government propose to change them they have to go back to the harbour commission, and the harbour commission must concur. We can scarcely imagine men who are residents of the city of Halifax, and who have the stake in the city which I have mentioned, needlessly or improperly endeavouring to impose on shipping using the port tolls which that shipping should not bear. If the revenue from tolls fairly chargeable is not sufficient then other means will have to be found to provide the necessary money. The harbour commission may say, "We cannot pay the interest;" and I have never heard of any foreclosure proceedings against a harbour because interest has not been paid; but the issuing of these bonds has been found convenient to earmark and segregate the money which has been advanced.

So far as the financing is concerned, I think we are talking about a distinction without a difference. It seems to me that with the assurance given by my hon. friend the Minister of Marine and Fisheries with regard to accounting and audit, there is very little difference between one system and the other, except that under the system which now prevails you have an actual piece of paper issued by the harbour commission and handed over to the treasury in order that there may be a definite indication of exactly how much money has been received by the port and what expenditures have been made there by the Dominion.

The other night my hon. friend the leader of the opposition referred to the free port of Hamburg, and he suggested that the tolls at that port and at the port of London were very low because of competition. I do not expect to live long enough to see the port charges of Halifax as high as those of the free port of Hamburg. I have obtained a list of these charges, with the Canadian equivalent of the German currency, but I will not take the trouble to read the figures. I will content myself by giving the committee a description of the various dues and other charges: Quay dues on vessels, quay dues on cargo, harbour dues, delivery charges, acceptance charges, storage charges, weighing dues, crane dues, clearance fee, warehouse charges, dock labourers' wages and stevedoring. All of these tolls are charged at the port of Hamburg which has been so often referred to as a free port. I thought my hon. friend

said the other night, but I see by Hansard that I was mistaken, that this port ought to be like Hamburg—a free port. My hon. friend knows, and I presume this committee knows, that the sense in which Hamburg is a "free" port is that a certain portion of the harbour is segregated from the rest and constitutes a sort of bonded warehouse where men may hold and store their goods and sell them without paying any duty unless they are sent into Germany. Speaking from the point of view of Halifax alone, I think it would be a very fine thing if we could have such an arrangement, but I seriously question whether it would be so regarded by the manufacturers of Canada who support my hon. friend.

Mr. BENNETT: They support the hon. gentleman.

Mr. RALSTON: I think there would be very strong objection against any suggestion that the port of Halifax or any other Canadian port be made a "free" port like Hamburg.

Fears have been expressed with respect to what may happen at the port of Halifax. The fact that only a small amount of money is being asked for this year is to me a matter of satisfaction, for it shows that the harbour commission is going slow; they are making a thorough study of the situation in an endeavour to find out what facilities can best be improved, and are determined not to ask for further advances until they know how the money should be spent to the best advantage. That is the view they have taken after a thorough investigation, and I think it will commend itself to this committee.

I do not believe there is a single port in Canada where the suggestion would be accepted to go back to the old system. We find that every port under a commission has increased its business. With all due deference to the agencies which have been at work in the port of Halifax in times past—I do not disparage their work in the slightest—I think the time has come not simply for the city of Halifax, not simply for the province of Nova Scotia, but for the benefit of the Dominion itself to take a courageous and a long view, and—if my hon. friend thinks of it in that way—to take some risks; but I do not believe there are any. In my view we should see that the two essentials emphasized by Mr. Cornell are present in the administration by the harbour commission: first, to do their utmost to provide the port with ample facilities for the business which may come to it, developed from year to year along the lines of a well-considered program; and, secondly, to do their utmost to solicit business for the port, to bring together the man who has the goods and the man who has the ships and encourage them in the habit of trading in and out of that magnificent harbour. That is the future job of the harbour commission which has been appointed. I believe the prospects are bright, notwithstanding the fears which have been expressed by my hon. friends opposite. I join with all they have said in hoping that the charges in connection with the port will be just as low as possible. I do believe that the harbour commissioners are level-headed, sound and cautious, and at the same time courageous, and that they will endeavour to do their very utmost for the benefit of the port. If they do adjust charges, I am confident that that adjustment will be made along sound lines. In short, Mr. Chairman, I am certain that no one in this house will have reason to complain that the facilities or the business of the port have been injured by the appointment of the commission or by the legislation which has been passed, but that on the contrary my hope is that there will be a distinct advancement in keeping with the great natural advantages and the national importance of the port of Halifax.

Mr. BLACK (Halifax): If I understand rightly, tolls which at present are not in force, are to be levied on shipping?

Mr. RALSTON: No one has suggested that.

Mr. CANTLEY: What did you say? You said that, surely.

Mr. RALSTON: I did not.

Mr. CANTLEY: Mr. Chairman, I understood the minister to say distinctly that the creation of the harbour commission of Halifax would not impose any additional burden on shipping or the trade of the port that did not previously exist. That is his statement as I understood it.

Mr. RALSTON: My hon. friend will find my statement in Hansard.

Mr. CANTLEY: You made your statement a short time ago, and should be able to remember what you said. If that is not it, you will be good enough to deny it now.

Mr. RALSTON: My hon. friend remembers what I said.

Mr. CANTLEY: And I have stated it. I want the hon. minister to say if the statement is not correct, as I understand it. Up to the present time all freight arriving at the port of Halifax in steamers or otherwise coming to the docks pays no toll. The toll,

as has already been explained by the senior member for Halifax (Mr. Black) is absorbed by the railway on both inward and outward freight. That has been the practice for many years, going back further than either the minister or I can remember. Will that condition prevail in the future? The minister certainly knows that it will not. All traffic entering the port of Halifax and departing therefrom will have to pay tolls. What tolls are paid now by steamers entering the port? Pilotage is paid, a contribution to the sick mariners' fund is paid, but no wharfage, side or top.

Mr. RALSTON: My hon. friend is wrong.

Mr. CANTLEY: Would you be good enough to show me?

Mr. RALSTON: Side wharfage is paid.

Mr. CANTLEY: Not where freight is delivered to the Canadian National Railway. How are you going to make these interest payments? The proposal of the government is not what the people of the maritime provinces, and particularly the people of Halifax, understood it to be. The minister quoted what the Duncan commission recommended. Take the port of Montreal: forty-six million dollars or more was expended on work in connection with that port before the Montreal harbour commission was organized. Millions were expended in the port of Quebec before 1913, absorbed entirely by the Dominion of Canada as a whole; and when that was done a commission was appointed.

Mr. VENIOT: Not at all.

Mr. CANTLEY: Oh yes; that is the fact. Now what we had a right to expect was, in the language of the report, that the port of Halifax should be developed as the Canadian canal system has been developed at a cost of $200,000,000 and more to the country, and operated absolutely free from any toll. Halifax is a great national port—the greatest national port in the Dominion, as was amply demonstrated during the war.

Mr. DUNNING: With regard to canals, wharfage charges are made.

Mr. CANTLEY: I said nothing about wharfage charges on canals. I said that they were operated entirely free to shipping passing through them.

Mr. VENIOT: If they go to the wharves they have to pay tolls.

Mr. CANTLEY: I am not going to be put off with anything like that. The canals are operated free.

[Mr. Cantley.]

Mr. CHAPLIN: Where does the Welland canal exact tolls in connection with wharves?

Mr. RALSTON: Is my hon. friend opposed to the appointment of a commission?

Mr. CANTLEY: I am opposed to appointing a commission such as you are appointing, operating as you propose to have it operated. I want a commission, if a commission is appointed—

Mr. RALSTON: You don't want a commission at all.

Mr. CANTLEY: Hold your horses. If the harbours were developed as it was proposed by the Duncan commission they should be developed, then they might well be under the control of a commission and administered free of dock and wharfage rates and tolls as the canals are administered.

Mr. RALSTON: Are the railways administered free? They are joined in the report, you know.

Mr. CANTLEY: You will not get me into a hole of that kind. We are not discussing railways. We want a harbour in Halifax administered as the canal system is administered.

Mr. VENIOT: The Duncan report says "railways and canals".

Mr. CANTLEY: It makes no difference what you say the report says. I know what the people of the maritime provinces understood the Duncan commission to recommend. The harbour was to be developed and extended as the canal system has been developed and extended. I am speaking at the moment and hon. gentlemen can speak when I am through. It is now six o'clock and I will reserve the rest of what I have to say until we resume.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CANTLEY: When the committee rose at six o'clock I was dealing with the statement which has been made by the hon. the Minister of National Defence that this bill imposes no additional burden upon the trade of the port. I do not think there is any question at all as to the facts of the matter; they are that the commission has power to set such rates as they choose by by-law, they have power to pass by-laws and regulations in regard to rates. In the general act regarding the rates to be charged on the government

piers throughout the whole Dominion there appears a schedule of rates, but section 3 of that act provides:

> Nothing in this act shall apply to the harbours of Toronto, Quebec, Montreal, Halifax, Pictou, or St. John, these harbours were specifically exempt from tolls.

In that connection I might say that at one time the port of Pictou was under a commission; I was a commissioner for some years on two separate occasions. The scale of fees necessary to keep the port developments in proper working order and to maintain wharves and docks was so high that trade was discouraged, and the income was not sufficient to keep up the machinery of the port. So it was decided to do away with the harbour commission, which was done on the recommendation of the commissioners themselves, as the older members of the house will no doubt remember.

Until this commission was created at Halifax the harbour dues as far as docks were concerned were absorbed by the railway; local shipments coming from the West Indies, for example and going into warehouse in the city had to pay top wharfage or side wharfage, because that material did not go over the railway. For this reason the city of Halifax, as far as its private business was concerned, did not participate in the relief afforded incoming and outgoing freight at that port. I should like to point out that Halifax harbour is the largest, the safest and the most important on the entire Atlantic coasts of this continent; as far as area is concerned, as far as safety of approach, depth of water, lighting and everything pertaining to a great harbour are concerned, Halifax has no equal on the Atlantic coast. It should be, and by nature is destined to be, the great gateway of this country of Canada. That was amply demonstrated during the war, and as I pointed out before, the difficulty in this country, and I suppose in all countries, is that as soon as the war is over we forget what our necessities were in connection with the war and minimize the importance of what is most vital to the material interests and safety of the country.

As I attempted to show before six o'clock, there is no question in my mind as to what the Duncan commission had in view and intended to express. I spent practically all one night with Sir Andrew Rae Duncan in the Halifax hotel before the report was completed, and a large portion of that time was devoted to the question of the position of the port of Halifax and how it should be developed and administered. I would not say I am more qualified than any other man to say what was in the mind of Sir Andrew Rae Duncan in connection with this matter, but I think I am justified in stating that I know what was then his opinion and what it was he at least intended to recommend. He intended that the ports of Halifax and St. John should be developed at the national expense. I am not speaking for St. John at the moment, because except in a general way I know nothing about that port, but so far as Halifax is concerned the view taken by Sir Andrew Rae Duncan was that it should be developed at the national expense, just as the canal system of this country was developed and as the St. Lawrence waterway immediately adjacent to the ports of Quebec and Montreal were developed.

Mr. RALSTON: Will my hon. friend permit a question?

Mr. CANTLEY: I did not interrupt the minister, and I am not going to be interrupted now, if he will excuse me. We spent $47,000,000 on one portion of the St. Lawrence waterway before it was turned over to the commission, and all we ask is that one tithe of that amount be spent in the development of the port of Halifax. Then you can turn it over to the commission under the terms specified by the Duncan commission, namely for the purely administrative work which it was intended to do. If we look at the schedule attached to the bill to which I have already referred we see that if those rates were put in effect our friends from Annapolis would pay three cents on every barrel of apples shipped abroad from Halifax. That is only one item, but that item might run into say thirty thousand dollars per year to be paid by the apple growers of the Annapolis Valley. The schedule extends to scores of items.

The minister made some reference to the port of Hamburg, and to a large extent he was quite correct. Hamburg is not a free port from the point of view of its being free from harbour dues. Hamburg is as we know one of the finest ports in Europe. I am fairly familiar with what the free port of Hamburg means; I have seen it and have spent some time in the free area. The minister has intimated that perhaps no man on this side of the house would be in favour of a free port at Halifax. I would. What does the "free port of Hamburg" mean? Simply this, that a very considerable area within the port comprises a free zone into which I can take my vessel and warehouse the cargo for a considerable time. I can bring other cargoes

there from other parts of the world; I can reassort those cargoes and after thus reassorting goods from my own and other cargoes, all warehoused within the free area, make up a cargo for any port in the world, having the advantage of a warehouse where no duty is paid and from which I can reship those reassembled cargoes in various parcels. A free port of that kind would be of very great advantage to the port of Halifax and to the maritimes—indeed to all of eastern Canada.

There is another phase of the free port of Hamburg, namely that goods can be taken into that port and be there reassembled and remanufactured. I am free to say that the manufacturing phase of the free port of Hamburg has not developed to the extent that was expected, and from that point of view it is not the success hoped for; but a considerable amount of remanufacturing is done in the free zone. At Halifax, for example, our automobile trade could bring together parts from this country, from the United States or anywhere else, reassemble those parts in the free zone and export them wherever they pleased. Those are outstanding features of a free port, and such a free port in Halifax, therefore, I submit would be of considerable advantage not only to Nova Scotia but to the whole of Canada. It would be impossible to establish it on the St. Lawrence, due to the impossibility of winter navigation. Now I would like to point out to the house on what we base—

Mr. VENIOT: Before my hon. friend leaves that, would he favour the port of Halifax as a free port for coal?

Mr. CANTLEY: There is no meaning in the phrase "a free port for coal."

Mr. VENIOT: Why?

Mr. RALSTON: Does it not mean that American coal can go in and be reshipped without duty?

Mr. CANTLEY: Are you going to manufacture it in the free zone? With all deference to the minister, I say there is nothing in the suggestion of a free port for coal, unless you are bringing that coal into the free zone.

Mr. RALSTON: That is what we are talking about.

Mr. CANTLEY: And putting up coke ovens and manufacturing the coal into coke and gas. May I ask him how he would dispose of the gas and where he would propose to export the coke?

[Mr. Cantley.]

Mr. VENIOT: My hon. friend was speaking of a free port of Halifax, and I was asking whether he was objecting to free coal in the free port of Halifax.

Mr. CANTLEY: I will not object to free coal in the free port of Halifax, as the Postmaster General's suggestion is ridiculous. Now I go back to the time of confederation, and what was told us then? That Halifax was to be the great national port of this continent so far as the British flag flew over it. How far have we fallen short of that? I ask any man in the house who is familiar with the events of the last forty, fifty or sixty years in this country, how much has been done for the port of Halifax?

An hon. MEMBER: We have spent large sums of money.

Mr. CANTLEY: I will admit that we have spent large sums on the railway terminals at the port of Halifax. The Prime Minister spoke of that yesterday. It may be debatable whether the railway terminals should be located as they are. I am not going into that, but that is a development which was essential to the Intercolonial railway and to the railway system of to-day. What could be done during the war years—

Mr. DIONNE: Will the hon. member permit a question? How long is the wharf at Halifax? Is it 100 feet, or 900?

Mr. CANTLEY: Twenty-four hundred feet. Mr. Chairman, with these interruptions I may close, except that I wish again to point out to the minister who preceded me that we view with all earnestness the essential facts in connection with this matter of harbour development. His bill does not give us what we expected to get; it imposes obligations which were not intended to be imposed by the Duncan commission. The minister suggests that no additional imposts were made. I think I have shown conclusively that they are, and that they are inescapable. Sir Andrew Rae Duncan refers to another phase if the matter, where he says:

> The experience of the late war is fresh enough in mind to illustrate one phase of the national viewpoint and national necessity.

What will the harbour commission contribute to making a port that will meet the national necessity? How is it possible to create the additional machinery and plant necessary at that port and to maintain them entirely, pay the interest on the bonds, provide for the necessary sinking fund, properly

equip the port—and it is admitted now that the ports are not properly equipped—without imposing corresponding tolls on the business? And how is it possible to do that without adding to the expenses of the port?

Mr. RALSTON: Nobody has asked that that be done.

Mr. CANTLEY: The idea behind the Duncan commission report is that the development of the port of Halifax should be carried out, and it must be made practically a free port, by virtue of which all developments must be at the national expense, and the interest on the cost must be borne by the nation as a whole.

Now, what has happened within the last three weeks or a month? It is understood that the Public Works department had been asked by the Railway department or somebody else to take over these docks at Halifax, and why? So that the railway will be relieved of the cost of maintenance of the docks and wharves and I admire the dexterity and foresight of the minister who arranged it. That will be absorbed by the Public Works department. I would have no quarrel at all with that if it stopped there, but the next proposal will be that after taking those docks away from the railways they will be given to the Public Works department and then transferred to the harbour commission.

Mr. RALSTON: They are transferred to the Department of Marine and Fisheries, not to the commission. My hon. friend ought to look and see.

Mr. CANTLEY: Be it Public Works or Marine and Fisheries, is the commission not to have control of all the docks in Halifax?

Mr. RALSTON: The commission has control, but the commission is administrative. My hon. friend misses the point.

Mr. CANTLEY: I do not care what the minister may suggest; they are going to pay the bills in the future.

Mr. RALSTON: It is not intended that they should pay the bills, and no commission yet has done so.

Mr. CANTLEY: I am sorry I cannot take my hon. friend's word for that. He will not always be in his present position.

Mr. RALSTON: My hon. friend can take my word for what has happened in the past, namely, that no commission in Canada has yet paid the bills.

Mr. CANTLEY: I did not suggest they did. Next year's crop of wheat is not grown yet; but when the commission gets into operation and administers the port, it will take over the wharves and collect tolls on goods landed on and over them.

Mr. VENIOT: The commission will not assume the liabilities.

Mr. CANTLEY: What liabilities? My hon. friend cannot get around the matter in that way. I know what I am talking about and so does the minister, but he will not admit it and speak accordingly.

Mr. RALSTON: My hon. friend will not admit what is the fact.

Mr. CANTLEY: The minister wants me to admit something which is entirely untrue and which of course I am not prepared to admit.

Mr. RALSTON: That is not the case.

Mr. CANTLEY: The fact is that by this bill we are not given what we were told we would receive. There is ample evidence of that and time will prove the truth of my assertion. I know there is very little use in appealing to this government to do other than they are doing. We register our protest but such consequences will follow as a result from all acts which are unfair. In short, the government have failed to live up in their entirety to the proposals which indicated what we in the maritime provinces understood we were to get.

Mr. BENNETT: The Minister of National Defence this afternoon delivered a carefully prepared address with respect to the situation in Halifax. With regard to the extracts which he read from Sir Andrew Rae Duncan's report I can only say that it appears to me that if he had read a little longer and a little more fully, he would not have arrived at the conclusions at which he did. The report of the commission certainly contemplated that a statutory commission should be appointed to administer two harbours, one at St. John and the other at Halifax. It did not in terms state that the commission should be a commission under the existing laws with respect to harbour commissions. There is with respect to harbour commissions a law under which the port of Montreal is organized and operated. There is a similar law under which the port of Quebec is operated. There is a similar law with respect to the harbour of Vancouver. There is also one with respect to the harbour at Chicoutimi—or is it Bagotville— and there is similar legislation

with respect to the harbours of Halifax and St. John. My conclusion is that the commission meant by the Duncan report was a commission created by this parliament especially for those two harbours of Halifax and St. John. That conclusion, if it were a court of law in which one were arguing the case, is abundantly clear from the language that is employed, because Sir Andrew Duncan refers to the fact that he visited the harbour of Montreal and observed the way in which that harbour was being operated but he does not suggest in terms that the commission should be that form of commission. He says that it should be a statutory commission and then he refers to the purposes for which it was to be organized. It was to be organized, first, to administer the harbour and, second, to make the merits of the harbour known so as to develop its trade. He says at page 30 of the report:

> It is not possible, within a short space of time, to make good the leeway which delayed attention has created. But we must not, on the other hand, underestimate the rapidity with which development of traffic can be expedited through the development of facilities for handling the traffic (including requisite cold storage), and through making known, by all the sources that are open to the energetic administration of harbour commissions, in the shipping exchanges of the world, and to shippers, the facilities that are offered at any given port. It would be a function of the harbour commission to survey and study the possibility of developing the export trade of the maritime provinces. In the recommendation we make as to a public commission, we do not have in mind maritime province trade standing by itself. We have also in mind the development of that trade as a factor in the development of the port, co-ordinated with the very substantial nucleus of shipping traffic that already attaches to the ports of Halifax and St. John, and co-ordinated also with the other factors which the commission's organization would influence and direct. These include the wider export (including grain shipments) and import traffic that can be organized all the year round if the full advantage is to accrue to Canada from such arrangements as lie at the foundation of their policy in regard to trade through Canadian ports, railways, trade treaties, British preference provisions, and immigration.

Those were the two fundamental principles that were in the mind of the Duncan commission as expressed in the report itself. I think it must be abundantly clear that it was never in the mind of the Duncan commission that a body should be set up which would borrow money upon which interest had to be paid and in respect to which tolls would have to be collected, but rather that the port should be developed as a national undertaking. The language I have just read is susceptible of only that conclusion; it is a burden to be placed upon the Canadian people as a whole and not upon the mere shippers of the ports of Halifax and St. John. It points out at some length the difficulty in organizing a port and expanding its trade where there has been the delay that has characterized the ports of St. John and Halifax. If that report means anything, it means that there has been great delay in developing these ports; that is what it says in its terms.

How were these ports developed? The port of St. John was developed by money put up by the citizens of St. John plus appropriations of public money from year to year for the purpose of building breakwaters and carrying on dredging operations.

Mr. ROBB: Mostly plus.

Mr. BENNETT: Well, a very substantial sum was plus, and a large part of that was probably minus, as perhaps the minister will agree, so far as ultimate gain to the port itself was concerned, because tidal conditions in connection with the development of the port of St. John—and I do not know whether they will be overcome now—made it one of the most difficult ports of America in which to carry on dredging operations successfully and to build breakwaters that would withstand the enormous seas that sweep from the bay of Fundy into that harbour when certain winds prevail. But let me come to the point. What clearly must have been in the mind of the Duncan commission was that we would develop these ports in the manner I have indicated, as a national undertaking, as it says, depending not upon the traffic of the communities themselves but upon the large traffic that might be developed by a vigorous and energetic harbour commission, a body not only administering the affairs of the port but developing its trade by means such as have been employed by the harbour authorities of Liverpool or, in more recent years, the harbour authorities at Southampton, to say nothing of the development of the port of London under Lord Devonport. That was clearly in the mind of whoever wrote the report. The development of trade and the directing of the attention of the world to the facilities that exist are emphasized.

Halifax has been one of the most efficiently operated ports in America. Its piers are so located, its facilities are so good, that it can handle certain kinds of traffic faster than any other port on the continent. It is favourably located for particular kinds of traffic. There are no cranes in Halifax, as in the great ports of continental Europe for taking care of heavy traffic. The handling of that form of traffic has not yet developed in the port of Halifax, but for the purposes of a steamship of anything up to 600 or even

700 feet in length going into one of the slips at the port of Halifax, there is probably no finer harbour anywhere. It has deep water, concrete wharves, good sheds, facilities of every kind for taking care of the class of traffic other than that handled by cranes.

In St. John, owing to the abrogation of the traffic agreement with the Canadian Pacific Railway Company and the old government railways after 1921, when Mr. Graham declined to renew it, great impetus was given to the harbour of St. John as the winter port of Canada, especially having regard to through traffic on the Canadian Pacific railway. Unfortunately in many respects it became necessary for this country, because of the default of the Grand Trunk Railway Company, to take over that system, and that meant that we ourselves were developing at the harbour of Portland a port that was a rival both of St. John and of Halifax. That was one of the results of the country being compelled, by reason of the falling down of the Grand Trunk in its obligations, to take over the line that runs into Portland. Everyone knows that in Portland we have very valuable terminal facilities, costing many millions, which were built by the Grand Trunk and assisted to some extent by the community in which they are located. At one time, perhaps not since the Minister of Railways has held that portfolio, it was thought desirable to have these sold to the state of Maine or to the city of Portland itself. But leaving that aside, the fact is that you have there a port which is a competitor of our two Canadian winter ports, one the port of Halifax and the other the port of St. John. That is one of the complaints made by the people in the maritime provinces, that Portland is a competing port of Halifax and St. John. To meet that we are going to have a statutory commission. I do not disagree entirely with what was said by the Minister of National Defence this afternoon that form seems to be the difficulty between us. We are agreed that it is to be a statutory commission, but I submit that it was a special commission that was contemplated in the report of Sir Andrew Rae Duncan. My friend the Minister of National Defence says: No, it is the ordinary commission organized under the general harbour commission law that we now have in Canada, with the same provisions that apply to the port of Vancouver or any of the other ports I have mentioned. Assume that we have a statutory commission—and my hon. friend is right when he assumes that we have; for it is a commission operating under the provisions of the general harbour commission law; I think that is a fair way to put it. But we raise the further point that in view of the findings made by the audit board with respect to the harbour of Quebec, that St. John harbour last year had an operating profit of $40,000 after paying interest on its investment from a gross revenue of $257,000—

Mr. VENIOT: And sinking fund too.

Mr. BENNETT: Yes, and taking care of all the charges incident thereto—they had an operating profit of $39,000, to be exact, upon a gross revenue of $257,000. It is quite obvious, and here is the point upon which the Minister of National Defence and I and those associated with me disagree, that the condition that has developed at the harbour of Quebec is bound to develop at these two other ports if they carry on the trade that is so essential to competition with our own railway-owned port of Portland, and with the port of Boston and the port of New York. No man who has sailed out of St. John harbour and out of Halifax harbour into the north Atlantic in winter, and has travelled on the old Allan line out of Portland in days gone by, and who has proceeded out of the ports of Boston and New York, and has noted the vast improvements in recent years that have taken place in those American harbours, can fail for a moment to realize that if we are to develop and hold traffic for the ports of Halifax and St. John we must be able to offer facilities at least equal to those of any other port on the north Atlantic.

Now the moment you borrow $5,000,000 for the port of St. John—for it is borrowed, mark you—it involves the promise to pay; and when the Minister of National Defence says that a burden is not thereby being placed on the port, he must know that when either Halifax or St. John borrow money from the government and give a promise to pay, it assumes an obligation represented by debentures and bonds, to which are attached coupons, which are promises to pay interest. That is the point I endeavoured to make the other day. Every time, then, that the harbour commission of St. John borrows money from the Dominion government and gives its promise to pay, it has assumed an obligation, and no man would be more ready to admit that than my friend the Minister of Finance. That is the case with Quebec harbour. It has outstanding obligations, promises to pay, which for reasons that have been indicated it has not met. Halifax is to borrow $500,000 for this year. That means that the Halifax harbour commission has promised to pay $25,000 in interest to the Dominion

government, as well as sinking fund. It means more. When, three years hence, the harbour of St. John has completed its present program, it has promised to pay to the Canadian people $250,000 per annum, plus sinking fund. Now, sir, I put it to you and to every member of this house whether this is anything more than mere camouflage. If what the minister says is true, that there is no obligation to be incurred, let us say so in terms in the statute itself, and say we are granting this money to develop that harbour; let us do it direct and say we are giving, not lending, the money to develop that harbour. But, on the other hand, if we are merely swapping pieces of paper with ourselves, creating by a statute a body having power to issue promises to pay, which body will with our permission and sanction issue its promises to pay to us, which we will hold in the treasury, and when the interest comes due, and they find themselves unable to meet it, we shall have to find the money ourselves—that, it seems to me, is nothing but duplicity. It is for that reason—the Minister of Marine and Fisheries is not unmindful of it—that we appeal to the government not to put these burdens upon these ports. What is it but a burden? What is it but an obligation? If I exact, as a condition of my lending to my hon. friend yonder a sum of money, his promissory note, has he not assumed an obligation?

Mr. DUNNING: I would have to pay it, too.

Mr. BENNETT: I am happy to say that my friend is in the fortunate position of being able to pay any promisory note he may make. But let us go a step further. I advance him $500,000 and he gives me his promissory note, with interest at 5 per cent per annum, payable say half-yearly. Will anyone say that the minister has not incurred an obligation, a liability, and that his fortune up to $500,000 is not liable for the repayment of that obligation? In this case—

Mr. DUNNING: Suppose I could not pay the interest, what would you do about it? I assure you I could not.

Mr. BENNETT: My hon. friend suggests, suppose he could not pay the annual interest. It would put him in the position of being a defaulting debtor who might be made bankrupt; or I could put him in the position, if he had given a mortgage, of losing his property—foreclose and take the property in satisfaction of his obligation. Is that the sort of thing we want to do with these ports, having regard to the report of the Duncan commission? I submit it is not. That is the whole story, and the whole difference between us.

Let us make ourselves clear in this regard. On the one hand, we are all agreed that these ports must be assisted; we are all agreed that the port of St. John should have five million dollars within a period of three years to carry out the contemplated plan in connection with the first unit of its development; we are all agreed that the harbour of Halifax should have half a million dollars to take care of its present necessities as indicated by the minister for the present year. The government asks us to insist that these two ports shall give us promises to pay these sums of money in a term of years, to be fixed by the government. We say that will involve, if it involves anything, the imposition of tolls for services rendered; for that is the only way by which the respective harbour commissions could obtain revenue, unless we give them the money to pay the liability. If my friend has no money, except what his colleague the Minister of Finance gives him, with which to meet the interest charges which he owes me, or the obligations under the note that I have mentioned, the position is clear. All the harbour of Halifax and all the harbour of St. John have from which to derive their respective revenues is service. Each has to sell the space on the wharves—the top service, and each has the side service with respect to its berths. In addition to that it may collect certain other dues with respect to its facilities.

Mr. DUNNING: Grain elevators.

Mr. BENNETT: I thank my hon. friend: grain elevators. Those are the services each has to sell. Now, if it is meant seriously that they shall pay the annual interest, they can get the wherewithal to do so only by imposing charges for all the services they have to sell. I do not think that point needs to be laboured with this committee. But if on the other hand we frankly recognize that it is not intended to deal with the matter in that way, then we say: Here is the money to provide these facilities under the supervision of this parliament, under the supervision, as I said the other day,—I think the minister agrees with me—of the best expert advice that can be given with respect to these two ports. Then we are on common ground and we have done the very thing which I submit is contemplated by the Duncan report.

In my opinion it is not important to consider whether this report used one word or

another. I am not attaching any particular significance to the specific use of a certain word here or there. What I am anxious about is that we should treat these two ports as great national ports—national in the sense of serving Canada as a whole, not the maritime provinces in particular—and by their utilization in this national way bring about that increased prosperity of the maritime provinces which their geographical position should ensure, and which is demanded in the interests of the Dominion as a whole. That is our position with respect to it.

Although the government has a sufficient majority with which to put this legislation through, I cannot think from what my hon. friend the Minister of Marine and Fisheries has said, that he is not fully cognizant of the difficulties of the existing situation, and I accommodate myself largely to these measures because of the observations that he has made, because of the studies that he is instituting because of the reports that he will receive, because of the expert attention which is to be given to the matter by men under his direction, and because of the undertakings that have been given with regard to checks upon the expenditures. I do not expect interest will be paid by these ports upon the advances to be made if they are to do what we want them to do. Indeed I do not wish them to pay interest if they are to do what we expect them to do, because I know that with the competition from the north Atlantic ports to the south they will not be in a position to meet the interest charges. Because of these facts, I am content to limit my opposition to these observations rather than to divide the house on a matter of this kind.

There is one point with respect to which I think the government might have taken a position entirely different from that which it has taken. Page 31 of the report says that these commissions should be:

> constituted of business and experienced persons.

I listened to what the hon. Minister of National Defence said to-day, I listened to what the hon. Postmaster General said the other day, and I impose but one single question upon them and upon this house: Would any corporation in the Dominion employ the men forming the personnel of those commissions for that purpose?

Mr. VENIOT: Yes.

Mr. BENNETT: You can go from one end of this country to the other and fail to find any corporation in Canada that would employ those men for that purpose.

Mr. DUNNING: The corporation of the city of Halifax employed one of them as mayor and as controller.

Mr. BENNETT: That but proves the very point I am making. Corporations do not employ men with qualifications as mayors to carry on their business. That is the answer.

Mr. RALSTON: Another one has been managing director of a corporation for twenty years.

Mr. BENNETT: That is all the more reason why he has not time to give to the duties of a harbour commissioner.

Mr. VENIOT: No; you are talking about ability.

Mr. BENNETT: No, I am talking about the words used in the Duncan report, "business and experienced persons". What does experience mean here? It means knowledge derived from past practice in this particular work. Did any one of them have any experience in running steamers in and out of Halifax?

Mr. VENIOT: Yes, in and out of St. John.

Mr. BENNETT: I am speaking of Halifax; I will come to St. John. Did any one of the three mentioned by the minister this afternoon have experience in managing a harbour? What is their experience? The Minister of Finance may have had experience, but he has not had experience in the practice of law. The Minister of Railways and Canals has had experience in the grain business, but that does not fit him—although he may think so—to run a railway. The Postmaster General may have had experience in dismissing postmasters, but that does not qualify him at all to be a minister of finance.

Mr. VENIOT: What experience has the hon. gentleman had in running harbours to place him in a position to criticize those appointments?

Mr. BENNETT: That is not an unfair question. I was born by the sea.

Mr. VENIOT: So was I. My hon. friend should not have left the maritimes so early in life. Has he gained the necessary experience in the west to manage harbours?

Mr. BENNETT: From my youth up I have been interested in matters affecting the sea.

Mr. VENIOT: So have I all my life.

Mr. BENNETT: And I have made it my business to learn something about great ports and harbours. But the answer I would make to the hon. gentleman is this: I am not offering myself as a harbour commissioner, either for St. John or Halifax.

Mr. YOUNG (Saskatoon): Mr. Chairman—

Some hon. MEMBERS: Sit down.

Mr. BENNETT: It is my privilege to say I will listen to the hon. member.

Mr. GOTT: Let the Prime Minister speak over there.

Mr. BENNETT: Ask your question.

Mr. YOUNG (Saskatoon): I was just going to suggest, Mr. Chairman, that following out logically the position which the hon. gentleman has taken—

Some hon. MEMBERS: Question.

Mr. YOUNG (Saskatoon): —would he be qualified some day to be Prime Minister of this country?

Mr. BENNETT: In much the same way as his leader qualified in the United States, I suppose. The language of the report was that they were to be experienced persons, and experienced persons in relation to harbours must have been men who had some knowledge with respect to the matters with which they would have to deal. That is my point. And I did impose this test, and this only: Would a great corporation employ these gentlemen for that purpose? That was the test I imposed, and it is not an unfair one. This afternoon the Minister of National Defence said that it was not a drawback which should prevent a person from finding service under the crown on a commission that he happened to be of a particular party in politics. I agree with him, wholly. But, where you have a national port, I do suggest that it would have been the proper thing to have at least insisted that the considerations prevailing in making the appointments were purely of a business character. And surely no three men would be selected in either Halifax or St. John, men experienced in business, one of whom would not have been a Conservative.

Mr. RALSTON: There could not have been three experienced Liberals?

Mr. BENNETT: Three men representative of business—because business is not so one-sided that, if you selected the men for the qualities of experience and knowledge, one of them would not be a Conservative. Furthermore, and I repeat this, the tendency has been to treat these matters as purely political, with the result that you have patronage, with all its attendant evils, in the administration of the commission. I pointed out therefore that the time had come when we should try to get away from a state of affairs such as that. It was not worthy of the Minister of National Defence to compare the appointment of men on a commission of this character to the appointment in 1926 as a returning officer, of a man who had been a candidate in 1921.

Mr. RALSTON: Why not?

Mr. BENNETT: Why not?

Mr. RALSTON: Isn't the position of the returning officer a judicial one?

Mr. BENNETT: It is both administrative and judicial.

Mr. RALSTON: And does my hon. friend suggest that by 1926 he had lost the stripes and spots which he bore in 1921?

Mr. BENNETT: Not in the least; but I say that he had been five years removed from an election. In the appointment of the tariff commission, however, hon. gentlemen saw fit to place a defeated candidate at the head of the greatest and most important commission —a gentleman who is avowedly a candidate for the next election. He was defeated as a candidate in a constituency largely industrial, and hon. gentlemen put him at the head of a tariff commission of such importance. It seems to me that this but indicates what is in the minds of hon. gentlemen opposite when dealing with this problem.

I submit that the harbour commissions of St. John and Halifax, in view of the fact that the government has accepted the Duncan commission's report, should be lifted out of party politics, and that there should be secured the services of men who are not of one political party. That is all our suggestion was. Now, my hon. friend may properly say that you cannot expect this; he may contend that it is not reasonable, human nature being what it is, inasmuch as the supporters of the government would demand that these positions be given them and them only. I pointed out however that this was the very thing that had been happening all these years in Canada and that the time had come, with this report in their hands, when the government might hope to avail themselves of the wide knowledge and experience of men on either side of politics, one of whom at least should be a Conservative and who, surely, would be able to bring to the discharge of his duties that measure of impartiality and that recognition of unity of

purpose on the part of the nation itself which would accomplish the ends contemplated in the report. Such an appointment, we contend, should be free from the taint of purely party considerations of patronage. I realize the influences that operate in such cases and I thoroughly appreciate them. I quite agree with what the minister says as to the weaknesses of human nature and the proneness of men to wish to support their own friends. And that is but a reflection of the political condition in Canada. But here you have the report of a non-political body with respect to two great harbours like St. John and Halifax, urging that they be treated somewhat differently from other ports because they belong to the people of Canada as a whole and not to the Liberal party nor to the Conservative party. That is our point.

Mr. RALSTON: The same with respect to a returning officer.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: No wonder hon. gentlemen over yonder laugh. It is vastly amazing to think that the Minister of National Defence should suggest that the appointment of a man who, for a few hours or perhaps days, discharges duties under heavy penalties if he abuses the powers conferred upon him, being subject to fines and imprisonment in the penitentiary if he violates the provisions of the statute, can be compared with the appointment of men on a harbour commission. In the one case you have a man who happened to be a candidate in an election in 1921, appointed in 1926 as a returning officer, and in the other case you have the selection of three active partisans to discharge duties on a commission with respect to a great national port. And the Minister of National Defence suggests that there is an analogy between the two.

Mr. RALSTON: Two of the three never even ran at an election.

Mr. BENNETT: It is not necessary to run in an election in order to be an active partisan.

Mr. RALSTON: I thought that was the thing that tainted this man and which he had got rid of after five years.

Mr. BENNETT: Surely the minister is not so small-minded as all that, although there is striking evidence in connection with certain operations in Halifax that he is. Any man who suggests as an analogy the selection of three partisan Liberals to manage a national port, a port owned equally by all Canadians, Liberals or Conservatives, and the appointment as a returning officer in 1926 of a man who happened to be a candidate in an election in 1921, is going far afield indeed for his analogy. That is all I say on that point. It is the sort of thing one expects to hear from some people but not from members of the legal profession.

That is the position we take with respect to these two harbours, about which there need be no misapprehension. Largely because of what has been stated by the Minister of Marine (Mr. Cardin) as to the position which will be occupied in the future with relation to these ports by the commissioners, we are content to express our position and avoid a recurrence of what has taken place in the past in some of the Canadian ports. Surely the minister must know the conditions that have obtained in some of them—conditions, I said the other day frankly, under both political parties. It is in the hope of lifting these ports, as national ports, out of that condition that we made the suggestion which we did, as to the appointment of at least one of these men not reflecting the mind of the party in power. For if that condition continues and there is a change, out they go, just as occurred in Montreal in 1911, although it is true some resigned. Such a situation is one that cannot make for the advantage and benefit of Canadian national ports. It is for the very reason that these ports have come to be regarded as being owned by political parties and their friends that we have had the situation which has prevailed in Canada, as disclosed in the records of parliament the last few days, showing increasing deficits with respect to harbour administration. That is what we are trying to prevent, and it is to that end that we made the suggestions which we do as to the manner in which these ports should be dealt with.

Mr. BLACK (Halifax): I would not have referred to this matter had it not been suggested by the Minister of National Defence (Mr. Ralston), who referred to the selection of a defeated candidate as a returning officer. May I call his attention to the fact that, contrary to precedent, the sheriff of the county in an important election in Halifax not many years ago—a sheriff who had always acted well and faithfully and to the satisfaction of the electorate generally and who, I may say, is a Liberal—was thrown overboard and a defeated candidate appointed, a man who had been for a number of years a supporter of the Murray government. This man was always a strong Liberal and was chosen as presiding officer at that election.

Mr. VENIOT: I should not like to allow the debate to close without saying a few words, not on the merits of the development of the port of Halifax especially, but in order to direct the attention of the house to what I consider the unfair interpretation which the leader of the opposition has been trying to place on the Duncan report. The hon. gentleman told the house that we on this side, by introducing legislation with regard to the development of these harbours, were doing nothing more or less than practising deception and camouflage. I do not think for one moment that the leader of the opposition desired to practice deception and camouflage upon this house when he undertook to-night to read from the Duncan report words which might leave the impression that the Duncan commission desired and in fact recommended that Halifax and St. John be made national harbours in the sense that the harbours should be developed entirely at the expense of the Dominion. If the leader of the opposition had wished to be fair he would have read from page 29. From page 30 he read the following:

It would be a function of the harbour commission to survey and study the possibility of developing the export trade of the maritime provinces.

My hon. friend concluded from that statement that the Duncan commission did not intend that the harbour commission should have anything to do with the development of the facilities of Halifax and St. John.

Mr. BENNETT: I particularly pointed out that one of the functions of the commission was to develop the port. I will not permit the hon. gentleman to make that statement unchallenged.

Mr. VENIOT: The hon. gentleman only read from page 30, and he cannot find those words on that page.

Mr. BENNETT: I will not permit the hon. gentleman to say I said something which I did not say. I stated that there were two functions of that commission; I named them, and one was to develop the port.

Mr. VENIOT: The hon. gentleman read these words:

It would be a function of the harbour commission to survey and study the possibility of developing the export trade of the maritime provinces.

He particularly directed the attention of this house to page 30; he read from no other page.

Mr. ERNST: But he said so.

[Mr. W. A. Black.]

Mr. VENIOT: If the hon. gentleman will just pay attention to himself I will do the talking. Had the leader of the opposition read from page 29 he would have found the proper words:

We recommend that, in respect of each of these two harbours, the federal government should establish a statutory harbour commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer.

The Duncan report definitely recommends that a commission shall be appointed to see to the development of the ports of St. John and Halifax.

Mr. ERNST: A statutory commission.

Mr. VENIOT: It could not be otherwise than statutory; with all his legal knowledge the hon. gentleman should know that. If there is anyone in this house who attempts to show his legal knowledge more than my hon. friend does, I should like to know who it is.

Mr. BENNETT: The Postmaster General.

Mr. VENIOT: The Postmaster General is not a lawyer, but he would consider himself a very poor one if he did not know as much law as some of those who pretend to speak from the legal point of view here to-night.

Let me go one step further. Again I do not wish to imply that the leader of the opposition did so wittingly, but he did deceive the house when he hesitated and did not read the second last paragraph on page 30. If you read that paragraph you can come to no other conclusion than that the Duncan commission desired that the harbours of St. John and Halifax should be dealt with as the harbour of Montreal is dealt with. Why do I say that? Because the Duncan commission commends the development of the harbour of Montreal in these words:

...and particularly at Montreal where port development has reached a very high level indeed...

That development reached such a high level under the administration of a harbour commission.

Mr. CANTLEY: No, before there was a harbour commission.

Mr. VENIOT: The development referred to has taken place only under the Montreal harbour commission. The development to which my hon. friend refers is not within the harbour of Montreal, and it was not done under a commission; my hon. friend criticized it because of that fact.

Now let me deal with one other point. The leader of the opposition claims that because we are lending a certain amount of money to the harbour commissions of St. John and Halifax we are thereby imposing a burden upon these harbours.

An hon. MEMBER: Sure.

Mr. VENIOT: But my hon. friend and the gentleman who said "sure" forget that if you secure development of the facilities necessary to care for the trade which will come to these ports, you will increase the volume of business and therefore increase the revenue without raising the dues in the ports. The port of St. John has been increasing its traffic annually, not only in grain, but in mixed exports, but notwithstanding the fact that the dues have been lowered from six cents to one cent a bushel, for top and side wharf dues the revenues of the port have gone up, the dues paid by shipping have been lessened and the business has been increasing. If you give to St. John and Halifax the facilities necessary to meet the large increase of business which will go through those ports you will impose no extra burden upon the shipping interests. You will increase the revenuse without imposing extra fees, and in increasing the revenues you will place these ports in a position to pay interest at a proper time on the investment made by the commissions.

The leader of the opposition referred to the experience of certain gentlemen in this house, and he took the liberty to refer to the experience I have had in dismissing postmasters.

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: Let me tell my hon. friend that perhaps I have had more experience in dismissing postmasters than he has had, but I am only following in his footsteps. I have a record which shows that the leader of the opposition took delight some years ago in ordering the dismissal of certain postmasters in the county which he represents, distinctly stating in his letters to the then postmaster general that he did so because they were Liberals.

Mr. BENNETT: The hon. gentleman having referred to a document, by the rules of the house he is now compelled to lay it on the table. I should like to see it.

Mr. VENIOT: I will produce the document with pleasure, and will lay it on the table of the house when I take up my estimates.

Mr. BENNETT: Now is the time to do it.

Mr. VENIOT: I will do it to-morrow; I will bring the original here, so that the hon. gentleman will be satisfied.

Mr. BENNETT: And what is more, there is no doubt that the government of 1911 laid down the rule that if any defeated candidate or member of the house made a report over his signature, the minister might act upon it. That rule was adopted by this house when Sir Wilfrid Laurier led the opposition.

Mr. DUNNING: Then why complain about the operation of the rule to-day?

Mr. BENNETT: Because it is not being followed.

Mr. VENIOT: This discussion has gone far afield, and the leader of the opposition can blame only himself for my reference to this matter to-night.

Mr. BELL (Hamilton): What about Gaspe last year?

Mr. VENIOT: I will answer my hon. friend when the time comes. I had not intended to refer to this matter to-night; I was going to reserve it for when my estimates came up, so that I would be able to show the hon. gentleman his own signature on letters asking that this very thing be done for which he blames me now.

Now, another point. The leader of the opposition referred to the political aspect of these harbour commissions. It is true that the harbour commission of St. John is composed of three Liberals. It is also true that the junior member for the city of St. John (Mr. Bell) in his speech the night before last supporting the appropriation of $5,000,000 for St. John harbour, stated that they were three honest, able, executive men, and that St. John was proud of them.

Mr. JONES: Did he say that they had any experience?

Mr. VENIOT: No, he did not say that, but the hon. gentleman will say that there is one man who knows more about the harbour of St. John than perhaps all the other citizens of St. John put together—

Mr. JONES: Who is he?

Mr. VENIOT: William E. Scully; and the hon. gentleman will not deny it if he wants to be fair. Everybody knows that no man in St. John to-day has had more experience pertaining to the harbour business of St. John than has W. E. Scully.

Mr. JONES: What about the chairman?

Mr. VENIOT: The chairman is a business man of the highest standing in St. John. He has been one of the leading men in helping to plan the development of that harbour and to put forward its claims, on delegations appearing before the government, to the rights that have so long been denied the port of St. John.

Mr. JONES: Who denied them?

Mr. VENIOT: Your government and this government both. I do not give credit to one more than to another, because neither Conservative nor Liberal governments since 1867 have treated St. John or the other harbours as they should have been treated.

Mr. McGIBBON: They are surely coming into their own now, are they not?

Mr. VENIOT: Yes, since the Liberal government, in the present legislation, are doing what hon. members on the other side do not want us to do.

Now, as to the political complexion of the gentlemen composing the commission of the harbour of St. John, I believe the hon. members from the city of St. John will bear me out when I say that the St. John board of trade, which is supposed to be a non-political body, is composed largely of followers of the Conservative party.

Mr. JONES: No, that is not so.

Mr. VENIOT: What do you know about it? I had a delegation wait upon me in the city of Ottawa last winter when the harbour commission bill was before the House of Commons, asking me if I would accept from them a recommendation for the appointment of members to that board. I told them that I was prepared to allow them to make recommendations, and I would decide myself whether or not I should accept them. They submitted to me three names, and the three names were those of Liberals.

An hon. MEMBER: No chance for anybody else.

Mr. VENIOT: The members of the board of trade who waited upon me were not Liberals, but Conservatives. They submitted to me the names of Alexander Patterson, W. E. Scully and the Hon. W. E. Foster. Of the three names submitted to me I accepted two, and I picked out the third myself in the person of Colonel Alexander McMillan, of the city of St. John. When those men were appointed, the newspapers in the city of St. John, which are none too friendly to the Postmaster General or to the government of the day, came out with commendatory articles complimenting the government of the day on the nomination of three such capable business men as those named on my recommendation. I want to say plainly, because I want it to be distinctly understood, that in naming commissions or other bodies I am not going to take from any of the Conservative party my advice as to their political complexion, and in that respect I am only following the practice adopted by the Conservative party themselves when they were in power.

Mr. MacDONALD (Cape Breton): Unfortunately, Mr. Chairman, I was not here this afternoon when this discusssion commenced; consequently I may be among those who rush in where angels fear to tread. But after listening to the hon. gentleman who has just spoken (Mr. Veniot) I am sure I shall not be absolutely alone if I do happen to be considered as coming within that class.

Mr. VENIOT: Neither of us would make a good angel.

Mr. MacDONALD (Cape Breton): With one thing that has been said I heartily agree, and that is that both governments for a number of years have been denying justice to the maritime provinces. That observation strikes me as particularly appropriate when I hear people talking about the harbours of Montreal, Quebec, St. John and Halifax, representing as I do a harbour that is naturally of far greater strategic importance than any of them and that has been denied justice during all these years. We know and we have heard of the millions of money that have been spent in Montreal. Every year since I have been here a bill has come down to borrow so many more millions for Montreal. This year we are giving $8,000,000 more to Quebec. For a number of years the island of Cape Breton has been denied the benefits of its proved advantages simply because financial prestige and financial influence has been strong enough to centre the developments at the two ports of Montreal and Quebec. Some twenty years ago an experiment was made by which Atlantic boats landed mails and passengers at Sydney harbour, with the result that they were landed in New York and in Montreal twenty-four hours ahead of mails and passengers carried by the same boats to Montreal or Quebec. The time will come when what our friends down in the corner call economic pressure will compel the appropriation of the sums necessary to the development of those ports which are geographically best situated to meet the demands of transatlantic travel.

From the discussion that has taken place since I came into the chamber I am somewhat in doubt as to just what is the present position of this matter. The question as I understand it is this: that we are lending to the harbour commission at Halifax the sum of half a million dollars and in return for that we are getting their promissory note. Do I understand the Postmaster General or the Minister of National Defence to say that the traffic which goes through that port will not have to pay interest on that money? If that be the case then I am in favour of the proposal; but I cannot see how under present circumstances, with the development of the port in the hands of the commission, they are ever going to develop traffic enough to pay the additional cost.

There was some difference of opinion as to what this recommendation in the Duncan report meant. There was a keen difference of opinion in the city of Halifax itself and I remember reading discussions that took place there, among members of the board of trade and other representative business bodies, whether or not they would accept this recommendation. Many leading business men were strongly in favour of the view expressed by the leader of the opposition, namely, that the port of Halifax should be built up as a national port; and on the other hand we must admit that there was among those who wished to secure positions, a keen desire that a commission should be appointed and that the commission should receive salaries. I understand that a free port, a nationalized port, is one in which no tolls are imposed on traffic going through it.

Mr. RALSTON: Does my hon. friend know of any port in the world in which tolls are not charged on traffic passing through it?

Mr. MacDONALD (Cape Breton): I would say that certain tolls must be charged.

Mr. RALSTON: Certainly.

Mr. MacDONALD (Cape Breton): But the point I am making is this: As I understand the contention of the Postmaster General, and possibly that of the Minister of National Defence, it is that the additional tolls necessarily imposed through the creation of this commission will not entail any further impost on the traffic going through that port. Is that correct or not? There is no getting away from the fact that the government is making on the traffic that is going through Halifax an impost that will cripple that port. We are now appointing a commission of three persons. They will necessarily have a staff, the expenses of which will run into $12,000, $15,000 or $20,000 a year. In addition to that there are interest charges amounting to $25,000 a year, and a sinking fund; so that I venture to say that the traffic going into Halifax harbour will have to bear an additional impost of at least $50,000 a year. I should like to have some member on the government side explain where the extra traffic is to come from that will keep the tolls at the present level. If the government can do that, I am quite prepared to support this legislation; otherwise I think the position taken by the leader of the opposition will commend itself to the good judgment of the people of Halifax.

Mr. COOTE: Would the minister tell the committee just what this amount of $500,000 is to be expended for?

Mr. CARDIN: The items are as follows:

Improvements and additional equipment to wharves, piers and sheds.	$290,000
Improvement to elevator system, including conveyor galleries..	60,000
Additional port equipment, including a locomotive crane and a fuel oil bunkering plant..	150,000
Total..	$500,000

Mr. GARDINER: Will the minister give some indication as to what is to be turned over to the harbour commission, or will anything be turned over to it?

Mr. CARDIN: So far no existing facilities in the harbour of Halifax have been turned over to the commission. The facilities are the property of the Canadian National Railways and the commission is negotiating with the board of directors of the Canadian National in regard to acquiring the facilities which the Canadian National is using at the present time. The Canadian National estimate the facilities which are going to be turned over to the commission at $12,722,617. There is also the grain elevator system, valued at $1,000,000, and the site, valued at $46,000. It appears, therefore, that the facilities which are to be handed over to the harbour commission are valued at a little over $13,000,000.

Mr. BLACK (Halifax): Do I understand from the Minister of Marine and Fisheries that the items he has mentioned are to be paid for by the government? Or are they to be paid for by a toll placed upon the traffic now passing through the port of Halifax free of any such impost?

Mr. CARDIN: That depends upon the terms of the transaction. As I said, the Halifax harbour commission is negotiating with the Canadian National and the latter will

probably ask for compensation. But I should be inclined to say that the commission will not be asked to pay any interest on the amount necessary for the purchase of those facilities from the Canadian National.

Mr. BLACK (Halifax): That is, those expenditures will fall upon the traffic moving through the port?

Mr. CARDIN: No.

Mr. BLACK (Halifax): Who meets them? The government?

Mr. CARDIN: The government will have to supply the necessary money for those expenditures when the facilities are turned over to the commission. But as I said, it is not expected that the commission will have to pay any interest on that amount, so that when the facilities are transferred to the commission they will not have to impose any dues to pay for them.

Mr. BLACK (Halifax): We are thankful to get the money free of interest, but it seems the most extraordinary proposition ever laid before any body of people that you are lending money on bonds and saying: You will not have to pay interest on them.

Mr. CARDIN: I am not saying that.

Mr CANTLEY: The minister referred to a new coal bunkering crane. Where is it proposed to put that?

Mr. CARDIN: Probably on the docks which are at present occupied and used by the Canadian National.

Mr. CANTLEY: Will the minister describe again the type of crane?

Mr. CARDIN: The additional port equipment includes a locomotive crane and fuel oil bunkering plant.

Mr. CANTLEY: The crane is to replace the bunkering crane that was formerly on pier 9, a crane that is capable of doing—I will be conservative—ten to twenty times as much as the crane to which the minister refers. That is the first step that is to be taken to improve the facilities of the port of Halifax under this commission.

Mr. CARDIN: We cannot start to improve very materially the facilities of the harbour of Halifax until we have acquired the facilities which already exist there. The first step is to take over those facilities, and then the necessary means will have to be taken to improve them. The commissioners have a program for the expenditure of $3,000,000, which will probably be submitted to parliament next session, but this program cannot be undertaken before they have acquired the property which is at present under the control of the Canadian National.

Mr. CANTLEY: On pier 9 there was erected a bunkering crane which bunkered thousands of vessels during the war. That crane was allowed to blow down within the last twelve or fifteen months. It should have been replaced; it could have been re-erected at a moderate expense. Instead of that our friends propose to supply a locomotive crane costing five or six or ten thousand dollars—whether new or second-hand I do not know, but it will be entirely inadequate for the purpose for which the original crane on pier 9 was used. That is the first thing that Halifax is going to get from this precious commission. I commend that to the minister's attention.

Mr. GARDINER: When these facilities are acquired from the Canadian National system, is it the intention of the government to turn them over to the commission without any capital or interest charges?

Mr. CARDIN: That would be my view.

Mr. DUNNING: The properties in question belong not to the Canadian National Railways but to the Canadian government railways, which are operated by the Canadian National. It is part of the Intercolonial system, which simplifies the transaction very much.

Mr. GARDINER: I take it, then, that part of the old Intercolonial is still a part of the property of the government. I think the government should treat Halifax in the same generous way in which they have treated St. John. Has the minister any information as to the amount of grain that passed through the elevator at Halifax during the past year and the year previous? I should like to know whether or not the movement is increasing.

Mr. CARDIN: In 1925-26 the amount was 1,032,624 bushels, and in 1926-27, 1,070,099 bushels.

Mr. GARDINER: Not much of an improvement.

Mr. CARDIN: I have not the figures for this year.

Mr. SPENCER: What is the elevator capacity at Halifax for handling grain?

Mr. CARDIN: I am not in a position to say, because that elevator was built through the agency of the Department of Trade and Commerce. But I am informed that there is an increased capacity.

Mr. CANTLEY: It is 1,200,000 bushels.

Mr. BENNETT: Did the minister say that there was a plan with respect to Halifax harbour involving a larger sum than $500,000?

Mr. CARDIN: Yes.

Mr. BENNETT: What sum is involved?

Mr. CARDIN: $3,000,000.

Mr. BENNETT: Over a period of years?

Mr. CARDIN: It is the proposal which is supposed to come next year after the present facilities have been acquired, and after the commission has had an opportunity of studying the whole problem and making recommendations for improvements.

Mr. BENNETT: Has the minister the details of that proposal? If so, perhaps he would outline it briefly.

Mr. CARDIN: The program includes a cold storage plant, additional shed at ocean terminals, addition to elevator and conveyors, fuel oil bunkering plant, marine leg at elevator, and a mobile crane.

Section agreed to.

Sections 3 to 7 inclusive agreed to.

Bill reported.

RAILWAY ACT AMENDMENT

APPLICATION OF MONEYS FROM GRADE CROSSING FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 220, to amend the Railway Act.

He said: Perhaps if I make a short general statement as to the purport of the bill the house will accept the principle and discussion can with greater facility take place in committee.

The grade crossing fund administered by the board of railway commissioners has not been used throughout Canada to the extent which is considered by the government to be desirable. After a careful study of the reasons why this fund is not of greater use for the purpose for which is was created, the government reached the conclusion that several limitations in the existing law operated to bring about that result. One of the limitations is to the effect that the fund shall not be applied to a crossing of more than four tracks. Another limits to $25,000 the maximum amount which may be granted under the existing law to any one crossing. Another limitation has to do with crossings which have come into existence since 1909, to which, under the present law, the grade crossing fund cannot be applied.

Mr. BENNETT: It has not been applied?

Mr. DUNNING: Perhaps that would be a more correct way of putting it. The amending bill eliminates the restriction to crossings of four tracks and less, and leaves that to the discretion of the Board of Railway Commissioners. The amending bill also provides for a 40 per cent grant to be made by the Board of Railway Commissioners out of the fund with respect to crossings costing in the aggregate up to $100,000; over $100,000 in total cost the contribution from the fund may be 40 per cent, but not to exceed $100,000. By these provisions the government hopes to insure a wider use of the grade crossing fund than has been possible under the existing legislation. I have some information here with respect to the use which has been made of the fund.

Mr. BENNETT: From year to year?

Mr. DUNNING: Not from year to year, no. The total number of crossings which have been affected by the fund since its inception in 1909 is 520. But in this connection it should be stated that with respect to 44 of the 520 the grade crossing fund has been used on two or more occasions. That will give the house an idea of the extent to which the fund has contributed to making more safe railway crossings throughout the country. I think all will agree that this result over a period of almost nineteen years is not attacking the problem as vigorously as we should desire.

Mr. BENNETT: What was the total sum expended?

Mr. DUNNING: From April 1, 1909, to March 31 last the total expended out of the fund was $1,368,354. I think those are all the particulars I need give at this stage. When the bill is in committee and members have before them the legislation as proposed, and on the opposite page the legislation as it exists, it will be possible more intelligently to deal with the questions which may arise as to details. In proposing the second reading I am merely asking the house to accept the principle that the grade crossing fund should be more widely utilized. This will be rendered

possible by removing the limit on the number of crossings and by increasing the amount which the board may grant with respect to any individual crossing.

Mr. SPENCER: How much has parliament voted to this fund?

Mr. DUNNING: I omitted to mention that. Parliament votes $200,000 each year under a provision in the Railway Act. This statutory provision expires in 1929. My hon. friend will notice that by the amending bill I am not proposing to extend that period. I thought it wise to get one year's experience of how the new amendments work before proposing to the house any extension of the statutory period, provided for first in 1909 for ten years, and in 1919 for an additional ten years.

Mr. MANION: How much does the fund amount to now?

Mr. DUNNING: I should explain that prior to 1919 the fund was actually allowed to accumulate, and there still remains an unexpended balance in the fund, accumulated up to 1919, of $631,645. Since that time the statutory votes have not been physically set aside, the principle adopted being to expend out of the fund accumulated up to 1919. The total available under the statutory provision, including that balance, is $2,631,645. This is available for the railway commission to order grants, to be applied under the grade crossing statute.

Mr. MANION: That is made up of the balances that would have been laid aside had you accumulated them in one fund?

Mr. DUNNING: Yes.

Mr. MANION: It is callable by the railway commission?

Mr. DUNNING: Yes.

Mr. EVANS: What is the nature of the crossings dealt with?

Mr. DUNNING: Any crossing of a railway over a highway, or of a highway over a railway—any kind of grade separation is contemplated by the legislation.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not propose to speak at length with respect to these proposals, beyond pointing out that when the legislation was initiated it was for the purpose of taking care of small country level crossings.

Mr. DUNNING: That is right.

[Mr. Dunning.]

Mr. BENNETT: It was not contemplated that large and rich communities should be assisted by the fund. I recall that the late Judge Mabee when chief commissioner of the railway board was very careful to see that only the smaller communities that could not afford the luxury of large expenditures with respect to grade separation were assisted out of the grade crossing fund. I have never been able to understand why this fund has not been availed of to the extent that it should be. Hardly a month goes by that we do not see in the newspapers accounts of fatal level crossing accidents. From what the minister says there must be at least half a million dollars out of the fund available, earmarked by the country, in addition to the statutory votes which would have been available had the board been requested to take action. I recall only one case in which the late Chief Commisioner Mabee recommended that money should be made available from the fund to assist a small country community in Alberta to provide a subway as against a level crossing. It will be recalled by hon. members that automatic bell signals have been installed at some of these level crossings. I fear the existing legislation may be used to divert this sum between now and 1929, when the present legislation expires, to large undertakings involving contributions of $40,000 or $100,000 from the fund. I cannot think the country understands that the fund is available. Only some five hundred odd cases have been dealt with in a period of nearly nineteen years, or about thirty a year, and the total sum expended amounts, as the minister has just said, to less than a million and a half dollars.

Mr. DUNNING: $1,300,000.

Mr. BENNETT: I should like to know whether any large expenditures are contemplated such as I have referred to. I think the fund should be used in providing protection or separation of crossings in small communities where fatal accidents occur far too frequently.

Mr. DUNNING: I will deal with that feature when the bill is in committee.

Mr. BENNETT: I thought we should have some assurance that the minister has no specific cases in mind in putting through legislation for the purpose of assisting the larger communities, but that we could make it our business to say to the smaller communities interested that they could have a portion of the fund for their purposes. I know that

there are portions of Alberta in the constituency of the hon. member for Macleod (Mr. Coote) in which a substantial number of level crossings might be greatly aided by this fund. This is the only observation that I have to make with respect to this experiment—because it is only an experiment, inasmuch as the legislation expires in 1929.

Motion agreed to and bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Railway grade crossing fund.

Mr. DUNNING: The point raised by the leader of the opposition (Mr. Bennett)—the point with which as minister I am most concerned—is the endeavour to work out something which would enable the legislation to be really effective for the purpose for which it was originally designed. There is one possible explanation as to why the grade crossing fund has not been more widely utilized by the smaller municipal communities, and that is the fact, as a reference to section 262 will show, that the principle is laid down that in connection with crossings which came into existence after 1909 the railway company assumes the whole of the responsibility except where a highway comes into existence after the railway is built. That brings about the condition that the grade crossing fund really is not made to apply in very many cases to railway crossings which came into existence after 1909. There is in the present statute, however, an exception—that the railway companies may enter into agreements with the municipality. The bill now before the committee proposes that in cases where crossings came into existence even after 1909, in the event of the railway company making an agreement with the municipality, the grade crossing fund may in future contribute towards the cost of such crossings. That is quite a broadening of the application of the fund as compared with the former condition referred to by the leader of the opposition. In western Canada, in the locality to which my hon. friend refers particularly, there are of course a very large number of crossings which came into existence after 1909. In fact, one might almost say that the majority of the crossings in western Canada came into existence after that date.

Mr. BENNETT: Not dangerous level crossings where there are old trails.

Mr. DUNNING: But in many cases new villages have sprung up and grown into towns since 1909, and crossings which at first were not considered by anyone to carry any considerable element of danger are now subject to increased traffic. The increase in traffic, and the change in character of the traffic, have altered completely the whole problem during the course of the years since 1909. In future, then, under the legislation now proposed, in any case in connection with crossings constructed since 1909, in which the railway company and the municipality come to any agreement, the Board of Railway Commissioners may make a contribution from the grade crossing fund. This formerly was not possible.

With regard to the large communities, I know the leader of the opposition will be surprised when I tell him that even under the existing statute the major contributions in the past two or three years have been to the city of Toronto, even with the $25,000 limitation and the 40 per cent limitation as well. A considerable number of grade separations have taken place in the city of Toronto during the past few years, and that city has been wise enough to take advantage of the $25,000 per crossing. Some of the municipalities have also taken advantage of it, although not to the extent that we could desire. There is of course another reason, which hon. gentlemen representing rural communities particularly in the west will appreciate, why even with the $25,000 limitation it has not been possible for rural municipalities to avail themselves of this legislation to any considerable degree. That reason is this: that even one subway in a municipality represents, for a rural community, a very large contribution, notwithstanding that 40 per cent of the cost is borne by the grade crossing fund and another proportion by the railway itself. Add to this the further fact, to which I have referred, that crossings built since 1909 have not up to now received any benefit from the fund, and you will probably have an explanation as to why the fund has not been utilized to a greater extent.

There is another limitation to which I referred on the second reading—a limitation which it is difficult for me to understand. I refer to the four-track limitation. Even out in the country, or adjacent to villages, there are very many places where more than four tracks are involved in a very dangerous level crossing and which at the present time could not under any circumstances benefit from the grade crossing fund. I am proposing in the bill to eliminate that four-track limitation and to leave it to the good judgment of the

Board of Railway Commissioners as to whether in any particular case six or eight or any number of tracks shall be considered by them.

Mr. GARLAND (Bow River): I rise at this stage not so much to criticize the bill as to suggest to the minister that if he is broadening the operation of the fund to the extent he indicates, then within a year or two there will be no fund left. This is a danger which I am rather inclined to think he has overlooked. With regard to these small rural communities, is not this fund intended to provide them with warnings like automatic bells, gates and so forth?

Mr. DUNNING: Yes.

Mr. GARLAND (Bow River): Then if, within a year or so, the fund were used up and these small towns were without any supply of proper warning signals, they might find themselves in a different situation. To the various reasons given by the minister for the restricted use of the fund by western municipalities in the past, I may add that of ignorance of its being available. In my opinion most of them were not aware of the existence of the fund. The secretary of a municipality may have received a copy of the act and filed it away, and when any railway crossing problem arose no one in the council ever dreamed of such a fund as this. It could not therefore be taken advantage of. If the existence of the fund and its availability were made known to the municipalities in the constituency of my hon. friend from Macleod, or in Peace River and other places where there are crossing problems, I have no doubt the minister would find the raids on the fund a good deal more frequent than they are at the present time. I would ask the minister, particularly with regard to the increasing of the amount from $25,000 to $100,000 and the broadening of the application of the act to include six, eight and ten lines of tracks, involving the larger communities, whether he does not think that within a short time the fund will be consumed.

Mr. CHAPLIN: Under the statute is there not a constant building up of this fund?

Mr. DUNNING: Yes, that is the point.

Mr. CHAPLIN: Why has it been allowed to drop?

Mr. DUNNING: I will try to deal with those two points together. On the second reading of the bill I mentioned that until 1909 the actual deposition of the money was carried on. There was at that time a considerable accrual in the fund, and the government of the day decided that nothing more should be allowed to accumulate until the then existing fund was used. That fund has lasted until to-day, and $600,000 still remains. However, I should point out to my hon. friend from Lincoln that the $600,000 actually in the fund does not represent the limit of what is available. Under the law $2,600,000 is available, representing in addition to the $600,000 remaining some $2,000,000 of accruals since that time, which the Minister of Finance would be called upon by the Board of Railway Commissioners to pay.

Mr. CHAPLIN: Under the statute.

Mr. DUNNING: Yes. Now with reference to the point made by my hon. friend from Bow River, I think the chief reason is not so much that suggestion of ignorance to which he referred, because the railways themselves are very much alive to it. Whenever a grade crossing problem arises in any section of the country the first thing the railways do is find out whether by any chance the grade crossing fund could be made applicable. The reason is that it is limited to crossings constructed prior to 1909, and the great change which will take place is to make available the grade crossing fund to crossings constructed after 1909 but only in cases where the municipality agrees to contribute. We are not in any sense removing the responsibility which rests upon the railway in cases where the railway is junior to the highway or upon the highway where it is junior to the railway, but by this bill we are saying that if the two agree to do the job, they may get a contribution from the grade crossing fund. In that way I am hoping to make it applicable to a much larger number of the crossings which have come into existence since 1909.

Mr. CANTLEY: If the minister will look into the history of this legislation I think he will find that with reference to four-track crossings the underlying idea is that when the railway occupies the space of four tracks it should look after the crossing. We have crossings over six, eight or ten tracks, and in those cases manifestly the railway should protect the crossings. When there is only a single or double track the case is a little different. I am quite sure that is the underlying principle, and I think upon reflection the minister will agree with me. As far as the accumulation of that fund is concerned, I am afraid the difficulty is that we have not been advertising it; many sections of the country are not

aware that these contributions may be made. I think there are hundreds of crossings throughout the country in connection with which the municipalities would take advantage of that legislation if they were aware of it.

Mr. DUNNING: There is one point which will perhaps clarify for my hon. friend what I have in mind. There are very many crossings in the country of four tracks or more where the railway is senior to the highway; that is to say, the railway was there first, and in such a case it is a general principle of law that the highway must pay for the crossing. When the highway is there first it is a general principle of law that the railway must pay for the crossing, and in the newer sections of the country in particular there are cases in connection with rapidly extending cities or towns which are entered by country roads where crossings have been made necessary by developments which have taken place since the construction of the railway. In those cases the railways urge the old principle that he who is there first has rights which come first. It is true that the railway commission have very wide powers, and I am not laying down this principle of seniority as an absolutely fixed principle, but in general it is well known that he who is there first has rights for which he who comes second must pay if he desires to cross.

Mr. CANTLEY: Let us finish this out. What the minister suggests is true; in many cases the railway was there first, but perhaps with only a single track. Due to the growth of the town and of the railway accommodation necessary to meet that growth, the tracks have been extended to two, four, six, eight, or perhaps ten. I submit to the minister that these conditions should be met by new regulations.

Mr. GEARY: Apparently the minister is not aware of the practice of the board of railway commissioners. As far as seniority goes, when the seniority belongs to the highway the board of railway commissioners laid down the principle long ago that this does not apply. They are inclined to apply it when the railway is senior, but where the municipality with its highway is senior you get very little comfort from the present board of railway commissioners. There is no question about that at all. As I understood it, the bill which the minister is now introducing in place of the old regulation provides that in cases of crossings which have come into existence since 1909, where there is an agreement under which the municipality undertakes to pay a share of the cost of construction, a contribution may be made from the grade crossing fund.

Mr. DUNNING: Yes.

Mr. GEARY: I think upon a little reflection the minister will see that that is not fair. A crossing which existed in 1909 later requires protection; travel either over the railway or the highway has increased so much that protection becomes necessary. It has been the policy of the railway commission for many years to be very niggardly in ordering contributions from the fund, with the result that the fund has accumulated, but of late years they have seen a little more reason and contributions have been larger and more frequent. However, this situation arises: The road allowance has been crossed by the railway since 1909; that road allowance may not be paved and may not be even a road. In very few cases is there an agreement between the municipality and the railway as to the future protection of that crossing when protection becomes necessary, so your bill would apply in only a very few cases. That some crossing, which has come into existence since 1909, later becomes a crossing where danger exists; the road becomes paved and travelled; the automobile traffic makes it a road which must be protected. In such a case you are going to prevent the board from making any contribution from the grade crossing fund under the terms of the bill, because it says that you can make a contribution only where there was an agreement between the railway and the municipality at the time whereby the municipality agreed to assume a share of the cost of protection.

Mr. DUNNING: I do not think that is right.

Mr. GEARY: That was the way the resolution read.

Mr. DUNNING: It is not so in the bill; the resolution was necessarily a condensation of the bill. With reference to that point I would say that in the first place I did have in mind presenting to the house the suggestion that the grade crossing fund might be made to contribute to any crossing whether it was constructed prior to 1909 or since, and I expected to meet the contention, which would have been sound, that thereby we would be relieving the railway companies of a responsibility which is now theirs under the existing law. Under the present law the railway companies are held to be responsible, subject only to these variations which have

to do with the question of which is senior, the highway or the railway. I thought it would be broadening matters considerably if in connection with crossings built after 1909, wherever an agreement, say, is made now between the railway and the municipality, not having been entered into when the crossing was built, we should permit the grade crossing fund to contribute. If we broadened it to apply to all crossings I can assure the committee we would need a much larger contribution to the grade crossing fund than parliament has been making up to the present time. A statement was made as to the likelihood of the fund disappearing in a very short time as a result of these amendments. I would say in reply to that that this fund was instituted for the purpose of building grade crossings, and whereas parliament intended that $4,000,000 should have been expended to date in this work, as an actual fact only $1,300,000 has been expended. Parliament has been setting money aside not for the purpose of accumulating a fund but in order to help solve the grade crossing problem, which has become more acute from year to year. Municipalities have not been taking advantage of the fund, but these provisions are designed quite frankly to bring about a spending of the money for the purposes for which the grade crosing fund was created. Perhaps the criticism is sound that the raising of the limit to $100,000 is too much. But I have had many consultations with the Board of Railway Commissioners during this year regarding the matter, and this is the outcome of a careful examination made not only by myself and the officials of the department but also by the Board of Railway Commissioners and their staff. May I remind the committee that I made that examination as the result of a debate which took place in this house last year and in the course of which complaint was made on all sides that the grade crossing fund was not being made use of. I undertook that during the recess there an examination would be made by the Department of Railways as to the reasons, and undertook to come down this session with legislation which would tend to broaden the operation of the grade crossing fund and if possible increase its use. This is the result of the undertaking I gave to the house a year ago in this regard, and it is the best thought of myself as well as of those who have been most closely connected with the administration of the law, and who are decidedly in favour of a solution of the level crossing difficulty. Important labour bodies, including the locomotive and train men, have taken a very keen interest in this legislation; they have studied it and have intimated to me that in their view a decided improvement can be brought about by the distribution of the fund under the terms of the bill now before the committee.

Mr. GEARY: Clause 1 of the bill enacts a new section 262. At the end of the first page these words occur:

> The board shall not apply any moneys out of the railway grade crossing fund towards the cost of the actual construction work, for the protection, safety and convenience of the public in respect of any existing crossing (railway crossing of a highway or highway crossing of a railway), at rail level, constructed after the first day of April, one thousand nine hundred and nine, unless and except an agreement, approved of by the board, has been entered into between the company and a municipal or other corporation or person by which agreement the municipal or other corporation or person has agreed with the company to bear a portion of the cost of the actual construction work for the protection, safety and convenience of the public in respect of such crossing

Now the minister will see that that is exactly what I said. Suppose a crossing has come into existence since the first day of April, 1909, affecting probably not a made road but a laid out road; in not one case out of a thousand, I have no doubt, has the railway agreed to contribute to the construction of that crossing.

Mr. DUNNING: Does my hon. friend refer to an agreement made when the railway was built?

Mr. GEARY: Yes, that is my point. A railway runs its line across a road allowance. When the time comes for the protection of that crossing, what the minister says is that at that time the municipality and the railway shall get together and make an agreement whereby the municipality agree to pay some part of the cost. If they do make an arrangement of that sort and the allocation of the cost then comes before the railway board, the board may order a contribution to the fund. But can you imagine any such case arising? By this bill a municapility may be driven into making an agreement in regard to a crossing in a case where it expects that being senior and the law being in its favour it can escape making a contribution. The minister has said that the municipality cannot receive a contribution unless it makes an agreement to contribute, while it hopes at the same time that it shall not be called upon to make a contribution.

Mr. DUNNING: Surely my hon. friend has not read the existing law. Section 260, which is not affected by the present bill says:

In any case where a railway is constructed after the nineteenth day of May, one thousand nine hundred and nine, the company shall, at its own cost and expense, unless and except as otherwise provided by agreement, approved by the board, between the company and a municipal or other corporation or person, provide, subject to the order of the board, all protection, safety and convenience for the public in respect of any crossing of a highway by the railway.

Therefore the present law is that the onus is entirely on the railway company with respect to crossings coming into existence after 1909, but they may make an agreement with the municipality. I did not think parliament would want to get into the position of relieving the railways of any portion of that liability under section 260, but I did and I do think parliament would agree, in case a municipality deems it important enough in its own interest to agree to pay some part of such a crossing, that the grade crossing fund might properly be asked to contribute. I should point out that at present no contribution from the grade crossing fund is possible with respect to any crossing built after 1909. If I understand my hon. friend's view correctly, he would have that condition continued and the responsibility left wholly upon the railway companies.

Mr. GEARY: No, left on the railway board to order a contribution, with a fund out of which a contribution could be made by the Dominion.

Mr. DUNNING: My hon. friend then advocates that the responsibility should be removed from the railway companies—

Mr. GEARY: No.

Mr. DUNNING: —to the extent that even in a case where the municipality is contributing nothing, where the railway company is discharging merely its legal liability under section 260, he would have the state contribute to the railway company for the purpose of constructing the crossing.

Mr. GEARY: No, because it will be found that, despite section 260, protection is rarely ordered in respect of crossings constructed since 1909. That is the point I am making.

Mr. COOTE: What action will be necessary by a municipality to secure a grant from this fund for the creation of a subway or elevated crossing or for the erection of any other method of protection at a crossing, in regard to crossings both before and after, but principally before, 1909?

Mr. DUNNING: I fear that in answering these questions I shall come under the lash of the leader of the opposition for posing as an authority. Least of all do I desire to pose as a legal authority in matters of this sort or, indeed, of any sort. I know a member of the legal profession is an expert in connection with all other professions and I am not a member of that distinguished body. I can answer only as a layman and, of course, as the minister responsible for the bill. I hope my hon. friend will not take any legal advice I may give him as being necessarily sound; but I would say that a letter from any municipality to the Board of Railway Commissioners would bring back definite information as to the method to be pursued, having regard to the circumstances surrunding the particular crossing—for instance, whether it came into existence before 1909 and whether the railway or the highway was there first. When I say "highway" I do not mean a constructed highway but a road allowance dedicated and set aside as a highway. All these things could be developed; but in general one might say that at the present time where a crossing has come into existence prior to 1909, the first motion on the part of a municipality would be to apply to the Board of Railway Commissioners for an order compelling the railway company to undertake the necessary grade separation or other protection. That would be the procedure prior to 1909, but I presume the municipality will have a lawyer and can get advice from someone more reliable than myself in matter of legal opinion.

Mr. COOTE: I am much obliged for the opinion. In case the railway commission decided that some protection should be provided, what share, if any, would the municipality be called upon to contribute in regard to a crossing in existence prior to 1909? Does the act state that?

Mr. DUNNING: No; that is within the judgment of the Board of Railway Commissioners. I had a review made of cases that have come before the board in order to endeavour so far as I could to establish some general principle, but there was so much variation in the conditions prevailing as to make it impossible to say, as a result of that study, that a certain definite principle was applied. In general, however, the railway commission say that the cost shall be assessed against the junior party to such crossing, but this rule is subject to variation where the necessity for the protection work is largely due to the increased traffic of the senior party over the crossing. That enters into the calculation and into the judgments that have

been given in this regard. I take that to mean this in a specific case: Suppose you have a road allowance in existence prior to 1909, and a railway in existence over it prior to 1909, but in 1909 the road allowance was not used at all; it was not a highway. Only recently, by reason of growth of traffic, has it become an effective source of danger. That factor is taken into account by the board in its determinations in relation to crossings in existence before 1909. It must be remembered that after 1909 section 260 governs the situation.

Mr. COOTE: I ask the question for this reason: There are quite a number of crossings that are really dangerous, some of them on highways to which the Dominion government has contributed. The municipalities, if they knew of the existence of this legislation and the possibility of having some contribution made, would at least be interested in the matter, and I am endeavouring to get from the minister some information which will be of assistance to them. Could the minister tell us—and if he cannot tell us he can say where we can get the information—what different types of protection may be erected at grade crossings, that is, gates and bell installations. He might also state whether these gates are automatic or whether they must have a man to operate them.

Mr. DUNNING: Subsection (4) of section 1 of this bill reads:

> In this section "crossing" means any railway crossing of a highway, or any highway crossing of a railway, at rail level, and every manner of construction of the railway or of the highway by the elevation or the depression of the one above or below the other, or by the diversion of the one or the other and any other work ordered by the board to be provided as one work of protection, safety and convenience for the public in respect of one or more railways of as many tracks crossing or so crossed as in the discretion of the board determined.

That means, first, a subway; second, a bridge; third, the elimination of a square corner which crosses the railway twice by providing a road diversion along the railway; fourth, any other works for the protection of a railway crossing, for instance, gates, signals, and so forth.

Mr. EVANS: I am glad this question has come up in parliament this year. Level crossings constitute a tremendous problem, and if we are going to solve it by the construction of subways only, an immense amount of money and a great deal of time will be required, while tragedies will be going on in the meantime. It may be said that on the prairies the problem is not so acute because you can see a train in the distance, yet many tragedies occur there. It is quite often the case that a man who is drifting at an angle of sixty degrees or so to a railway has his fur collar drawn up over his ears and he cannot hear or see the train coming. I have known of serious accidents occurring from that very cause. I think we should give some consideration to the means of making these crossings throughout the country safe. It might be made the subject of research by scientific men. If it is a bell that is needed, that does not cost so much, but we should find out what is the best means at the least cost. Not only are lives lost, but I understand from engineers with whom I have been in conversation that after one or two such accidents they are hardly fit for the control of their train in the future. I have been told also by conductors and engineers that quite often a motorist will hit the second or third car, because so many people do the wrong thing when suddenly faced with danger. It seems to me that either a bell or a red light or both should be installed at practically every crossing. I do not think any provincial highway should be built without providing safe crossings, or having at least some warning device. This subject might well be placed before the research council with a view to finding out the very best means of making level crossings safe, and of having this fund applied to that purpose.

Mr. CAMPBELL: I wish to subscribe to and endorse what my hon. friend from Rosetown has said. It is a problem that we must face sooner or later in the prairie provinces at any rate. While the most of our country there is level, a very slight difference in the elevation of the land will sometimes make a great difference in visibility. Just last week there was a very serious accident at Clair, in my constituency. An automobile was struck by a Canadian National train; one woman was instantly killed, the baby died in hospital two hours later, and the man is now lying in hospital and not expected to recover. While it is open prairie country at this place, the railway track is probably seven feet above the level of the ordinary land, and the person approaching the crossing finds his view more or less obscured by box cars standing on the siding. I can quite understand, because I have travelled over that road myself, how anyone might easily miss seeing the train at the crossing. To instal even an electric bell is quite an expense and quite a problem for the ordinary rural municipality. Even the cost of upkeep of some of these devices, I presume, would be quite considerable, and where the railway winds in and out, sometimes crossing the

highway two or three times within a mile, it is indeed a problem. But sooner or later we must face this whole problem and try to find some appliance which will give the proper warning and be so reasonably cheap that the ordinary rural municipality can shoulder its share of the expense.

Mr. FRASER: I am thinking of an entirely different situation in British Columbia. Since 1909 both the Grand Trunk Pacific and the Canadian Northern have been built through that province. Heretofore we have not come under the operation of the act, but now it is proposed to bring under the operation of the act, to a certain extent, the railways constructed before 1909.

Mr. DUNNING: Wherever an agreement exists. In the case of British Columbia the province could enter into an agreement.

Mr. FRASER: Throughout the length of these railways there are no municipalities. It is all unorganizezd districts, and the province takes charge of the road work. I understand the minister to say that the province can enter into an arrangement to secure assistance from this fund?

Mr. DUNNING: Yes.

Mr. FRASER: Could recourse be had to the fund in the case of the building of new roads in these unorganized districts?

Mr. DUNNING: New crossings of highways?

Mr. FRASER: Yes. In my district a large program of construction is going on at the present time, with the roads paralleling and sometimes crossing the two railways I have mentioned. There may be quite a number of cases of that kind throughout the province, and I was wondering if the government of British Columbia could have recourse to the grade crossing fund in connection with crossings over these new highways.

Mr. DUNNING: If there was a sharing agreement between the authority, which in that case would be the province, and the railway, I would say yes, unquestionably. Of course, in the case mentioned by my hon. friend the highway would be junior to the railway and I could not attempt to say exactly how the board of railway commissioners would view the relationship of the province or the municipality, as the case may be, to the railway. But it is certain that under this legislation, if an agreement came into existence, they would be able to obtain the benefit of the fund.

Mr. FRASER: The province has never made application to get assistance from this fund?

Mr. DUNNING: My hon. friend forgets that it is not in existence until we pass the bill.

Mr. FRASER: The fund has been in operation for quite a number of years, because the Canadian Pacific Railway was in operation before 1909, and all crossings on the Canadian Pacific would be entitled to the benefit of this fund.

Mr. DUNNING: I have not the details before me, but looking over the five hundred odd cases I find there were cases in British Columbia. As to what authority made the application through the eighteen years, I cannot say.

Mr. FRASER: But there were applications?

Mr. DUNNING: Certainly, and contributions have been made with regard to crossings in British Columbia. I do not think there is a province in the Dominion that has not received some assistance from the fund during its operation.

Mr. ROSS (Kingston): Does the sole decision as to whether the safety device to be provided shall be a light or a bell or a subway rest with the board of railway commissioners?

Mr. DUNNING: My own interpretation of the statute—and again I speak with all deference to the lawyers present—would be that the board has the jurisdiction.

Mr. GEARY: That is the practice.

Mr. DUNNING: It is the practice to submit to the judgment of the board as to the type of device to be installed.

Mr. BENNETT: On the report of their engineers.

Mr. DUNNING: Yes.

Mr. ROSS (Kingston): No matter what safety devices are provided, if it is a level crossing accidents will happen. The only safe crossing is the subway.

Mr. DUNNING: Or the bridge.

Mr. ROSS (Kingston): Why not have a greater number of them provided along the old highways crossing the old Grand Trunk? Is it a matter of economy? Should not the consideration of safety be the biggest factor in the decision?

Mr. DUNNING: That opens up a very real and a very wide question, the whole question of providing for safety at crossings, having regard to the tremendously changed conditions in recent years with respect to vehicular traffic. So serious has the problem become in the United States that in several of the states hundreds of millions of dollars have been expended by the state in order to deal with it.

Mr. BENNETT: Especially in the middle west.

Mr. DUNNING: Especially in the states of the middle west, which are perhaps more analogous in topography to our own western country. I can assure the house that this is but a very small start on the railway crossing problem in Canada.

Mr. BENNETT: Like the beautification of Ottawa.

Mr. DUNNING: With reference to what my hon. friend so properly suggested just a moment ago, and also the members for Rosetown and Mackenzie, I should state this. The member for Kingston touched upon it when he said, no matter what form of protection you have, short of grade separation, you are going to have accidents. That is borne out by the fact that last year in Canada seventy-five automobiles hit the sides of moving trains—the sides; they ran into the trains instead of the trains running into them. Several of those accidents were fatal. I have not at hand information as to the number of gates that were carried away by motors, but several hundred cases occurred last year. That illustrates the point made by the member for Kingston, that so far as our present knowledge goes it appears that nothing is effective except complete grade separation. But I do think we are making a real advance in the use of this fund as now proposed. After all, it is intended as an encouragement to the parties responsible, the railways on the one hand and the municipalities on the other, by way of contribution from the fund accumulated to develop further works of every kind by way of protection or grade separation.

But I must say that the observation of my hon. friend from Kingston conflicts with the opinion expressed by the leader of the opposition at the opening of this discussion, that it is desirable to apply the assistance of this fund to as many crossings as possible in country districts. That protection of course in most cases takes the form of gates, lights or bells, instead of grade separation. I am personally of the view, having regard to the experience we are having at the present time, that the more of this fund we devote to actual grade separation the better, even if as the years go by we have to ask parliament to put up a more substantial contribution in order to enable the work to be continued. In Nova Scotia and some other of the eastern provinces very valuable work is being done in the form of road diversion; that is, where the railway cuts across a winding road twice in a short distance one of the crossings is eliminated by diverting the road. This work is being studied both by the railway engineers and the technical men of the railway commission as a means of dealing with the situation.

Mr. ROSS (Kingston): Occasionally the danger at a level crossing is increased by obstructing the view. I know a case where a lumber company put up a house at the corner of a very dangerous crossing. Is this covered by the bill?

Mr. DUNNING: Section 258 of the Railway Act, not touched by this bill, reads as follows:

> The board shall, without limiting any general power elsewhere conferred, have power, for the purpose of diminishing the danger at any highway crossing with any railway heretofore or hereafter constructed, to order
>
> (a) that any trees, buildings, earth or other obstruction to the view, which may be upon the railway, or the highway or any trees on any adjoining lands, shall be removed;
>
> (b) that nothing obstructing the view shall be placed at such crossing or nearer thereto than the board designates;
>
> and for any such purpose the board shall have power to authorize or direct the expropriation of any land, the acquirement of any easement and the doing of anything deemed necessary, and shall have power to fix and order payment of such compensation as it deems just.

It would appear that the board has power to deal with obstruction of view either on the railway or the highway.

Mr. GEARY: At the expense of the crossing.

Mr. DUNNING: Section 258 does not say so. It gives the board power to order.

Mr. ROSS (Kingston): Two cases have come to my knowledge where a coroner's jury drew the matter to the attention of somebody, but nothing was done. In one of those cases another accident has since happened.

Mr. DUNNING: I think the onus would be on the municipalities to take action; they are the bodies most intimately concerned.

Mr. GEARY: Will the minister take this into consideration? Prima facie, any crossing

coming into existence after 1909, as the minister has indicated, is at the expense of the railway. This proposed section is entirely in ease of the railway. If the crossing requires protection, by separation or otherwise, the board should order the protection and put the cost on the railway, where it belongs under section 260. Now you are tempting the railway board to resist the demand of a municipality for protection at a crossing by saying to them: We can give you a contribution towards this protection out of the grade crossing fund, but you must first go to the railway and make an agreement whereby you will assume a portion of the cost; whereas under the law you are not bound to contribute anything towards that cost.

Mr. DUNNING: Since we have got to understand what was in each other's mind I have been thinking of that. The answer is simply this: There are of course cases since 1909, as I mentioned before, where, while the highway is senior so far as dedication is concerned, yet it is in fact junior so far as use is concerned.

Mr. GEARY: Trust the railway board to get out of recognizing any seniority for a municipality.

Mr. DUNNING: In such cases the railway board cannot order the municipality to pay anything under the existing law. Neither has the board power to contribute anything towards the protection of such a crossing; but the board may, and in operation frequently does, vary the general rule to the extent of not making an order against the railway company where it appears to the board that there should be some responsibility upon the municipality owing to the circumstances. I am informed that that has been the view of each succeeding chairman of the board with respect to variations which necessarily occur in the administration of this act over so wide a territory and so many thousand miles of railway.

Mr. MILLAR: Are any figures available to indicate whether or not accidents are more numerous at double-track than at single-track crossings? I recall a terrible accident that took place because the driver of a car containing some five or six people believed he was approaching a single-track crossing. There were two freight trains passing, one going east, the other west. He waited until the westbound train had passed and then drove his car on the track just in front of the eastbound freight. The engine of the train travelling east had blown the whistle but the two engines were close together and in that way the accident occurred, causing the loss of three lives, I believe.

Mr. DUNNING: I am not aware of any statistics which indicate a distinction between double track and single track crossings. I can inquire and let my hon. friend know.

Mr. VENIOT: In provinces where municipalities have nothing to do with highways, clear of cities and towns, what is the form of co-operation?

Mr. DUNNING: The province has charge.

Mr. KAISER: In all these cases where accidents have occurred and crossings are dangerous there is one outstanding difficulty: who shall make application to the railway board? The municipalities hesitate because they are under the impression that if they ask for protection the board will take the view that they should pay in proportion to the degree in which they require the protection. In my opinion there should be some automatic means by which the more dangerous crossings where accidents occur shall be taken care of. I have in mind two or three crossings in my own constituency where accidents have occurred not once but repeatedly. The municipality is afraid to go before the board for fear the board will ask it to pay more than it should. I contend that where an inquest has taken place the findings of the coroner should be forwarded to the board and some investigation automatically ensue, to determine to what extent such a crossing is dangerous and what should be done in the circumstances.

Mr. DUNNING: That suggestion is in practice now; the railway commission investigates every accident of that description. But as to evolving any automatic method whereby the proportion of cost could be predetermined, without such judicial hearing as the board brings to bear, I am afraid my hon. friend is setting me a task I cannot accomplish. I do not think it would be possible. I believe the judicial hearing before the board is the only way of determining the matter. The circumstances vary so widely from one end of Canada to the other that I do not think any rule could be laid down. But it is an absurdity to presume, as some municipalities de presume, according to my hon. friend, that the board will be influenced in the amount they assess against the municipality by the fact that the municipality has applied for the crossing. I do not think there is any foundation at all for that impression. While I recognize that my hon. friend has knowledge of

the particular case to which he has referred. I can only assure him that there is no foundation whatever for any such idea.

Mr. KAISER: It has prevailed in two cases I know of. In one instance—the crossing at the Grand Trunk Railway station going out of Oshawa—the question has been discussed for three or four years of providing a subway. The railway is endeavouring to get the municipality to make the application, and vice versa.

Mr. FANSHER (Lambton): Do I understand the minister to say that this is available in a case where a provincial highway crosses a railway?

Mr. DUNNING: Yes, on the same terms as any other crossing.

Mr. FANSHER (Lambton): In the older provinces the old act would apply to most crossings.

Mr. DUNNING: To quite a proportion.

Mr. FANSHER (Lambton): I have in mind a crossing on provincial highway number two in Ontario, the main highway from Toronto to Windsor, where last fall there was a serious accident. The municipality tried to get a subway and it seemed that the railway board were reluctant about granting it. Every few years there is a serious accident there. Nearly every year someone is injured and probably every three or four years someone is killed at that crossing. The crossing was straightened this year and a warning bell put in. It does seem to me that on a provincial highway, where the traffic is as great as that, some pressure should be brought to bear to have a subway provided. I know that this municipality is very much disappointed that a subway has not been secured, because the traffic is very dense on that particular highway. It is one of the most heavily travelled highways in Ontario.

Mr. BENNETT: Did the railway resist it?

Mr. FANSHER (Lambton): I could not say.

Mr. ROSS (Kingston): Will the minister give the number of applications made, and state what has been done?

Mr. DUNNING: I have given that information twice already.

Mr. ROSS (Kingston): But the minister must admit that along the Grand Trunk alone there are dozens of highways on which people are killed every summer, and nothing is done.

Mr. DUNNING: I must say that this legislation, no matter how we shape it, can-

[Mr. Dunning.]

not possibly eliminate all level crossings, and wherever there is a level crossing someone will be killed sooner or later. That is axiomatic. I cannot promise that this is any more than it purports to be, an effort to make more elastic certain provisions which have been in the law for eighteen years, and to enable money to be expended which up to now the law has not been sufficiently elastic to permit to be spent for the purpose intended. I am not in a position as minister to discuss individual cases. I do not know the circumstances referred to by my hon. friend from East Lambton (Mr. Fansher), but he might himself find out, from the records in the office of the Board of Railway Commissioners, just why it was in that particular case that an order was not made. The information is public and is readily available to him. If the board set out to order a subway at every crossing in Canada where a fatal accident has occurred, they would soon break our railways. The railways could not stand the cost.

Mr. KAISER: Are all accidents reported to the board?

Mr. DUNNING: Yes.

Mr. KAISER: What is the use of getting the reports unless something is done?

Mr. DUNNING: They investigate every case. That is the law.

The CHAIRMAN: Shall the section carry?

Mr. DUNNING: Report progress, Mr. Chairman; the clock is striking eleven. I shall have to bring the matter back again.

Progress reported.

At 11 o'clock the house adjourned, without question put, pursuant to standing order.

Friday, April 27, 1928

The house met at three o'clock.

BANKING AND COMMERCE

SICKNESS AND ACCIDENT INSURANCE

Mr. F. W. HAY (North Perth) presented the sixth report of the selecting standing committee on banking and commerce, as follows:

In obedience to an order of the house dated 27th March, 1928, your committee have considered the following resolution of the house, viz:

"That the select standing committee on banking and commerce be instructed to investigate and report on the operations of companies carrying on sickness and accident insurance business in Canada."

and herewith submit a copy of the evidence taken in respect thereto.

It is expected that the Insurance Act will be amended next session. Your committee, therefore, recommend that the superintendent of insurance be instructed to draft amendments in keeping with the facts adduced, for incorporation in a general amending act to the Insurance Act.

MONTREAL UNDERGROUND TERMINAL

Mr. E. C. ST-PERE (Hochelaga) moved:

That the petition of Seraphim Ouimet and others, praying for an act of incorporation under the name of the Montreal Underground Terminal Company, presented this day, be referred to the select standing committee on standing orders, for the purpose of considering the suspension of standing order 92 in relation thereto.

Hon. J. A. ROBB (Minister of Finance): I shall submit to your ruling, Mr. Speaker, but I would point out that the time for the presenting of petitions has already elapsed.

Motion agreed to.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Mr. SPEAKER: It is moved by Mr. Goodison, seconded by Mr. Smith (Stormont) that the following bills be now read a first and second time, and referred to the select standing committee on miscellaneous private bills:

Bill No. 232, for the relief of Richard Thomas Bell.—Mr. Garland (Carleton).

Bill No. 233, for the relief of Albert Cheney.—Mr. White (Mount Royal).

Bill No. 234, for the relief of Katharine Adriance Burruss Christie.—Mr. Wilson (Wentworth).

Bill No. 235, for the relief of Nellie Cohen.—Mr. Jacobs.

Bill No. 236, for the relief of Louis Cowell.—Mr. Church.

Bill No. 237, for the relief of Wesley Thornton Davidson.—Mr. Harris.

Bill No. 238, for the relief of Orfie Earl Dingman.—Mr. Garland (Carleton).

Bill No. 239, for the relief of Edith Alice Douglas.—Mr. Pettit.

Bill No. 240, for the relief of Radford Alonzo Dunfield.—Mr. Casselman.

Bill No. 241, for the relief of Reuben James Fenton.—Mr. Anderson (Toronto-High Park).

Bill No. 242, for the relief of Jane Annie Field.—Mr. Church.

Bill No. 243, for the relief of Charles Edward Frank.—Mr. Anderson (Toronto-High Park).

Bill No. 244, for the relief of Bernice Gatehouse.—Mr. Anderson (Toronto-High Park).

Bill No. 245, for the relief of Harriet Elizabeth Roussie Gray.—Mr. Lennox.

Bill No. 246, for the relief of Thomas Haggith.—Mr. Kay.

Bill No. 247, for the relief of Ellen May Collison Keene.—Mr. Church.

Bill No. 248, for the relief of Henry Peet.—Mr. Garland (Carleton).

Bill No. 249, for the relief of Leon Proulx.—Mr. Jacobs.

Bill No. 250, for the relief of Dorothea Wilhelmina Reynolds.—Mr. Anderson (Toronto-High Park).

Bill No. 251, for the relief of Violet Robinson.—Mr. Lennox.

Bill No. 252, for the relief of Susan Amelia Saunders.—Mr. Lang.

Bill No. 253, for the relief of Agnes Georgiana Smith.—Mr. Geary.

Bill No. 254, for the relief of Walter Edgar Soule.—Mr. Thorson.

Bill No. 255, for the relief of Phoebe Ellen Stevens.—Mr. Casselman.

Bill No. 256, for the relief of Thomas William Storey.—Mr. Bothwell.

Bill No. 257, for the relief of Samuel Wellington Thompson.—Mr. Garland (Carleton).

Bill No. 258, for the relief of John Edwin Timson.—Mr. Anderson (Toronto-High Park).

Bill No. 259, for the relief of Jennie Campbell.—Mr. Geary.

Motion agreed to, on division.

COCHRANE POSTMASTER—CORRESPONDENCE TABLED

Hon. P. J. VENIOT (Postmaster General): On motions, I wish to bring up the question of the letter which was referred to by me last night in discussing the matter of harbour commissions. I stated that that letter had been written by the hon. the present leader of the opposition, and he demanded that I produce the letter.

Mr. BENNETT: I said, lay it on the table. The rules require it.

Mr. VENIOT: I am going to do that if the hon. gentleman will just give me time. I have before me the original file, and I also have a copy of the letter. As I understand that, under the order of motions, when motions or requests are made for papers, it is generally copies that are produced, and as I do not wish the original file to go out of my possession, I am going to lay on the table a copy of that letter, which reads as follows:

House of Commons,
Ottawa, April 3, 1912.

The Honourable L. P. PELLETIER, K.C.,
Postmaster General,
Ottawa.

Dear Mr. PELLETIER,

Please appoint Andrew Chapman Postmaster at Cochrane, Alberta, in the place and stead of Fisher, the present incumbent, who has been

an active partisan, being, in fact, the brother of the Speaker of the Liberal legislature of Alberta, under whose auspices the office is being conducted.

Yours faithfully,

(Sgd) R. B. BENNETT.

Mr. BENNETT: Is there any trouble about that?

Mr. VENIOT: No trouble about it.

OLYMPIC GAMES

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Referring to the answer given by the Minister of Finance (Mr. Robb) yesterday, in reply to a question regarding the grant to the Olympic games, I notice that the sum of $26,000 was paid to the committee last year, and that no accounting is made to the government, or expected by them, of how this money is expended. I would ask the Minister of Finance if he would be good enough to have inquiries made as to what proportion of this grant is going to be given towards assisting the New Westminster lacrosse team to go to Amsterdam.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, the answer I gave yesterday referred to the grant voted by parliament last year. The same procedure is followed as in regard to grants to the Boy Scouts, Girl Guides and other organizations; my hon. friend will notice several in the miscellaneous items of the estimates. But I shall now direct the attention of the treasurer of the Canadian Olympic committee, to whom the money was paid, that members of parliament desire details of the expenditure. This information I will table as soon as I receive it.

Mr. McQUARRIE: We want to see that lacrosse is properly taken care of.

Mr. ROBB: That is reasonable.

GREENLY ISLAND LIGHTHOUSE

SUGGESTED SALARY INCREASE OF KEEPERS

On the orders of the day:

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I wish to draw the attention of the government to the fact that the lighthouse keepers on Greenly island who entertained the trans-Atlantic fliers are being paid only $2,100 a year, out of which three families have to subsist. Will not the government now consider granting them a little higher salary?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think my hon. friend may assume that his suggestion will receive every consideration.

[Mr. Veniot.]

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER COMPANY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to inquire of the right hon. Prime Minister whether or not application has been made by the Beauharnois power interests to have determined the principles upon which the waters of the St. Lawrence are to be diverted from their present channel into a canal.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Personally, Mr. Speaker, I do not know of such an application, but I should not like my reply to be regarded as final.

HALIFAX HARBOUR COMMISSION

LOAN OF $500,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the third reading of Bill No. 217 to provide for a loan to the Halifax harbour commissioners.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I desire formally to ask the Minister of Marine and Fisheries whether or not the undertaking which he was good enough to give the other evening with respect to the Quebec harbour commission bill will apply to this measure and as well to the St. John measure.

Mr. CARDIN: Absolutely.

Motion agreed to, bill read the third time and passed.

TORONTO TERMINALS RAILWAY

The house resumed from April 20 consideration in committee of Bill No. 204 respecting the Toronto Terminals Railway Company—Mr. Dunning—Mr. Marcil in the chair.

Mr. DUNNING: I think, Mr. Chairman, the committee had practically completed its consideration of this bill, which contains only one section, and which has already been passed upon by the special committee having to do with railways and shipping. I think we may regard section 1 as carried.

Section agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT AMENDMENT

APPLICATION OF MONEYS FROM GRADE CROSSING FUND

The house resumed from April 26 consideration in committee of Bill No. 220 to amend the Railway Act—Mr. Dunning—Mr. Marcil in the chair.

On Section 1—Railway grade crossing fund.

Mr. DUNNING: We were still on section 1 when the house adjourned last night, Mr. Chairman. I think probably the discussion had proceeded not as far as the members of the committee desired. I shall be glad to deal with any further questions which may arise.

Sir EUGENE FISET: Does this bill contain any provision that would debar small towns or municipalities from making applications in the future for railway crossings?

Mr. DUNNING: Absolutely no. The intention of the amending bill is, as I explained last night, entirely in the opposite direction. There is certainly no greater restriction; on the contrary there is greater freedom to make application.

Mr. BOYS: Is it the intention that this should apply to maintenance as well as construction in the first instance?

Mr. DUNNING: The section reads "not including that of maintenance."

Mr. BOYS: This situation sometimes arises: there is a separation of grades, and perhaps under the terms of the agreement between the municipality and the railway company an overhead bridge is constructed. Twenty years later—as in the case I have in mind—it may be necessary to make substantial repairs. Why should there not be some allowance out of the fund to take care of such a situation? In the case to which I am referring the municipality is paying 50 per cent and the railway 50 per cent of the cost of separation. It seems to me that that would be an appropriate case for, say, a 40 per cent allowance from this fund, the balance to be borne equally by the railway and the municipality. If the legislation does not so apply—and I may say frankly that I understand it does not—does not the minister think it is a matter that might well receive consideration? I have thought the matter over, and I can see no reason why the fund should not apply to such a case.

Mr. DUNNING: As I intimated last night, I want to make more elastic the conditions under which the grade crossing fund is administered, in order to widen the use for which it was created. I would direct the hon. gentleman's attention to the fact that grade separation is the real object in view. As long as there are so many thousands of dangerous crossings throughout the country to be dealt with, I am afraid that to so change the law as to make it apply to maintenance as well as construction would be going too far, having regard to the amount which parliament is annually voting for the fund at the present time. However, I should like to call attention to this: It is evident from the history of the fund that more than one contribution has been ordered with respect to the same crossing. Out of 520 crossings dealt with since the inception of the grade crossing fund, some 44 have been dealt with by more than one grant. I am advised that that second grant does not in any sense involve what my hon. friend has just pointed out, repairs to an existing structure, but rather a change in the character of the protection afforded. That is to say, there might be in the first place a wig-wag, for which ten years later gates might be substituted. I believe both the present statute and the amending bill would permit that.

Mr. BOYS: That is really construction.

Mr. DUNNING: That is really construction, but I do not believe that either the present act or the amending bill would permit maintenance charges, such as replanking a bridge, and so forth, to be entertained. Much as I sympathize with the position outlined by my hon. friend, I suggest we had better not widen the legislation to that extent. If the municipality is fortunate enough to have received, together with the railway company, a contribution to the extent of 40 per cent of the original cost, it is not so much of a burden to keep the structure in reasonable repair.

Mr. BOYS: Unfortunately that is not so in the case I have in mind, because the bridge in question was constructed before this fund was available. There has been no contribution whatever in connection with the construction, but it was thought proper, having in view the public safety, that the grade should be separated. It was separated and now the time for repair has arisen. Naturally therefore I was anxious to have the fund made applicable to a case of that kind. I can understand however that if it is not applicable to maintenance in any case it could not be made applicable here even if there was no allowance originally made for construction.

Mr. ARTHURS: Is there any provision for the deviation of a road to avoid a railway crossing altogether? I have in mind the approach to a town in my riding. Parry Sound, where there are seven crossings within a very short distance, all dangerous. I believe that if this act provided for a case of that kind a deviation could be made to avoid most of the crossings.

Mr. DUNNING: In the past, as I explained last evening, the fund has been used for the purpose of diversion, such as my hon. friend refers to, and the definitions contained in this amending section in no way alter that condition. In this section "crossing" means any railway crossing on a highway, or any highway crossing on a railway at rail level, and every manner of construction of the railway or of the highway, by elevation or depression of the one above or below the other, or by diversion of one or the other, and so forth.

Mr. ARTHURS: That is all right.

Section agreed to.

Section 2 agreed to.

On the preamble.

Mr. ARTHURS: I understand the proportion contributed by the Dominion is 40 per cent.

Mr. DUNNING: Not exceeding 40 per cent.

Mr. ARTHURS: In any case where there might be two or three high bridges, or viaducts, required, and a deviation of the road might eliminate this necessity, would the minister be prepared to say that they should then limit themselves to 40 per cent on the deviation?

Mr. DUNNING: That raises a question which has occurred more or less frequently under the existing law, for the reason that there was a limitation on the number of crossings within one municipality to which the board might apply the funds in any one year. But that limitation has been removed. There is somewhere provision for the declaration by the board that the work is one work of safety. I cannot put my finger on the exact phraseology, but if my hon. friend will read the bill he will find somewhere that it is provided that any work may be declared by the board to be a single work of protection.

Mr. ARTHURS: The point I am trying to make is that a deviation might obviate three or four crossings.

[Mr. Boys.]

Mr. DUNNING: Yes, so long as the work is declared to be one work.

Mr. ANDERSON (Halton): Will the bill make it compulsory for a municipality to make alterations intended in this legislation?

Mr. DUNNING: There is no compulsion involved in the bill. The power of the board remains exactly the same in that regard as it is to-day.

Mr. McGIBBON: How are the proportions arrived at which are contributed respectively by the municipality, the province and the railways? Is it by agreement?

Mr. DUNNING: That is within the judgment of the Board of Railway Commissioners, and dependent upon the circumstances of the particular case, having regard to the date at which the crossing came into existence and having regard also to which is senior, the railway or the highway. Many considerations are involved and they vary in particular cases. It is not possible to read through the board's rulings in various cases and arrive at anything which may be said to be an absolutely fixed principle applicable in all cases. This is one of the matters which the board must analyse in relation to the circumstances surrounding the particular crossing under review.

Mr. McGIBBON: It is subject to the railway board?

Mr. DUNNING: Yes.

Mr. McQUARRIE: Does not the minister think that there should be some rule established whereby, when the highway is senior to the railway, the railway company should be required to pay the whole cost of providing protection at the crossing, subject of course to any allowance being made out of the fund?

Mr. DUNNING: That point was dealt with last evening, and I can only refer my hon. friend to section 260 of the act. In any case where a railway has been constructed after the nineteenth day of May, 1909, the railway company shall at its own cost and expense, unless as otherwise provided by agreement, approved by the board, between the company and the municipal or other corporation or person, provide, subject to the order of the board, protection, safety and convenience for the public in crossing a highway by a railway. That is to say, in respect of all crossings which came into existence since 1909, the railway company is prima facie responsible for the protection there required. This is subject to exceptions, such for example as where a roadway was in existence on paper in 1909—that is to say, it was dedicated as a roadway—

Mr. BENNETT: A road allowance.

Mr. DUNNING: Yes, a road allowance, as we call it in the west. In a subsequent year that road allowance is used and the railway company makes representations to the board that traffic has arisen in connection with that particular crossing which was not there and not contemplated when the railway was built. In such cases the board has not rigidly applied the rule that the railway must pay. The other rule then comes into operation, as to which is senior in point of fact and of operation. Another difficulty which I find in some cases, regardless of the time of construction of the crossing, is where the need for protection arises by reason of increased traffic over either the highway or the railway. In many instances the need arises through increased railway traffic not comtemplated when the crossing was instituted.

Mr. BENNETT: Broad street at Regina, for instance.

Mr. DUNNING: Yes, Broad street at Regina is an excellent instance in point. It was increased traffic on the railway in that case which made necessary the work of protection, and in consequence the railway had to pay very much more than the proportion it would otherwise have been called upon to contribute. Then you have the possible case where the railway traffic remains substantially the same but where the highway traffic, due to the building, let us say, of a trunk highway, has increased materially.

Mr. BENNETT: As at Albert street, west of Regina.

Mr. DUNNING: Yes, that would be an instance. In that case the railway board takes into account the relations between the parties and adjudicates. In general I think it may be said that the administration by the Board of Railway Commissioners, under its successive chairmen, of this particular section of the law, has been about as satisfactory as such a piece of legislation in operation could be. My hon. friend from New Westminster (Mr. McQuarrie) suggests some general rule. I can assure him that if he reads through the acts and gets an idea of the very varied circumstances which obtain between crossings in different parts of Canada, he will find it as difficult as I do to attempt to apply any rigid general rule.

Mr. McQUARRIE: I have read through the cases, and in fact have taken part in some of them. I have found that generally the board will say, "Well, yes, we will give you the protection at this crossing but you will have to share the cost equally with the railway or you will have to pay all the expenses." That happens even when the highway is senior to the railway by a number of years, and it seems to me that some provision should be made whereby the board cannot give a ruling of that kind. I will admit that the Board of Railway Commissioners is an impartial body and tries to do its best, but at the same time it has come to be pretty much a board which stands for the protection of the railway companies, as far as I can see, more than for the protection of the public as it used to be. Consequently I suggest that the minister might consider the advisability of bringing in some legislation which would cover the matter in so many words, in order to leave no discretion to the Board of Railway Commissioners in dealing with that particular subject.

Mr. DUNNING: I am afraid I cannot make my friend that promise; my study of this matter convinces me that such positiveness would tend to make an already difficult situation rather worse. Of course I appreciate the fact that in cases before the board the party who does not succeed is like the unsuccessful party in an ordinary lawsuit; usually he is not satisfied, and that is equally true of the railway companies. They have come to me and pointed out where grave injustices have been done to them in certain cases, but after balancing things up I think the board has administered this measure about as well as we could expect it to be looked after.

Mr. McQUARRIE: If they slowed down the trains at crossings it would be an entirely different matter, but as a general rule they do not do so. They go across the highways at a rather excessive speed in many cases, and that is where the difficulty arises. Possibly they could be compelled to moderate their speed if the matter were taken to court, but that is always a hazardous proceeding. As a general rule the danger exists because the railway operates trains along tracks which cross highways; the danger does not come from pedestrians or motorists running into trains.

Mr. DUNNING: Last night I gave the figures for last year; seventy-four motor cars ran into the sides of moving trains.

Mr. McQUARRIE: Why did they do that? The trains must have been going too fast. That is the very point, but in any event it seems to me that the lives of motorists and pedestrians should be taken care of at these crossings to a greater extent than is the case at present. I know it is absolutely impossible

to prevent some of these motorists from getting into accidents; I quite appreciate that fact, but the way it appeals to me is that the crossing is dangerous because of the operation of the railway trains. Therefore the railway companies should be compelled to provide the necessary signals and to take the necessary precautions to minimize the number of accidents in cases where the highway is senior to the railway.

Mr. ARTHURS: The minister has informed the house that in connection with crossings constructed before 1909 the onus is upon the railway to provide the protection necessary for the safety of the public. I believe I am right in that?

Mr. DUNNING: Subject to the exception which I read.

Mr. ARTHURS: As a general principle that is true. On the other hand, the present act allows the Board of Railway Commissioners to give 40 per cent of the cost of improving the protection at railway crossings, and no more than 40 per cent.

Mr. DUNNING: That does not apply to crossings constructed since 1909.

Mr. ARTHURS: I am not referring to those at the moment. I would like to ask the minister whether a deviation would be allowed for, and to what extent, by his department. In my riding I have a municipality which contains seven railway crossings within a distance of about three miles, all built subsequent to the highway which they cross. Manifestly it would be impossible for a small municipality to pay even 40 per cent of the cost of protecting those seven crossings.

Mr. DUNNING: The highway was there first?

Mr. ARTHURS: Yes, and I would suggest that the act be broadened out to take care of special cases of this kind where a railway, through the agency of its surveyors, has crossed a highway repeatedly within a very short distance. To some extent the municipality should be assisted in a special way.

Mr. DUNNING: I will not presume to give legal advice, but I am reasonably sure that such cases are already within the competence of the railway board. I am satisfied that that is the law, subject to the opinions of my legal friends.

Mr. McGIBBON: I would like to ask the minister a question, and I hope he will pardon me for doing so, because probably I should know all about it. However, I have not had time to study this bill. I understand that the grant is $200,000 a year?

[Mr. McQuarrie.]

Mr. DUNNING: Yes.

Mr. McGIBBON: Will that be sufficient to take care of the applications?

Mr. DUNNING: No; I would hope not. I will explain that to my hon. friend when he finishes his question.

Mr. McGIBBON: The point I wish to make is that we should enlarge the grant so that these death-traps throughout the country might be eliminated as quickly as possible, having in view the rapid increase in motor traffic.

Mr. DUNNING: Perhaps I should have gone more fully over the discussion which took place last evening. The fact is that the fund has not been expended. In practice the provisions of the law have not proven sufficiently elastic for those interested to avail themselves of the assistance granted, with the result that there is still in the fund over $600,000 which was placed there prior to 1919 as earmarked money. In addition to that there is available, under statute, the accumulation of $200,000 for each year since 1919, making a total of about $2,600,000 available to the board. So we are in this position: Under the provisions of the law as it has existed we have only succeeded in spending about $1,300,000 in eighteen years, whereas parliament has provided $3,800,000 during that period. The whole object of this amending legislation, with its increase in the maximum from $25,000 to $100,000 for an individual crossing and the other loosening provisions, if I might so term them, is to make it possible for the fund to be used more generally for the purpose for which it was assigned. I might point out further to my hon. friend that in respect of the annual appropriation by parliament, under the original legislation of 1909 the annual statutory contribution of $200,000 applied for ten years. In 1919 that statutory appropriation was renewed for a further ten years, which means that it will expire in 1929. I am not in this bill proposing any extension of that, in the hope that during the year which is coming we shall get experience of the working of these amendments and have thereby a better idea of what to propose to parliament with respect to future grants. I may say that I do not hope, as I explained last night, that the grade crossing fund in anything like the proporions financially which we contribute to it annually will eliminate the level crossing difficulty in Canada. We must recognize that every level crossing of a highway by a railway or vice versa is a place where a fatality is liable to occur sooner or later.

Mr. BENNETT: How many thousands are there?

Mr. DUNNING: Tens of thousands of level crossings. I mentioned last night that in the United States some of the states are to-day spending up to hundreds of millions in protection and grade separation work, in co-operation with the railways; and it has been freely stated before the Interstate Commerce Commission that to apply rigidly the law as it exists in that country with respect to protection and grade separation would bankrupt the railways of the United States; that is to apply literally the true spirt of the law in forcing grade separation generally in every case. It has become an increasing problem, and of course the railways take the ground that the problem has assumed its more serious aspect largely on account of the development of another type of traffic which in fact competes with the railways and has the effect of reducing their revenues. For instance, my hon. friend from New Westminster (Mr. McQuarrie) suggested a minute ago that railway trains might slow up when approaching a crossing and make crossings more safe. But looking at the competition which is against them, it would mean that they would slow up in competition wth the trucks, making themselves more subject to competiton by backing down as it were in favour of their competitors.

I do not pretend for a moment that the amendments before the house will remedy anything; really the fund is intended as an inducement to those parties who are interested, municipalities, provinces and railways, to deal with the question, the inducement being a contribution from a fund provided by the federal treasury for the purpose. Up to the present, as I have said, it has not been made use of to the extent desired, and these provisions are introduced with the idea of creating a greater utility

Mr. FANSHER (East Lambton): Mr. Chairman, I am glad to hear the minister say that he wishes this accumulated fund to be used, and that these amendments have been introduced to make it more available. To my mind however it has accumulated largely because of the action of the Board of Railway Commissioners.

Mr. BENNETT: That is true.

Mr. FANSHER (East Lambton): If they had been a little more lenient in their rulings in regard to grade crossings, I think this fund would have been entirely used up and perhaps more would have been required. To my mind we may amend this present act, pass these amendments which I think are all right, but we will still have a deterrent in the Board of Railway Commissioners and this fund will not be made available as it should be. I cited a case last evening of a crossing on a provincial highway in the province of Ontario, one of the most densely travelled roads in the province.

Mr. BENNETT: Which was senior, the railway or the highway?

Mr. FANSHER (East Lambton): The highway was senior. There a grade crossing is still maintained, with a wigwag and a bell, whereas the local municipality really wanted a subway. I think it might not be out of the way for this house to take into consideration at some time that at least on our provincial highways we should have separated crossings, either subways or overhead bridges, especially on the main tourist roads and over the main lines of railways. Then something should be done to induce the Board of Railway Commissioners to be a little more lenient in their rulings in regard to these grade crossings; if that were brought about this fund would be used up.

Mr. BENNETT: I confess I am not able to understand why the application in the case mentioned by the hon. member for Lambton should not have been acceded to. When he says the highway was senior to the railway, it is even less capable of being explained. I fancy the minister is much in the same position as I am in respect to the reason for it. I only recall one case after this fund was first made available in which I heard an order made by the board that a portion of the cost of the separation of the grades should be borne out of this fund.

The whole effect of this act probably is to enable two or three communities to deal with a situation with which otherwise they could not deal; and in addition we have enabled the fund possibly between now and May, 1929, to be used to an extent that it has not been used. Knowing how earnest and zealous the hon. member for Lambton is for his constituency, I have no doubt that his municipality will make an early application to the board. I am sure that this house will be very interested in learning why the municipality controlling the highway, being senior, is not given relief. The real fact is that the lawyers for the railways have succeeded in inducing the board to believe that the present protection is adequate.

Mr. DUNNING: That is about the story, on the facts, as we hear them in the house.

Mr. McGIBBON: May I ask the minister is this applicable to any crossing, or are there any restrictions?

Mr. DUNNING: No restrictions.

Mr. BENNETT: There are no restrictions.

Mr. ROSS (Kingston): Mr. Chairman, I must admit that in this bill the minister has gone pretty far, but he has not yet gone far enough to look after the wishes of the public. A too great economy will operate adversely to the public interest. It will not save one life in the Dominion of Canada. They have first a little bell, then a light, and then a light a hundred yards or so away from the crossing; and then the next thing will be that perhaps the light will be extended a hundred yards further; and that is all that will be done. As I said last night, there is only one solution of this problem, and that is to get away from the grade crossing; there is no way in this bill to secure the safety of the public. I quite admit that there are cases where the public are to blame; but there is the crossing and there is the danger light, and not only can a reckless driver risk his own life but, on the way, he picks up one or two innocent passengers who are very often sacrificed. The minister or somebody should go another step further and say that where more than one accident has happened grade separation must follow. On these highways they have had not only accidents once a year but once a month, and some drastic action should be taken.

Mr. DUNNING: What drastic action?

Mr. ROSS (Kingston): Force a bridge or an underground passageway.

Mr. DUNNING: We have many branch lines of railway on which trains run only three times a week, and yet in the papers we will find that those trains hit a motorist or a motorist hits a train. If you adopt a fixed rule that wherever an accident occurs a bridge or a subway should be built, that will be placing our reliance upon the driver of the automobile. He is not, as the figures show, at all times a particularly reliable individual. I appreciate fully the objective of my hon. friend but he sees where it would land us. The adoption of a fixed rule would mean the building of unnecessary protection if grade separation were involved following every accident in every case.

Mr. ROSS (Kingston): The minister must admit that I used the word "highway". I was not referring to these little feeders.

Mr. DUNNING: I am afraid I have not made myself clear. I was referring to branch line railways which are crossed by a main highway, where there is plenty of highway traffic but an infrequent train service. In fact railway men tell me that they are more subject to crossing accidents at a crossing on a railroad which is not very often used by trains than they are in cases where the trains are running with considerable regularity. The reason for that is that people become accustomed to speeding across such a crossing; they say: It is only a branch line; there is no train to-day or no train this week. That is how a great number of the accidents occur and the adoption of any fixed rule seems to be impossible. I am sure the Board of Railway Commissioners will take cognizance not only of this legislation but of the expressions of view by hon. members with respect to the spirit in which we desire this legislation to be administered. Much as I desire to lay down some fixed rule, I find some objection such as that which I have just mentioned, to every suggestion which comes forward along that line.

Mr. ARTHURS: I should like to suggest to the minister that in addition to protecting the public against railways built since 1909, we should have a differential in favour of a municipality where a railway has a crossing which is obstructed either by nature or in some other way, and it is difficult for the public to have a view of the railway either to the right or to the left.

Mr. DUNNING: That was also dealt with last night. Section 258 of the present act gives the railway commission the fullest possible power in relation to anything of any nature which obstructs the view.

Mr. ARTHURS: Only up to forty per cent of the liability.

Mr. DUNNING: The grade fund is not usable with respect to the removal of obstructions of view. It is only available with respect to the construction of the actual work of protecting the crossing. But the board has very full and wide powers with respect to the removal of any obstruction to the view of a person approaching the crossing, no matter what the cause of the obstruction of view may be.

Mr. ANDERSON (Halton): Where a railway has not only its main track but sidings across a highway close to a town and a dangerous condition exists, is there legislation to compel the railway to provide protection at such places? In my town there are four crossings within a mile and on every one of them a number of people have been killed.

Within the last five or six years at least eight people have been killed on those four crossings and yet nothing has been done either by the municipality or by the railway to protect the public.

Mr. DUNNING: There is no compulsion on anybody. The Railway Act provides the machinery through which anyone interested may take action, but it in no way compels any of the bodies concerned to act, that is by way of motion. There is, of course, machinery whereby the railway commission can compel the railway company to do such and such. As regards the initiation of the motion to bring about some protection, surely in a case such as that referred to by my hon. friend there must be sufficient people interested in the municipality concerned to ensure that the municipality would apply to the board for whatever protection they deemed necessary in the circumstances. If there is not that, I am afraid there is in the law nothing which would compel them so to do.

Mr. ANDERSON (Halton): On more than one occasion a conference has been had between the municipality and the railway company but there seems to be no provision by which any of these improvements can be enforced. Apparently it is entirely a question of two or three people who are interested coming to some agreement and as a consequence nothing has ever been done. I know on two occasions there have been conferences between the municipality of the town or the township and the railway, and yet nothing has come of them.

Mr. DUNNING: While a friendly conference is of course always desirable preceding any attempt at litigation—and as a matter of fact an application to the board is litigation—there is provision in the law for bringing a matter of this kind to the attention of the board. Section 257 of the present Railway Act reads:

> Where a railway is already constructed upon, along or across any highway, the board may of its own motion, or upon complaint or application, by or on behalf of the crown, or any municipal or other corporation, or any person aggrieved, order the company to submit to the board, within a specified time, a plan—

And so forth. There is the widest kind of provision for application to the commission. In fact under that section my hon. friend could himself make an application to the board with respect to those dangerous crossings.

Mr. BENNETT: In fact the section that the minister has just read was inserted to meet the very situation to which the hon. member for Halton has referred. It used to be that no one except the municipality and the railway might deal with these matters, and if my memory serves me aright the board when Mr. Justice Mabee was chairman, instructed their engineers, whenever reports of accidents came to them, to see what action should be taken. From that there was an extension of the power and it is not infrequently that members of parliament write to the board asking them to make an inspection and to see what action may be taken to protect human life at dangerous crossings. I know that because of my experience in another capacity something over ten year ago. The whole purpose for which this money was voted by parliament was to meet cases where municipalities and railways could not agree and where it would be too great a hardship to ask the municipality to do all the work. It was to cover the cost up to forty per cent so that in some cases the burden was only ten per cent on the municipality, fifty per cent on the railway and the remaining forty per cent was taken out of this fund.

Mr. CANTLEY: In view of the fact that economy seems to control the application of the remedy to this level crossing problem, does the minister not think it advisable to make provision that a larger proportion of the cost be defrayed out of this fund?

Mr. DUNNING: That is what the bill provides.

Mr. CANTLEY: What proportion?

Mr. DUNNING: The provision in the existing law is forty per cent with a maximum of $25,000. The provision in this bill is forty per cent in cases where the work to be done costs less than $100,000, and forty per cent with a limit of $100,000 in all cases where the cost exceeds $100,000. It is a quadrupling of the possible contribution in the particular case.

Mr. CANTLEY: Would the minister consider, where the cost is less than $100,000, increasing the contribution from forty per cent to fifty, sixty, or seventy per cent? The fund is accumulating; we are not spending it, and people are being killed. My point is that we should get some action. At the rate we are going, it will be the middle of eternity before anything worth while is done.

Mr. DUNNING: I can best answer my hon. friend by referring him to the leader of the opposition, who very wisely said, in his first remarks upon this subject yesterday, that the objective of the grade crossing fund was not the giving of large sums by way of federal assistance to large works, but rather

the providing of works of protection of one kind or another in the great number of cases throughout the country that are outside the cities altogether. I am already increasing the limit, and if the percentage were to be increased, that would, of course, tend still further to segregate the expenditure out of this fund to the larger works in the larger centres, and I arrived at the conclusion to retain the forty per cent in its relation to $100,000 as it previously existed in relation to $25,000, as being a pretty substanial step forward which would result in the fund being used to a greater extent. I think my hon. friend might consent to allow this to be tried for one year, so that we may see to what extent the fund will be depleted. I am reasonably sure that it will go down very rapidly.

Mr. BENNETT: There will be no money left next year.

Mr. DUNNING: Not after we apply the provisions of this legislation.

Mr. CANTLEY: What I had in mind was that the percentage might be greater than 40 per cent, say 50 or 70 per cent, in the case of works where the cost was comparatively small, not exceeding perhaps $25,000. I am not referring to crossings in towns, but out on the main highways.

Section agreed to.

Bill reported, read the third time, and passed.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Hon. J. H. KING (Minister of Health) moved the second reading of Bill No. 205, respecting the Departments of Health and Soldiers' Civil Re-establishment.

Motion agreed to, bill read the second time, and the house went into committee theron, Mr. Marcil in the chair.

On section 1—Short title.

Mr. BENNETT: The minister will recall that the hon. member for Vancouver-Burrard (Mr. Clark) and some of his associates who are absent from the city are greatly interested in the question of the name, and possibly the minister would not object if later on they might make their suggestions as to the name during the further progress of the bill through the house, and that it will not be taken that we have finally disposed of section 1. I have no desire to delay the legislation, but I should like to reserve that right for them.

[Mr. Dunning.]

Mr. KING (Kootenay): Since the resolution was under discussion, it was decided to leave the question of the name until we came into committee, but I have since had consultations with various people who are interested in the title of the department. I am most anxious that all should be satisfied, but, of course, there may still be disagreement. I think, however, that the proposed title, "The Department of Pensions and National Health" will properly designate the activities of the department, and what I would suggest is that we pass this section, and then later on we can go back into committee or upon the third reading we can have a discussion of the title.

Mr. BENNETT: That was all I wished to direct the minister's attention to.

Section 1 agreed to.

On section 2—Definitions.

Mr. ROSS (Kingston): The minister spoke to me about this bill, but since then I have heard a little criticism that the proposed name of the new department, "Department of Pensions and National Health," might suggest that it was taking over the control of pensions and would interfere with the time-honoured custom of having the pensions branch independent. I do not think that is the minister's intention, but there is a little criticism and perhaps a little misinterpretation in that regard.

Mr. KING (Kootenay): I think that when we deal with the Pension Act that misconception will disappear. The pension commission will remain as they are at present, independent, but it is true that this department, in the course of its administrative work, will pay the cheques after the adjudication has been made.

Section agreed to.

Sections 3 to 5 inclusive agreed to.

On section 6, subsection 1, paragraph (b)—Selection and employment of staff.

Mr. BENNETT: In view of the discretion with respect to employment, should all the positions mentioned be excluded from the operation of the Civil Service Act? The old act excluded employees that might be required from time to time. Now excluded we have:

> Part time professional officers, or part or full time employees whose compensation is determined by rates payable for similar work in the locality in which such persons are employed.

Is it desirable to take these matters entirely out of the hands of the Civil Service Commission?

Mr. KING (Kootenay): There are certain employees in and about our hospitals—attendants, engineers, carpenters, dietitians—that would not be considered permanent but part time or full time employees. They would be paid the prevailing rate. Provision is made later in the bill to take care of those who become permanently attached.

Mr. BENNETT: I quite realize that, but as subsection (b) reads, it provides:

> for the selection and employment of such part time professional officers or part or full time employees whose compensation

may be paid. That certainly would look towards permanent positions. That is why I am directing attention to the amendment. I quite agree that if you hire a man for a day's work it is not a matter for the Civil Service Commission at all; but when it comes to full time employment, I see no reason why you should exclude the operations of the Civil Service Act.

Mr. KING (Kootenay): There are certain classes of employees that I do not think we wish to engage permanently. Take your attendants in the hospitals, their positions change very rapidly, as no doubt my hon. friend who has had experience knows. Then it is debatable whether your nursing staff should be made permanent; they change from time to time of their own will or from necessity. Those employed as carpenters, engineers or firemen would be considered part time employees, or what are known as prevailing rate employees. The same principle applies in other departments of government.

Mr. BENNETT: Quite so; but this substitutes for the section printed on the opposite side of the bill something different in principle:

> and the creation for this purpose of appropriate positions,

That puts in the hands of the minister the power to create a full time position and disregard the Civil Service Commission; whereas the section that is being repealed provides:

> that the employees selected and employed under the authority of the said regulations shall, as far as practicable, be classified by the minister in accordance with the schedules of classes of positions set forth in the civil service classification, and shall be paid such rates of salary as are thereby described, and the said regulations shall, as regards salary increases, leave of absence, promotions and resignations, conform as nearly as practicable to the regulations made under the Civil Service Act, 1918.

The effect of the amendment is disastrous to the minister—not my hon. friend, but the minister who happens to be in charge of the department—because under subsection (c) he will be creating the appropriate positions and making appointments without regard to the Civil Service Act; whereas working side by side with the people so appointed will be those selected under the Civil Service Act at rates of pay provided by the Civil Service Commission. That, I think, is exactly what we are endeavouring to prevent. Before the minister asks us to adopt subsection (c) I suggest that he consider whether we are not making a retrograde step in replacing the relevant subsection in the old act by this subsection, which introduces patronage in its most vicious form with respect to a matter which should not be dealt with in that way.

Mr. KING (Kootenay): That is hardly the situation. As a matter of fact the positions under the Department of Soldiers' Civil Re-establishment at the present time are outside the Civil Service Commission, and the appointments have been made by the governor-in-council on the advice of the minister. But we are preparing, through this legislation, to bring a portion at least of the service into permanency and under the Civil Service Commission. However, it has been felt that certain services are being rendered in the department with respect to which it would be very difficult to make permanent appointments; in fact it would not be good for the service. In the application of the present act the practices and usage of the Civil Service Commission have been followed by the department. Our classification is very much along the line of that of the Civil Service Commission, and the rates of pay are very much the same. This condition will continue under the new method. This is merely providing for a certain class which it would not seem wise to bring into the service permanently, and separate it from the class that eventually will be brought in permanently.

Mr. BOYS: I desire to support what my hon. leader has just said. One of the subsections is as follows:

> for the selection and employment of such part time professional officers, or part or full time employees,

If the words, "or full", were not there I not think the section would be open to criticism. Let me read the passage with those words left out:

> for the selection and employment of such part time professional officers or part time employees,

Worded that way there can be no doubt that it could not be suggested for a moment that any employee could be regarded as permanent; but the moment you introduce the words, "or full time", the employee could be appointed as permanent, although I

am not assuming for a moment that the minister intends the section to bear this meaning. Therefore I would suggest that if he insert the word "temporary" before the word "employees" the situation might be met. May I read the subsection thus amended:

for the selection and employment of such part time professional officers, or part or full time temporary employees.

I think that would remove any thought that the minister, with the approval of the governor-in-council, is assuming the right to appoint permanent employees.

Mr. RALSTON: If my hon. friend will allow me to read the section as it was before, I think he will see that what is being done here is rather restrictive of the minister's power than an extension of it.

Mr. BOYS: May I say to my hon. friend that while we might interpret it now with the first draft before us, in the future nobody will be in that favourable position.

Mr. RALSTON: Not the first draft, but the act we are amending.

Mr. BOYS: You do not have even that before you after the consolidation of the statutes.

Mr. RALSTON: My hon. friend misunderstands me. I am not using the previous act as a means of interpretation, but I am pointing out that the bill now before the house is more restrictive of the powers of the minister than is the previous act. My hon. friend quite properly pointed out that not only part time but full time employees are included in the present bill.

Mr. BOYS: Who may be appointed by the minister.

Mr. RALSTON: Under regulations. This is a section regarding regulations. Full time employees are limited to those—

whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed.

Under the old act there was no provision at all, as to either part time or full time; the minister had power to pass regulations authorizing the selection and employment of officers, clerks and employees. There were therefore both part and full time employees under one regulation. Now they are separated into part time employees and full time employees. I take it that the reference to employees whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed is to more or less casual labourers, transients, mechanics and so forth. This bill limits the minister as compared with the existing act.

[Mr. Boys.]

Mr. BOYS: The minister suggests that this language—

whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed—

would indicate that they are not to be permanent. Is that the point?

Mr. RALSTON: No.

Mr. BOYS: Then I have missed the point. I would say that when a full time employee is to be appointed this section merely indicates what he is to get; and having got it I suppose he continues to receive that compensation until perhaps he applies for an increase. If that is not the case then I have missed the point.

Mr. RALSTON: The provision to which my hon. friend refers, regarding part time and full time employees, is no wider than the act as it stands. The act which is being amended contains neither the adjective "part" nor the adjective "full" time; it uses simply the word "employees". This would permit the minister to employ persons either for an indefinite length of time or permanently. Full time employees under the present bill are only those whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed.

Mr. STEVENS: Will the minister read the latter part of the old section, the first portion of which he has quoted.

Mr. RALSTON: I am trying first to answer my hon. friend (Mr. Boys). He suggests that the words "part time" and "full time" in some way or other extend the power of the minister. "Part time" and "full time", taken separately with this clause, limit rather than extend the power of the minister. But even if the language does not limit his power it goes no further than the present act.

Mr. STEVENS: It does.

Mr. BOYS: If my hon. friend could convince a judge in that manner, I should be glad to have him as my advocate in the first civil case I had.

Mr. RALSTON: I am sure I could convince my hon. friend.

Mr. BOYS: The minister points out that because of the existing act he does not think the bill we are about to pass has the effect and force we are contending for. Why therefore bother to discuss the present law? Let us take what the house is trying to pass and endeavour to construe it.

Mr. RALSTON: I thought that was what my hon. friend was basing his argument upon. I thought he was arguing that the present bill extended the old act.

Mr. BOYS: That may be the effect, but that is not my argument. I am endeavouring to ascertain the meaning of the legislation offered this committee, and in a word my point is this: the moment you insert the words "or full time employees", giving the minister power to appoint any full time employee, such an employee might remain indefinitely and would therefore become permanent.

Mr. KING (Kootenay): If he were satisfactory.

Mr. BOYS: But that is not what the minister intends, I am told. If that is so, why not put the matter beyond peradventure? If the minister can think of a better word I have no desire to press my suggestion. But if you say "or part or full time temporary employees" you exclude the thought of permanency, while at the same time the minister would have full power to appoint any employee, but only for temporary service.

Mr. ROSS (Kingston): The minister might well make an explanation when he is dealing with two branches which will come under him and one of which up to the present time has been under the Civil Service Act. How is he going to distinguish between these two? He may take over a clerk from the Department of Health, who is under the Civil Service Act; and he may get another clerk from the Department of Soldiers' Civil Re-establishment, not under the act. In other words, the minister, in this bill is not making one change, except that he will have the appointment of every clerk and official who is under the Health Department. Notwithstanding the few words added in the section, he is going to have the appointment of every clerk and official in that department as well as in the Department of Soldiers' Civil Re-establishment. I cannot see where he has made any change.

Mr. KING (Kootenay): If my hon. friend will consult the bill he will find in the section with which we are dealing that the officers are under the department administering soldier affairs, while in part two he will find that the officers to be appointed in the health section are to be appointed under the Civil Service Act. I cannot see any objection to the word "temporary"—temporary employees—if it is considered necessary. Those I have in mind, and who were contemplated by the draughtsman, are part time professional officers scattered throughout the country, probably medical men who give certain services to the returned men or pensioners, and who are receiving a partial or part time fee. I do not think anyone would suggest that these part time individuals should be considered permanent; they change from time to time. Then the full time employees—those whom my hon. friend designates full time "temporary" employees—are the class of men who work around the institutions, particularly in connection with hospitals, such as cooks, assistant cooks, ward attendants and so forth. It would not be wise to place them in the permanent class. It is not for me to say whether the term "full time temporary employees" is suitable or not. Personally I can see no great objection to it.

Mr. BOYS: My hon. friend seems to agree with the idea I have expressed, and his only fear is that the word I have suggested may not be the best. If he can suggest anything wrong with it, I will not press it, although it seems to me to meet the situation.

Mr. BRADY: In the minister's interpretation of the words "full time," has he really the idea that these are permanent employees? Is the word "permanent" applicable to full time? Would it not be better to designate the class whom he wishes to have looked after under the term "full time"? The expressions "full time" and "permanency" are not by any means synonymous. There is a great difference between them.

Mr. RALSTON: I was just discussing this with the minister, and he tells me that the Department of Justice drew the bill and have gone over it with a great deal of care. As I have tried to point out to the committee, I am sure it does not extend the power of the minister beyond what it is now, and in fact with all due deference to my hon. friend I am sure that power is limited. That being so, it is not thought advisable to insert some word or some adjective without consulting the Department of Justice.

Mr. BOYS: If it were not for what has already happened I might be impressed by the suggestion that this draft has passed the scrutiny of certain officers of the Department of Justice, but not long ago a bill was introduced by the Minister of Trade and Commerce in which the same situation arose. That bill also had passed the scrutiny of departmental officials, but an amendment was suggested which may have been adopted; if it has not been accepted I think it will be, and it is possible that in the scrutiny of this

bill this point has not been considered by the officers of the department. It does not make much difference to me; my purpose is simply this: I do not believe the minister should have the power which he receives under this section, and to be fair to him he does not pretend to seek such power. All I want to do is to have it put beyond question, and it seems to me that what I am suggesting would achieve that end. However, why not let this subsection stand and if there is any objection to the word I would be glad to hear it.

Mr. KING (Kootenay): Very well; I would suggest that we let subsection (b) stand and proceed with the bill.

Mr. GARLAND (Bow River): In the meantime would the minister make it more clear just what change is taking place in this act through these amendments with respect to the control by the minister or by the governor in council over the appointment of the personnel of this department? As I understand it, because of the alleged temporary nature of the department, under the old legislation every single member of the personnel was excluded from the operations of the Civil Service Act. I would like the minister to tell us what change he is making and whom he is bringing under the operations of the Civil Service Act now.

Mr. KING (Kootenay): We are of the opinion that the time has arrived when this department should be amalgamated with the Department of Health, and following that amalgamation and re-organization in the course of a little time we should be able definitely to define those positions which we consider as necessary to carry on the functions of the department, and which should be considered as permanent at least during the lifetime of this generation. This class of which we are speaking never will be considered permanent, but during the summer the executive officers, some of the clerical staff and others of the professional staff will be classified, and next May they will become permanent. During the interval there will be a selection of those who are to become permanent, because section 16 provides that in May, 1929, the Civil Service Act, which has been held in abeyance, will function.

Mr. STEVENS: Where does that appear?

Mr. KING (Kootenay): In section 16 on page 7. I would suggest that we pass from subsection (b) to the next subsection.

Mr. STEVENS: And subsection (b) will stand?

Mr. KING (Kootenay): Yes.

[Mr. Boys.]

Mr. ROSS (Kingston): In defining the outside service, does the minister mean that all the present outside service, or at least those connected with the hospitals, will be what are called full time temporary employees? The minister mentioned carpenters and plumbers who might be working around the hospital, and also referred to dieticians. I imagine that a dietician would be considered permanent, whereas a carpenter or plumber would be needed only from time to time. There is no such thing in a hospital as a full time carpenter, but a dietician is an important member of a hospital staff.

Mr. KING (Kootenay): A dietician would be a full time professional officer.

Mr. GARLAND (Bow River): I wish to make it quite clear to the minister that in allowing this subsection to stand at this stage, before the debate has been concluded, he may be making a mistake. I do not object to the subsection standing, but there is a good deal more information which we might secure and there may be a good deal of criticism to be offered, which might help the minister in making what alterations he may have in mind. We do not want to be prejudiced in any way; we would not want anyone to say that we allowed this subsection to stand without criticism.

Mr. KING (Kootenay): We will allow it to stand until we are in committee again.

Paragraph (b) stands.

Paragraph (c), (d) and (e) agreed to.

Paragraph (f): Reciprocal and other arrangements with other governments.

Mr. ROSS (Kingston): I think this subsection was before the special committee, and it was inserted in the bill subject to any recommendations or amendments which might be proposed by that committee.

Mr. KING (Kootenay): I believe that is right.

Subsection (f) agreed to.

On section 6, subsection 1, paragraph (g)—Sheltered employment of ex-members of forces, etc.

Mr. ROSS (Kingston): Just a moment, Mr. Chairman. Under this act, are you going to take the responsibility for the burying of those in destitute circumstances?

Mr. KING (Kootenay): Yes.

Mr. GARDINER: Of course there is the Last Post fund.

Mr. KING (Kootenay): They are most interested in the non-pensioned soldier who may die. The pensioner will have burial under the provisions which exist. The Last Post fund is an outside organization which is supported by a grant from the government from time to time.

Mr. GARDINER: It might come under this, if you do not mention the pensioner.

Mr. KING (Kootenay): It might.

Mr. GARDINER: Mr. Chairman, I would like to ask the minister in respect to clause (g), will that not apply to persons who are in destitute circumstances and yet require medical attention?

Mr. KING (Kootenay): I do not think the section definitely provides for employment for ex-service men who are not pensioners.

Mr. GARDINER: No, medical attention.

Mr. KING (Kootenay): No, it does not. They are supposed to be pensioners. The only treatment provided there was:

> The treatment of former members of the forces classified as wholly incurable or chronically recurrent cases needing institutional care; for the provision of measures of unemployment relief to ex-members of the forces and their dependents, and for the payment of compensation in respect of industrial accidents; the whole subject to such appropriations as parliament may provide.

Treatment to-day in our institutions is confined really to those who are pensioners. It is true that by regulations the governor in council can extend and give treatment to those who are indigent and require such treatment. We did that in regard to a certain class last summer, and those orders were placed upon the table. We found throughout Canada a number of cases of ex-service men who had contracted certain diseases overseas, who were totally disabled and in poor circumstances, and provision was made for that class last year. But generally speaking a man to be entitled to treatment in our hospitals must have been considered by the pension board eligible for pension, and therefore eligible for treatment.

Mr. BRADY: Mr. Chairman, I would like to bring to the attention of the minister the fact that we have many cases in Canada in which returned men require hospital treatment; where it cannot be claimed that their trouble is attributable to war service. I would like to see the minister at this session of parliament make some provision for that class. I quite understand that you must be very careful in dealing with such cases, but I know many to which such consideration should be given irrespective of the fact that their condition is not attributable to war service. In my opinion this country should give them medical treatment.

Mr. KING (Kootenay): I believe extensive recommendations have been given to the committee which is dealing with soldier affairs. I think the soldier body has gone into that very thoroughly. At any rate, the governor in council has power to make provision for medical treatment.

Mr. BRADY: I would like to draw the attention of the minister to quite a large number of cases of returned soldiers who allowed a period of years to pass by, after they returned from the front, without bothering any of the pension boards. Now we find that often for five or six years there is no medical history whatsoever for these unfortunate people; and the result is that when their cases are brought up for consideration they can get no relief. I think that in this bill we should consider carefully those men who, after their return, had courage and grit enough, not to worry the pension board but to go right into work. After five or six years they are broken down, and their cases are really often worse than those presented to the pension board. When these cases come before the board, as many will, I would like the minister, to see that they receive such consideration as will result in relief being given. On that point I would like to draw the attention of the minister to this. It is a pity that a great number of the returned soldiers, ignorant of the methods of obtaining relief, have to come to the ordinary member of parliament, who is placed under great difficulties in obtaining the knowledge necessary to present to the board of pension commissioners the cases of these men; and I think, sir, in the department that has to do with returned soldiers there should be some particular person set apart, whose duty it should be to go to the aid of these men, and thus save them trouble, anxiety and loss.

Mr. KING (Kootenay): In reply to my hon. friend, it is true that many of the returned men are experiencing difficulties on account of their medical file or sheet not showing that they had had treatment over a period of years. It requires very considerable investigation to secure that evidence but it is necessary that some evidence be obtained. I know from the work of the pension board that inquiries of that character are going on from day to day, and in order to assist the soldier in his inquiries and in preparing his case,

the government has provided in each and every province what is known as a soldiers' adviser, who goes from one place to another, meets the soldier groups or the individual soldier and gets in contact with their cases, prepares them for the pension board and the appeal board, and in fact deals with many of their affairs. These advisers are nominated by the soldier organizations, being selected from among their number on account of their qualifications or supposed qualifications. The nominations are sent to the minister, and the selection of the soldiers themselves is the one who is appointed. These men are scattered throughout Canada. The service of the advisers costs about $33,000 or $34,000 and in addition to that there is the stenographic staff.

Mr. BRADY: How many advisers are there in British Columbia?

Mr. KING (Kootenay): There is one in Vancouver city covering the mainland of the province of British Columbia and one in Victoria covering Vancouver island. There is one in Alberta, one in Saskatchewan, one in Manitoba, two or three in Ontario, two in Quebec, one in New Brunswick, one in Nova Scotia, and one in Prince Edward Island.

Mr. BRADY: As this is such an important matter and northern and central British Columbia comprise such an immense area, would it not be advisable to have an adviser for that portion of the province situated at some central point such as Prince Rupert or Smithers? The soldiers have so much land in the north country that they would have to come hundreds of miles to a central point and these unfortunate people do not know how to get in touch with the advisers.

Mr. KING (Kootenay): Where the work is accumulating and not being dealt with rapidly, we may increase the number or appoint men temporarily to relieve the situation. There is something in what the hon. member says with regard to the western provinces. The distances are great; the men are spread throughout the community, and it takes time to deal with the different cases. Although we have an excellent man in Manitoba, he has found his work has got behind and it has been necessary for the department to give assistance to bring his work up to date.

Mr. EVANS: Somehow the system is not very effective after all, and I think it is three years ago now since I brought this matter to the attention of the minister. I know of cases that, we are all satisfied, are due to war experience, where men have not yet been able to get on the pension list. In my constituency there was one one man who was suffering when he returned, but although I brought his case repeatedly before the minister and the pension board and although he is totally disabled, he is unable to get any relief from the board. The last I knew of him was that he was in a hospital in Winnipeg. Who is paying the hospital authorities I do not know. That is only one case and there are others. I have always taken the ground in this house that as regards anyone who has seen active service at the front and who has been disabled, this country is under obligation to provide and care for him when he is in want. I think the act should be made a little more elastic so as to cover these cases and so that the benefit of the doubt will all be given to the returned soldier. These men are suffering daily, feeling that they are humiliated by receiving charity.

Mr. KING (Kootenay): The matters referred to by my hon. friend would more properly come under the Pension Act which is now being reviewed by a special committee of the house. That committee has heard evidence and expressions of opinion similar to that expressed by my hon. friend, and no doubt it will give careful consideration to such representations.

Mr. WOODSWORTH: If I recall aright, there was brought to our attention in one of the committees this morning the case of a man who is not able to establish clearly that his impairment of health was directly due to war service. He is being assisted during the winter months for a short time, but after that he is thrown on public charity and the city of Winnipeg has to maintain him. In cases of that kind I think the least we can do for a man who has served at the front is to see he is taken care of. In this particular instance he is perhaps a little below the average mental standard so that there is all the more need for some care to be exercised during the whole of the year. Again I would plead that the regulations should be broadened out to take care of this class of case.

Mr. CARMICHAEL: I believe the question was already asked by an hon. member on this side in regard to provision being made for the burial of a deceased returned man, but I did not catch the answer. Is there any such provision in this bill or any other to take care of the burial expenses of a returned man who is in destitute circumstances?

Mr. KING (Kootenay): Paragraph (g) of clause 6 in the thirty-seventh line reads:

For providing burial expenses for ex-members of the forces who die in destitute circumstances.

That covers the case.

Mr. ROSS (Kingston): I understood the minister to say that that referred to those who are pensioned. Does that cover every case of destitution, because if it does it leaves the minister and the department open to many requests and there is no use for the last post fund?

Mr. RALSTON: The clause is one providing for regulations which may cover these cases.

Mr. CARMICHAEL: Is this the first provision that has been made for such cases or has there been heretofore any such provision?

Mr. RALSTON: It is the same section.

Mr. CARMICHAEL: I know of a case that happened within a few miles of my town of a returned man who had taken up land under the soldier settlement board and who had a good prospective crop on the quarter-section but who before the crop was harvested, took ill and died. He had no money in hand or in sight except what would be realized from the crop and the people of the community had to go around and raise funds to cover his burial expenses. I was asked some time ago to ascertain whether there was provision in the act to take care of such cases.

Mr. KING (Kootenay): This clause will empower the government to make provision for every ex-service man in destitute circumstances. The policy of the government to date has been to bury those who die of pensionable disabilities providing it is necessary to do so. In addition to that we have been supporting what is known as the Last Post fund. That is an organization throughout Canada which has been doing excellent work by providing funds for burial expenses in the locality where the death may occur. We have been supporting that organization by a grant to the executive and in addition last year by supplementing their expenditures where they failed to secure sufficient funds for the work which they were doing.

Mr. ROSS (Kingston): May I also remind the hon. member that he has the word of the Prime Minister that he would like to know of any such case that was unprovided for under the Last Post fund?

Mr. KING (Kootenay): That is true.

Mr. ESLING: In the event of the death of an ex-service man in destitute circumstances, to whom is application made for burial expenses?

Mr. KING (Kootenay): Ordinarily it would be through the local branch of the Last Post fund in the various provinces.

Mr. ESLING: Would that necessarily be to the headquarters at Vancouver?

Mr. KING (Kootenay): It would come from the local branch to the provincial headquarters, and from there to the central organization. There would be no difficulty; it is working very well.

Mr. ESLING: Does the soldiers' adviser make periodical trips throughout the province or must all communications be addressed to him at Vancouver?

Mr. KING (Kootenay): Usually I think the communications have been sent in to his residence, but if it is found that there is a large number of claims outstanding in any one district, and a request is made that the adviser should go in there, and the department think it advisable even though it is a considerable distance from his home, if the service to be rendered justifies it, he would be sent in there and his expenses paid. But I do not think the soldiers' adviser has been travelling very far from his centre.

Mr. ESLING: I am sure he has not. British Columbia is a pretty vast territory, and does not the minister think it advisable to suggest that the soldiers' adviser make periodical trips to the various branches of the legion, where he could receive complaints and applications? I say that because I have no less than one dozen different matters which have been brought to my attention from returned men, and I have been in correspondence with the service bureau here, and I must say that I have had excellent service, but it does occur to me that if the soldiers' adviser would go into the interior of the province of British Columbia, he could get into closer touch with the men and ascertain from the applicants just what the basis of their claims was.

Mr. KING (Kootenay): If it is found that there is a large number of applications from, say, the Kootenay district, Rossland, Nelson, Trail, and so on, there would be no difficulty in arranging to have the soldiers' adviser make the trip in there. The whole service is guided by the number of applications that have to be considered by the pension board or by the appeal board, and if it was shown that there was a large number of applicants

in the Kootenay district, for instance, who could conveniently be seen by the adviser going in there, I do not see any objection to that; in fact, I would be quite anxious that he should do so.

Mr. ESLING: The members from British Columbia must have received numerous communications from returned men throughout the province, from scattered districts, and it would seem to me very desirable that the adviser should visit the different districts. There are many of the men who do not know that there is such an adviser.

Mr. GARDINER: What is the minister's interpretation of the following paragraph in paragraph (g) of section 6:

> for the treatment of former members of the forces classified as wholly incurable or chronically recurrent cases needing institutional care.

How broad is that?

Mr. RALSTON: I noticed that myself. The first part of the paragraph provides generally for the treatment of everybody, and these words seem to refer particularly to those who need institutional care, those whose disease is wholly incurable or chronically recurrent. But if my hon. friend will look at section 5, he will see that it gives the minister power in reference to any matters assigned to him relating in any way to the care, treatment or re-establishment in civil life of all persons—my hon. friend will note that it says, "of all"—who since the first day of August, 1914, served in the naval, military or air forces. Then section 6 (a) provides for the control and management of any hospital, workshop, home, school, or other institution, owned, acquired, or used by His Majesty for the training, care or treatment of any person at all, not simply those mentioned in paragraph (g).

Mr. CARMICHAEL: Section 6 simply states that, subject to the approval of the governor in council, the minister may make such regulations as he may deem necessary and advisable. Then paragraph (g) provides:

> For providing burial expenses for ex-members of the force who die in destitute circumstances.

But there is no provision in the act to take care of such cases as I mentioned. The minister may make provision for taking care of them, but I would like to have something definite from the minister whether he thinks provision should be made for such cases, and to what extent such provision should be made.

Mr. KING (Kootenay): I have stated the practice that is being followed at the present time in regard to these cases. There have been representations made recently to the committee that is now sitting on soldier questions, but whether they will make further recommendations or not, I am not sure. With regard to the case my hon. friend speaks of, I expect that the soldier settler was not a pensioner, because I think that the men selected to go on the land were selected on account of their physical fitness and because it was thought they would best succeed as farmers. So I do not think that he would be a pensioner, and under those circumstances the case would probably be met by the Last Post fund, to which the government subscribes and which it supplements.

Mr. CARMICHAEL: No. In the case I mentioned the man was not a pensioner, I believe. He had purchased land from the soldier settlement board and had a good prospective crop, but it was still standing, and the soldier settlement board commandeered all the crop, and all the machinery, and all the movable assets that this settler had. There was nothing whatsoever left to pay his funeral expenses, and the undertaker would not undertake the funeral expenses until they were guaranteed to him, and the expenses had to be raised by public subscription in that community. It appears to me that that is a disgraceful situation, and if our statutes are so framed that an ex-service man cannot have a decent burial, there is certainly something wrong with the statutes. I would like to emphasize to the minister the need of having something definite and specific to take care of such cases.

Mr. McQUARRIE: May I inquire of the minister whether the services of the soldiers' adviser at Vancouver, for instance, would be available to soldiers who bring appeals from the revaluation of their land. That is a question which is causing a good deal of uneasiness in British Columbia. I understand that there will be quite a large number of these appeals, because the soldier settlers are not satisfied as a general thing with the decisions which have been given lately. Now, for the ordinary man to appeal to the exchequer court presents many difficulties, and a great many of these men are not in a position to pay for legal expenses. Neither are they capable of paying their expenses to Ottawa to appear before the exchequer court. If hearings could be held in an informal manner near their places of residence, returned men might conduct their cases in person. It seems to me advisable that they should have the privilege of using the soldiers' adviser to help

them on the appeal. I think this adviser would do his best for them, although he is retained by the department.

Mr. RALSTON: If my hon. friend will permit me, the soldiers' advisers, as my colleague has said, are appointed on the recommendation of the soldiers' organizations; they are really the servants of the soldiers.

Mr. McQUARRIE: I am glad to hear that. The minister probably knows how many appeals there will be, although this matter does not come in his department. I have had correspondence with the Minister of Immigration (Mr. Forke) on the subject. He has been kind enough to answer certain questions which I put to him from the secretary of one of the returned men's organizations in Langley municipality. But the fact remains that at present there does not seem to be any provision at all to take care of these returned men who appeal from decisions in reference to the valuation of their land. At the risk of repeating myself, I suggest that the minister and his colleagues should take into consideration the advisability of allowing these men to have the advantage of the services of the soldiers' adviser.

Mr. ESLING: Will not the minister consider having the soldiers' adviser make these trips? May I ask the name of the gentleman?

Mr. KING (Kootenay): I shall be glad to make inquiries and consider the advisability of the soldiers' adviser making trips into the interior. The name of the adviser on the mainland is Captain Ian Mackenzie. My hon. friend speaks of the utilization of the soldiers' adviser to assist the soldier settler in his claim. That is a new phase. Heretofore the soldiers' advisers have been appointed to advise and assist ex-members of the force in matters pertaining to their re-establishment, care and treatment and pensions. His suggestion may be worthy of consideration.

Mr. McQUARRIE: That would come within his jurisdiction, it seems to me.

Mr. KING (Kootenay): It may be.

Mr. ROSS (Kingston): I think it is unfortunate that this discussion should be taking place while the special committee is sitting. As to care and treatment, I do not think the minister can assure the member for Acadia (Mr. Gardiner) that that includes everybody, notwithstanding what the Minister of National Defence has said, because the clause he took up deals with the matters which shall be referred to him, and he knows that up to the present time the care and treatment of those not pensionable does not come under him. It seems to me that the settlers' case which has been mentioned should not be allowed to drop. When the time comes the hon. member should take it up with the minister in charge of the soldier settlement board and insist that they look after the burial in such cases. They took every cent that he had saved during the war and invested it in his farm; in fact, they cleaned him out. The hon. member should insist that from this day forward the soldier settlement board see to it that no ex-service man doing settlement duty, in the unfortunate event of death, be neglected and his burial left to the charity of other people.

Mr. FORKE: I did intend to ask the member for Kindersley (Mr. Carmichael) for a little more information in regard to the case he brought to our notice. On the facts as presented by him it is a deplorable case. Did the man die on his farm, or had everything been sold before his death?

Mr. CARMICHAEL: The settler to whom I referred enlisted with the first contingent, served throughout the war, and came back unwounded and unpensionable. He bought a quarter-section of land under the soldier settlement board, put nearly the whole of it under cultivation, and had a good prospective crop; but he took sick and died, I think in July or August, before the crop was harvested. I believe he did owe some dues to the settlement board because of the bad times. They took possession of his stock, crop, machinery and everything he had, as well as the land. The poor fellow left no money behind and was buried by some charitable persons.

Mr. FORKE: All I can say, Mr. Chairman, is that this should not have happened. And it would not have happened had I received any information in regard to the matter. My instructions to all the staff of the soldier settlement board, from the superintendent down to the supervisors, are that the soldier shall have the best treatment we can give him, that whenever doubt exists he is to be given the benefit of the doubt, and that if there is any possibility of his being able to make good ten years from now he shall not lose his farm. I think that satisfied soldier settlers five or ten years from now are of much greater value to the country than any monetary collection that can be made at the present time. I will make inquiries into this particular case and find out just what has happened. Somebody will get into trouble over it.

Mr. CARMICHAEL: In fairness to the minister, I must state that this case happened before he took charge of the department. I am not charging him with any dereliction of duty whatever.

Mr. FORKE: But it might happen, and I know nothing of it.

Subsection (1) of section 6 agreed to.

On subsection (2)—Regulations to be laid before parliament.

Mr. CAMPBELL: I am not familiar with the facts of the case presented by the hon. member for Kindersley, but I do not think he is contending that had the officials of the soldier settlement board been appealed to they would have refused to advance the funeral expenses. I think his contention is that under the bill we are discussing somebody should be in a position to put up the necessary money at such a time.

Mr. BRADY: In paragraph (g), subsection 1 of section 6, there is a very important provision, that the minister may make regulations for the provision of measures of unemployment relief to ex-members of the forces and their dependants. Considering the many cases that are arising, and that exist at the present time, of unemployment among returned soldiers, I should like to know exactly what will be the measures of unemployment relief. Will these men be given jobs through the provincial governments, or will the relief be given in terms of financial aid, and for what period? This is a rather broad provision; it is a far-reaching statement covering a great extent of unemployment; because many returned soldiers to-day are badly in need of relief. One case came to my notice the other day of a returned man who has been incapaciated and is unfit to work. He has six children and his wife is supporting them and him as well. He cannot get employment; his case is chronic. I desire to know what may be expected when cases of this character are presented for relief.

Mr. KING (Kootenay): In the larger centres where the provincial government maintains labour bureaus with a view to assisting the labourer in securing employment, the Dominion Labour department have what is known as the handicap section where the returned soldier who is handicapped by disability or disease may make application. It is the duty of these officers to try to locate the individual in some industry in that vicinity. That work is going on throughout Canada. In addition to that we have what is known as sheltered unemployment in our vetcraft shops. This is limited employment. At the present time between 245 and 250 men, considered ordinarily as unemployable in the labour market, are provided for in this way. We have had also in Montreal, Toronto and Vancouver committees who have been carrying on similar work, endeavouring through their individual efforts or jointly to induce employers of labour to provide employment for those who are disabled among the returned soldiers. Again, the government is assisting industrialists to employ the partly disabled soldier, and has for some time now been providing for the payment of compensation in connection with industrial accidents. That is to say, we arrange with the various compensation boards to provide for the insurance and payment necessary to carry these men under the boards, relieving the manufacturer in this respect. The government has carried on this activity in all the provinces, the expenditure last year having been $75,000. This has made it possible for many men to secure employment in the various industries, inasmuch as we have been absorbing that cost.

Mr. GARDINER: The Minister of National Defence drew my attention to section 5. I would ask him whether he thinks that in this particular section there will be sufficient power to take care of the cases I have already mentioned. I am keenly interested in the matter, and I desire some definite information as to whether these people will secure adequate treatment.

Mr. KING (Kootenay): I would rather wait for the recommendation which will be brought down by those who have been investigating the matter. I know they have had it under discussion and I should prefer to wait for that recommendation rather than state anything at the present time. Later on there will be an opportunity to discuss this phase of the problem. The section permits our making regulations in the matter, but I have no doubt we shall receive recommendations from the committee who have been dealing with soldier affairs.

Mr. ROSS (Kingston): Does the minister mean that he wants this bill passed and that when the recommendations come from the special committee on pensions he will then answer the hon. member's question?

Mr. KING (Kootenay): I shall be in a better position then to answer it.

Mr. ROSS (Kingston): It is sufficient to say at the moment that there can be no such care or treatment as the hon. member for Acadia (Mr. Gardiner) indicates.

Mr. KING (Kootenay): That is true.

Mr. ROSS (Kingston): And cannot be.

Mr. KING (Kootenay): It can be done by regulation.

Mr. ROSS (Kingston): But there are no regulations by which it can be done. I will ask the minister to allow paragraphs (g) and (b) to stand over in order that hon. members who are attending the special committee—I admit I ought to be there myself—may be given an opportunity to discuss them.

Mr. KING (Kootenay): Is there any objection to passing the section?

Mr. ROSS (Kingston): There are at present in attendance at the special committee, which has been sitting since four o'clock, a number of members who are interested in this bill.

Mr. KING (Kootenay): You want paragraph (g) to stand?

Mr. ROSS (Kingston): Yes, and (b) as well.

Mr. KING (Kootenay): In that case we will withhold paragraphs (g) and (b) and proceed to the next section.

Section stands.

On section 7—Official soldiers' adviser.

Mr. ROSS (Kingston): No doubt a suggestion will come from the special committee in this regard, but I think the minister should extend the application of this section. In some cases the official adviser is a lawyer, while in others he is not. I might refer to Mr. Askwith, the official adviser for Ontario, who has done good work. He is handicapped—

Mr. RALSTON: Is he a lawyer?

Mr. ROSS (Kingston): No. He is handicapped in this way: seventy-five or ninety per cent of his cases are purely medical, and he has a decision of one group of medical men on the pension board giving their opinion. You have also a second group representing the federal board. Unless he goes outside and secures someone to act gratuitously, he has nobody to advise him. I submit that he should be permitted to bring in a medical officer to assist him when these cases are heard before the federal appeal board.

Mr. RALSTON: It would seem to prove that he should be a doctor instead of a lawyer.

Mr. ROSS (Kingston): Legally he is in a good way to present his case, but when the case comes up against a medical decision he needs medical advice.

Mr. BRADY: The adviser may not be a doctor; in fact perhaps it would be advisable if he were not. In investigating a case would he have the privilege of taking that man to a doctor, after securing his story and personal history, so that all the facts in connection with that ex-soldier would be complete?

Mr. KING (Kootenay): That would depend upon the history of the individual. If a man came in off the street who had had no sickness or disability overseas, that case would be treated in a different manner. Supposing a man walked into the office of the soldiers' adviser and asked for a pension; the adviser would ask why he wanted a pension and the man might say he was not feeling well. The adviser would inquire whether he had an injury, sickness or disease overseas; if the answer was in the negative that man would be required to present some history to indicate that he had had some illness or injury following his service, and that he had been treated at some point by a physician for the trouble of which he complained. If he could get a certificate from an outside physician setting forth certain conditions from which he was suffering which would indicate that his disability was due to overseas service, that would be a fair case to be taken up with the pension commissioners by the soldiers' adviser. Once it was decided that this man had a good case, the necessary observation and examination would be given as a matter of course.

Mr. BRADY: And if a medical examination were held would that be free?

Mr. KING (Kootenay): It would be made by the officers of the department.

Mr. ESLING: Did not the minister say a moment ago that the soldiers' adviser was nominated by the soldiers themselves?

Mr. KING (Kootenay): Yes.

Mr. ESLING: And following that nomination you appoint him? In this act it is provided only that the minister shall appoint him.

Mr. KING (Kootenay): In the event of a vacancy in a certain area the practice followed is to have the soldier organizations, through their executives, recommend at least four or five persons whom they consider competent, and from those persons recommended one is selected by the minister and recommended to council.

Mr. BRADY: I regret to prolong this discussion, but I should like to make one other point. I believe it is essential that these advisers be appointed, but at the same time I know there are terrific fights going on at present throughout Canada for every paltry post office job; applicants are pulling each other to pieces, so when the minister considers these four or five recommendations which may be presented to him I hope the mere fact of his being a Liberal will not be considered as the major qualification.

Mr. KING (Kootenay): The welfare of the soldiers is the thing we keep in mind.

Mr. ESLING: Does not the minister think it would be in the best interests of all returned men if these soldiers' advisers had no other duties? If the adviser is to be appointed by the minister to look after the needs of all returned men in his district, would it not be better to pay him a salary for that purpose, and to make sure that he does nothing else? If a lawyer or a doctor is appointed he will be disposed to look after his own practice and to give as little attention as possible to the returned men, because he will receive his salary from the government anyway. I think it would be well to appoint these advisers solely for the purpose of going through their districts and ascertaining just what are the requirements of the returned men in the various localities.

One of the greatest needs of the returned men to-day is someone to advise them what to do in this, that or the other case. Just before coming here I learned of a returned man who made application for a revaluation of his land. He said he received a questionnaire which was so intricate that he could not possibly fill it out, and as a result he simply threw it aside and abandoned all idea of trying to secure a revaluation. I contend that a soldier's adviser should be appointed for the purpose of keeping ex-service men posted on matters of this kind, and also to help them in any way they may desire.

Mr. KENNEDY: I understood the minister to say in answer to the hon. member for Acadia that a certain section would depend for its interpretation upon the recommendations of the pension committee. Is it the intention to amend this act after the report of that committee is presented to the house?

Mr. KING (Kootenay): No.

Mr. KENNEDY: Then how can we deal with the matter intelligently if we pass the act now?

Mr. RALSTON: I am afraid my hon. friend misunderstood something I said. This is an enabling section conferring upon the department and the minister power to do certain things. The only way in which the recommendations of the committee would affect the section referred to would be to indicate the action which should be taken under the powers conferred by this act. I think we are all satisfied that the act is wide enough.

Section agreed to.

Sections 8 to 13 inclusive agreed to.

On section 14—Appointment, classification and salaries of staff.

Mr. STEVENS: I want to call the attention of the minister to a point in this section which is a bit obscure to me. He may be able to enlighten me, but at the moment it does not appear to me to be correct. I refer to that portion of the section included in lines 25, 26 and 27, which provides for the carrying of the members of the staff of the Department of Soldiers' Civil Re-establishment into the new orientation of the two departments. The closing two lines of the first paragraph are:

—and shall thereafter become subject in all respects to the Civil Service Act.

But in the clause preceding those two lines are words to this effect:

—be thereby appointed to the Department of Pensions and National Health at the salaries and in the classification fixed under the Department of Soldiers' Civil Re-establishment Act,

In other words, while you are carrying this staff forward into the new department and placing them under the Civil Service Act, you are fixing their classification and salaries as under the old act, thus putting them more or less into conflict with the Civil Service Act and the Civil Service Commission system. Would it not be fairer, and in order to avoid complaints in the future would it not be more desirable to say that you carry them into the new department and place them under the Civil Service Act both as regards salary and classification? It might be thought advisable in some individual case, but in the main it is an unwise principle to introduce into the civil service a department the salaries and classifications of which are different from those in other departments. That is really what you are doing; you are perpetuating a difference. Wherever you interfere with the general system of the civil service you introduce more or less confusion and make it more difficult for the Civil Service Commission to discharge

its already complicated and difficult duties. I suggest to the minister that those words could be deleted without destroying the effect of the section. There would then be no violation of the principle of the civil service.

Mr. RALSTON: I think you ought to preserve the salaries. Probably the classification might be made to conform.

Mr. STEVENS: The Prime Minister has no doubt given a great deal of study to this abstract principle. I ask him, is it not desirable that we should seek to bring about in the civil service a condition under which those giving like service shall receive the same salaries? Here we have a department which was outside of the civil service, and some of its officers, undoubtedly are on a different scale as to salary from others doing similar work in other departments. My idea is, as far as possible, to bring them into conformity and uniformity as far as the Civil Service Act is concerned.

Mr. KING (Kootenay): I think that is really the object of those who drafted this act and made their representations to the Justice department. The practice in the department has been to have the grading of position and salary follow very closely that of the Civil Service Act and the Civil Service Commission. In fact that has been one of the grievances of the officers in the department, that they were classified in grade and in salary as civil servants but did not enjoy the other benefits that accrue to civil servants. I understand my hon. friend means that to take these varied classes, which probably might be out of line with the present civil service, and bring them in by order in council might upset and disjoint the service and result in unfairness. But my understanding is that there is no such danger, that the classification has been along the line of the civil service requirements, and that salaries have been paid somewhat along that line. We are leaving over subsections (b) and (g) of section 6, and it is understood that we will be going into committee again the first of the week. The members interested will not be here to-night?

Mr. STEVENS: No, I think not.

Mr. KING (Kootenay): Those hon. members who are now attending the committee will probably be here this evening, and I suggest that section 14 stand for the present.

Mr. STEVENS: I think the minister should let it stand over until next week. I understand they are working on the preparation of their report, and undoubtedly much of what we have been discussing this afternoon will be there dealt with. It would be better to defer the matter until the report is brought in.

Section stands.

Section 15 agreed to.

On section 16—Chap. 90 and chap. 187 of R.S., 1927 repealed.

Mr. STEVENS: Section 16 repeals the Department of Soldiers' Civil Re-establishment Act, which is quite proper and necessary in order to make it harmonize with this act. But it has an exception:

> Except paragraph (b) of subsection two of section five thereof which shall continue in force until the thirty-first day of May, 1929,

Can the minister tell me just what is the effect of that?

Mr. KING (Kootenay): It means that the officers and employees will until the thirty-first of May, 1929, have the same relationship to the department that they now hold. By that time it is anticipated that the organization will be complete and we shall be able to designate definitely those officers who will come in and be part of the civil service.

Mr. STEVENS: I understand.

Section agreed to.

Mr. ESLING: What is the salary of the present soldier advisers?

Mr. KING (Kootenay): In Toronto I believe we are paying $3,600 a year, and I think the same in Winnipeg. In Vancouver we are paying $1,800, and in Victoria the same. It varies according to the work and the locality.

Mr. STEVENS: I think you are wrong about Vancouver; I think the soldiers' adviser there is getting $3,600.

Mr. KING (Kootenay): A year ago it was $1,800.

Progress reported.

CRIMINAL CODE AMENDMENT

The house resumed, from April 23, consideration in committee of Bill No. 191, to amend the Criminal Code—Mr. Lapointe—Mr. Marcil in the chair.

Mr. STEVENS: It is almost six o'clock. We cannot very well deal with this now.

Mr. LAPOINTE: The bill has already been in committee and a full discussion has taken place on it.

Mr. STEVENS: I was not present on that occasion. Frankly I am not in a position to say whether or not my honoured leader has anything more to say on this bill. I know that he has been very much interested in it.

Mr. LAPOINTE: When the bill was in committee on Monday last, the leader of the opposition during the afternoon asked me to wait until the evening because some hon. members opposite who wanted to speak were not present. During the evening those hon. members were present and took part in the discussion. The hon. member from Winnipeg North Centre (Mr. Woodsworth) was speaking when eleven o'clock came. I think the subject has been fully debated; the bill has already passed the house five times, and this is the sixth occasion of its introduction.

Mr. STEVENS: Passed always after very bitter opposition.

Mr. LAPOINTE: It went through without opposition last year, to meet afterwards the same fate in the senate that it had met in previous years.

Mr. STEVENS: I am a little weary of debating this matter from year to year, but I have not changed my views. I stated on previous occasions that personally I would be quite willing to see some portions of the act repealed, but that there were some portions which should not be repealed. I have taken that stand on each occasion the bill has been before the house and I see no reason for changing my opinion. Naturally I do not wish to go over the debate annually, but I should not like the impression to go out, from what the minister has just said, that the house has passed this bill year after year agreeing to the principle. It has never been passed without pretty strong opposition.

Mr. LAPOINTE: There has always been opposition.

Mr. STEVENS: There has always been a sharp cleavage of opinion in the house in regard to the matter, and that cleavage of opinion exists to-day. It may be that hon. members are weary of repeating their arguments each year and therefore do not desire to delay the house further, knowing, no doubt, that a division would simply mean the carrying of the measure. Personally I have no desire to delay it. I have not had an opportunity of talking to my leader in regard to his views on the subject and I am sorry he is not present now.

Mr. LAPOINTE: He was present on Monday last.

[Mr. Lapointe.]

Mr. STEVENS: It is unfortunate that the matter was not cleared up then.

Mr. LAPOINTE: Eleven o'clock intervened.

Mr. STEVENS: It is now six o'clock.

Mr. LAPOINTE: We will wait until eight o'clock anyway.

Progress reported.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

LAVEANIA MAUD KELLY

The house in committee on Bill No. 80, for the relief of Laveania Maud Kelly—Mr. Stewart (Leeds)—Mr. Johnston in the chair.

Sections 1 and 2 agreed to.

The CHAIRMAN: There is a large number of divorce bills on the order paper. Is it the desire of the committee that we should now proceed with these other divorce bills?

Mr. WOODSWORTH: No.

The CHAIRMAN: Unanimous consent is required.

Bill reported.

Mr. SMOKE (for Mr. Stewart, Leeds) moved the third reading of the bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Before that motion is carried, I should like to state as briefly as I may why I have felt constrained to speak to these divorce bills. I should like to make it very clear that it is not my purpose to take up each of these bills in turn. I do not wish to adopt any blocking tactics. I wish, however, to call attention to the impossible situation in which this house finds itself, and, if possible, to secure some definite action. I should like to make it clear that I am not taking this action because of this particular bill or any other bill that may come before us; that is, I have no personal opinion on any of these bills, but rather, there is a principle at stake, and I must protest at some one stage, and it just happens that my protest comes when this particular bill is before us.

Since I made my protest the other evening I have been rather surprised at the large number of people who have endorsed the action which I have taken, including mem-

bers on both sides of the house and a considerable number of people throughout the country, and I feel sure that the time has arrived when we can be confident of public support in altering the manner in which we are dealing with these divorce cases.

The Minister of Justice (Mr. Lapointe) states that I am in favour of divorce. I should like to make myself clear on that point. I am in favour of divorce in certain circumstances and under certain conditions, and only in certain circumstances and under certain conditions. The Minister of Justice the other night suggested that I was delaying the passage of these bills. If he is so much opposed to divorce I should think he would rejoice and congratulate and assist me in so delaying the passing of these bills.

Mr. LAPOINTE: I am not objecting to your action.

Mr. WOODSWORTH: I suggest to the Minister of Justice that to the extent to which he is facilitating the passage of these bills his position is quite inconsistent with his statement that he is opposed to divorce. He is facilitating, and steadily facilitating, the passage of these bills, and urging us to facilitate their passage, even although he says he is opposed to the principle of divorce.

I propose, Mr. Speaker, to move to-night, in accordance with my previous motion, two amendments to two of these bills. Were I intent on merely blocking I would move amendments, as I have the right to do, to every one of the seventy-five or one hundred bills we have before us. It is not my intention so to do, but simply to pick out one or two in order that we may decide upon some principle.

I should like to emphasize that we have the right to determine the conditions upon which divorce should be granted, and further, if those conditions are made rigid enough, I am inclined to think that we may not have quite so many divorce bills before us in the future. In any case we shall be carrying out the principle of granting divorce only under conditions which will entail the least public evil. Without delaying the house any further, and in order to test the house on the important question whether or not we are to set up a divorce court where these matters can be decided in a far more effective manner than they can possibly be in this parliament, I beg to move seconded by the hon. member for North Winnipeg (Mr. Heaps):

That the house do now proceed to order No. 31, being the second reading of bill No. 27 (Letter A of the senate), intituled: "An act to provide in the province of Ontario for the dissolution and annulment of marriage."

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, on Tuesday last I stated some of my objections—

Mr. SPEAKER: This motion is not debatable.

Hon. ERNEST LAPOINTE (Minister of Justice): Surely my hon. friend from Winnipeg North Centre (Mr. Woodsworth) does not want this important bill to be taken up tonight without previous notice to anybody, and with such a slim attendance in the house.

Mr. WOODSWORTH: Most decidedly, because I have tried repeatedly to induce the government to consent to taking up this bill, and the government has refused to do so. It seems to me, therefore, that the only recourse left to me is to take advantage of the rules of the house under which a private member is given certain privileges, and under which the house itself is given certain powers. It seems to me, Mr. Speaker, that under the ordinary forms of procedure we are in danger of being dominated by the government. There are however certain privileges and rights guaranteed to private members and to the house at large, and therefore I move this resolution.

Mr. DEPUTY SPEAKER: To the motion, that Bill No. 80, letter K of the senate, be given third reading, Mr. Woodsworth moves:

That the house do now proceed to order No. 31, being the second reading of bill No. 27 (letter A of the senate) intituled: "An act to provide in the province of Ontario for the dissolution and annulment of marriage."

The hon. gentleman, I suppose, is proceeding under standing order 48, which reads:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order—

I think the motion of the hon. gentleman is in order. The question is on his motion.

Mr. LAPOINTE: And is not debatable.

Mr. DEPUTY SPEAKER: And is not debatable.

The house divided on the motion (Mr. Woodsworth) which was negatived on the following division.

YEAS

Messrs:

Anderson (Halton),	Evans,
Bennett,	Fraser,
Black (Yukon),	Garland (Carleton),
Black (Halifax),	Hanson,
Chaplin,	Irvine,
Edwards (Waterloo South),	Johnstone (Cape Breton North-Victoria),
Esling,	

Jones,
Ross (Kingston City),
Smoke,
Spotton,
Stevens,
Stirling,
Woodsworth,
Young (Toronto Northeast).—21.

NAYS

Messrs:

Allan,
Baldwin,
Bouchard,
Bourgeois,
Bradette,
Cannon,
Carmichael,
Chevrier,
Delisle,
Denis (Joliette),
Descoteaux,
Dunning,
Dussault,
Elliott,
Fansher (Last Mountain),
Fiset (Sir Eugene),
Forke,
Foster,
Garland (Bow River),
Heenan,
Jelliff,
Kay,
Kellner,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Laflamme,
Lang,
Lapierre,
Lapointe,
Luchkovich,
Macdonald (Glengarry),
MacLean (Prince),
McMillan,
Millar,
Morin (St. Hyacinthe-Rouville),
Motherwell,
Perras,
Pouliot,
Ralston,
Robb,
Ross (Moose Jaw),
St-Père,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Stewart (Edmonton West),
Sylvestre,
Telford,
Tolmie,
Veniot,
Verville,
Wilson (Wentworth),
Young (Weyburn).—53.

PAIRS

Mr. CAMPBELL: I was paired with the hon. member for Dauphin (Mr. Ward). Had I voted I would have voted for the motion.

Mr. HEAPS: I was paired with the hon. member for Lisgar (Mr. Brown). Had I voted I would have voted for the motion.

Mr. SPENCER: I was paired with the hon. member for Neepawa (Mr. Milne). Had I voted I would have supported the motion.

Mr. BARBER: I was paired with the hon. member for Humboldt (Mr. Totzke). Had I voted I would have voted for the motion.

Mr. CANTLEY: I was paired with the Minister of Marine and Fisheries (Mr. Cardin). Had I voted I would have voted for the motion.

Mr. LUCAS: I was paired with the hon. member for Souris (Mr. Steedsman). Had I voted I would have voted for the motion.

Mr. HAY: I was paired with the hon. member for Prince Edward-Lennox (Mr. Hubbs). Had I voted I would have voted against the motion.

(Owing to the absence of an official list and the impossibility of recording several statements of pairs simultaneously announced, the list of stated pairs is incomplete.)

[Mr. Deputy Speaker.]

ARTHUR JOHN EVANS

The house in committee on Bill No. 81, for the relief of Arthur John Evans—Mr. Harris—Mr. Johnston in the chair.

Mr. GARLAND (Carleton): Mr. Chairman, I move that the bill be reported.

The CHAIRMAN: Would it now serve the purpose of the committee to take all these unopposed divorce bills together?

Mr. WOODSWORTH: I have a motion to move with reference to Bill No. 84, order No. 42.

The CHAIRMAN: The hon. member for Carleton (Mr. Garland) moves that Bill No. 81 be reported.

Mr. WOODSWORTH: I want to move, with reference to Bill No. 84—

Mr. DUNNING: I move that all of the divorce bills, save Bill No. 84 be taken.

Mr. WOODSWORTH: I would ask that the committee go only as far as order No. 42, that is Bill No. 84.

The CHAIRMAN: I understand that the hon. member desires to say something on Bill No. 84.

Mr. WOODSWORTH: Yes.

The CHAIRMAN: Would it meet his purpose if we reported the other unopposed bills, allowing that one to stand for the present?

Mr. WOODSWORTH: I have also something to say in connection with another bill further down on the order paper.

The CHAIRMAN: Will the hon. member give the number of the other bill?

Mr. WOODSWORTH: I should like to discuss Nos. 84 and 150. So far as I am concerned the others may go.

The CHAIRMAN: Shall I report these bills, with the exception of those noted?

Some hon. MEMBERS: Carried.

THIRD READINGS

Bill No. 74, for the relief of Dorothy Estelle McCutcheon.—Mr. Casselman.

Bill No. 81 for the relief of Arthur John Evans.—Mr. Harris.

Bill No. 82 for the relief of Margaret Constance McIntyre Fairbanks.—

Bill No. 83 for the relief of Lina Elizabeth Foster.—Mr. Ross (Kingston).

Bill No. 85 for the relief of Ruby Jean Standing.—Mr. Young (Toronto).

Bill No. 86 for the relief of Albertine de Varennes.—Mr. Casselman.

Bill No. 87 for the relief of William Bye Fasken.—Mr. Young (Toronto).

Bill No. 88 for the relief of John Alexander Parsons.—Mr. Church.

Bill No. 89 for the relief of Martha Golding. —Mr. Church.

Bill No. 90 for the relief of Reginald Key. —Mr. Garland (Carleton).

Bill No. 91 for the relief of Madeline Massey Knox.—Mr. Smoke.

Bill No. 92, for the relief of James Parker. —Mr. Garland (Carleton).

Bill No. 93, for the relief of Dorothy La-Belle.—Mr. Garland (Carleton).

Bill No. 94, for the relief of Richard Henry Orr.—Mr. Edwards (Ottawa).

Bill No. 95, for the relief of Marjory Sterne Boyd.—Mr. Garland (Carleton).

Bill No. 96, for the relief of Florence Louise Parsons.—Mr. Goodison.

Bill No. 97, for the relief of George Daniel MacDonald.—Mr. Lennox.

Bill No. 98, for the relief of Evelyn Connor. —Mr. Garland (Carleton).

Bill No. 99, for the relief of Annie May Caldwell.—Mr. Garland (Carleton).

Bill No. 100, for the relief of Florence Marjorie Cressman.—Mr. Young (Toronto Northeast).

Bill No. 101, for the relief of Esther Buck Scott.—Mr. Casselman.

Bill No. 102, for the relief of Norah Jones. —Mr. White (Mount Royal).

Bill No. 103, for the relief of Albert Wood. —Mr. White (Mount Royal).

Bill No. 104, for the relief of Louisa Baldock.—Mr. Geary.

Bill No. 105, for the relief of Albert John Morison.—Mr. Harris.

Bill No. 106, for the relief of Amelia Judd Wasserman Berliner.—Mr. McPhee.

Bill No. 107, for the relief of Ernest Edmund Parrington.—Mr. Bowman.

Bill No. 108, for the relief of Margaret Beaton Hale.—Mr. Preston.

Bill No. 109, for the relief of Annie Constance Vipond Coleby Lazier.—Mr. Edwards (Ottawa).

Bill No. 110, for the relief of Gladys Caroline Isbell.—Mr. Jacobs.

Bill No. 111. for the relief of Victoria May Hardwick.—Mr. Jacobs.

Bill No. 112, for the relief of Annie Alice Tushingham.—Mr. Harris.

Bill No. 113, for the relief of Rita Peden.— Mr. Smith (Stormont).

Bill No. 114, for the relief of Lorne William Paterson.—Mr. Garland (Carleton).

Bill No. 115, for the relief of Albert William Hornby.—Mr. Anderson (Toronto High Park).

Bill No. 116, for the relief of Marguerite Adele Berwick.—Mr. Garland (Carleton).

Bill No. 117, for the relief of Harriett Ellen Isabel Kirkpatrick.—Mr. Garland (Carleton).

Bill No. 118, for the relief of Martha Evelyn Taylor.—Mr. Garland (Carleton).

Bill No. 119, for the relief of Winnifred Clark.—Mr. Bowen.

Bill No. 120, for the relief of Maria Eremca, otherwise known as Marcia Eramko.—Mr. Robinson.

Bill No. 121, for the relief of Albert Glenn Steinberg.—Mr. Casselman.

Bill No. 122, for the relief of Charles Frederick Spittle.—Mr. Thorson.

Bill No. 123, for the relief of Helen Lazelle Margaret Zeller.—Mr. Cayley.

Bill No. 124, for the relief of Rachel Pearson.—Mr. Jacobs.

Bill No. 125, for the relief of Ida Myerson. —Mr. Jacobs.

Bill No. 126, for the relief of Arthur Wellington Henry.—Mr. Stewart (Leeds).

Bill No. 127, for the relief of Dorothy Warren Gorrie.—Mr. McPhee.

Bill No. 128, for the relief of Stanley Edmunds.—Mr. Church.

Bill No. 129, for the relief of Irene Frances Phebe Fricker.—Mr. Young (Toronto Northeast).

Bill No. 130, for the relief of Jean Maxwell Douglas (without amendment).—Mr. Church.

Bill No. 131, for the relief of Constance Brown Kinsman.—Mr. Heaps.

Bill No. 132, for the relief of William Wilbur Blackburn.—Mr. Anderson (Toronto High Park).

Bill No. 133, for the relief of Viva Venetta Rahmer.—Mr. Anderson (Toronto High Park).

Bill No. 134, for the relief of George Ranney Price.—Mr. Lennox.

Bill No. 135, for the relief of Percival Bovill.—Mr. Hocken.

Bill No. 136, for the relief of Paul Charboneau.—Mr. Lennox.

Bill No. 137, for the relief of William Franklin Darby.—Mr. Harris.

Bill No. 138, for the relief of Lorne Wilbert Helmer.—Mr. Ryerson.

Bill No. 139, for the relief of Mary Marjorie Jacques.—Mr. Edwards (Ottawa).

Bill No. 140, for the relief of John Edward Gladstone King, otherwise known as John E. King.—Mr. Garland (Carleton).

Bill No. 141, for the relief of Winnifred Lilias Maunsell.—Mr. Edwards (Ottawa).

Bill No. 142, for the relief of Hazel Kathleen Mulligan.—Mr. Garland (Carleton).

Bill No. 143, for the relief of Jessie McLean.—Mr. Bothwell.

Bill No. 144, for the relief of Winifred Margaret Pope.—Mr. Garland (Carleton).

Bill No. 145, for the relief of Elizabeth May Thornley.—Mr. Rennie.

Bill No. 146, for the relief of Norton Webster Kingsland.—Mr. Young (Toronto Northeast).

Bill No. 147, for the relief of Alice Edith Knowles.—Mr. McGregor.

Bill No. 148, for the relief of John McArthur.—Mr. Young (Toronto Northeast).

Bill No. 149, for the relief of Charles Alfred Turner.—Mr. Edwards (Ottawa).

Bill No. 151, for the relief of Lillian May Chandler.—Mr. Lennox.

Bill No. 206, for the relief of Esther Brand. —Mr. Garland (Carleton).

Bill No. 207, for the relief of Irene Adela Crann.—Mr. Garland (Carleton).

Bill No. 208, for the relief of Jessie Ferguson.—Mr. Casselman.

Bill No. 209, for the relief of William Herbert Gamble.—Mr. Tummon.

Bill No. 210, for the relief of Mabel Maude Giles.—Mr. Geary.

Bill No. 211, for the relief of Alice Mockford.—Mr. Heaps.

Bill No. 212, for the relief of Alvah Arthur Norris.—Mr. Bell (St. Antoine).

Bill No. 213, for the relief of Eleanor Porter. —Mr. Geary.

WINIFRED OSBORNE GIMBLETT

The house in committee on Bill No. 84, for the relief of Winifred Osborne Gimblett. —Mr. Garland (Carleton)—Mr. Johnston in the chair.

Bill reported.

Mr. GARLAND (Carleton) moved the third reading of the bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to make it clear that I am dealing with this bill as a sort of test case. There is a very large number of these bills on the order paper; I had no opportunity of reading the evidence relating to these scores of bills, and as I glanced through the bills I took this one as the first that occurred to me as seeming to answer the purpose I had in view. I have no idea that the people involved here are in any worse case than a large number of the others who may be affected by similar bills on the order paper, and I have not intended in bringing forward this motion to give them preferential treatment. This is the motion of which I have given notice:

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

(1) That section one of the bill be amended by adding the following words thereto:

"and the said Winnifred Osborne Sinclair shall have the custody of their child and the said William Henry Gimblett shall pay annually to Winnifred Osborne Sinclair, for her support and maintenance, the sum of five hundred dollars, so long as she remains unmarried; and the sum of two hundred dollars annually for the support and education of their child."

(2) That section two of the bill be amended by adding the following words thereto:

"Provided that this right shall be exercised only upon condition that she shall be previously examined by competent medical authority and pronounced free of venereal disease, and that William Henry Gimblett may marry again only upon the same condition."

Mr. Speaker, I notice that in the petition presented the following complaints were made:

That after her said marriage your petitioner lived and cohabited with the said William Henry Gimblett at the said city of Ottawa, in the province of Ontario, and that there is now living issue of the said marriage one child, viz: William Henry Victor Gimblett, born on the 16th day of November, 1924.

That in the year 1926, the said William Henry Gimblett committed adultery with various women whose names are unknown to your petitioner, but, as the result of such illicit intercourse, the said William Henry Gimblett contracted a loathsome sexual disease which he communicated to your petitioner, from which your petitioner is now suffering, and for which your petitioner is now receiving medical treatment.

I submit, Mr. Speaker, that if this house is to continue the practice of granting divorce we ought to take all the circumstances into consideration. This woman has a child by the man from whom she seeks to obtain a divorce. That child, now something over four years of age, ought to remain in her custody. There is nothing in the bill which definitely determines the custody of the child. Further than that, if the woman has been so wronged the least we can do is to see that she be given something to maintain her during the years that she may remain unmarried. I have arbitrarily placed this at $500 a year. It is quite obvious that with no evidence before us as to the circumstances of either of them it is impossible to determine with any accuracy how much is needed; so I set a perfectly arbitrary figure. In the same way I have placed the maintenance of the child at $200, again an arbitrary figure but not an unreasonable one. In a proper divorce court there

would be provision as to the manner in which these sums should be paid, and further than that, there would be penalties for their non-payment. It seems to me that the best course at this time would be to put the motion in the form I have suggested, without going into details, because we are here simply determining upon a principle. I will appeal to the members of this house that if a man has in this way wronged a woman, if he has left this child unprovided for, if he has actually passed disease on to his wife, the least we can do is to require that he shall pay a sum sufficient to maintain his wife and his child. That seems to be a reasonable thing. As it is now we give to her the right to marry again, and inferentially we give him the right to marry again, but we make no provision for her maintenance, and I think it is only a fair thing that we should do so.

Moreover, according to the evidence presented, the man was diseased and the woman is now suffering from the disease communicated to her. Are we going to tell her that she has a right to marry again in the diseased condition, and worse, that the man has the opportunity of marrying again?

I was very glad to have my attention directed to the fact that there is now being considered by the senate a bill, letter D, to make venereal disease an impediment to marriage. I want to congratulate the hon. senators for considering such a bill as that. Whether we do that in a general way or not, it seems to me that the least we can do is to insist upon it in this case, where we already have the situation clearly before us in the evidence. I make this motion in the interest of the public and in the interest of the parties concerned.

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

Mr. DEPUTY SPEAKER: The hour for private bills being exhausted we now revert to government orders.

CRIMINAL CODE AMENDMENT

The house resumed consideration in committee of Bill No. 191, to amend the criminal code.—Mr. Lapointe.—Mr. Johnston in the chair.

On section 1—Unlawful associations. Publishing seditious books, etc.

Mr. BENNETT: I do not propose again to go over the ground that has been so often gone over before, but it does not follow that because legislation is not used it is therefore bad. There are in the criminal code not many but some sections that have never been used, with respect to which offences have not arisen. This section was inserted in order to meet an extraordinary situation which we hope will not again obtain in this country, but it might obtain; it might prevail, and when it does, the section should be in the code to be used.

I will make only one suggestion to the minister, namely, that the section might well be revised, if there is any doubt about the matter, to make it clear that it has no application to labour unions. In days of unrest, disquietude and uncertainty to have in the criminal code a section to which recourse may be had in the event of the occasion arising, can never be a bad thing. I believe the statute was originally drawn by one who is not now a member of this house, and that he said that to make it abundantly clear that labour unions were not included would not be a very difficult task. I do not like the idea of repealing this statute in its entirety, an idea which is attributable not to any fear of the statute but rather to the undertaking which was given some two years ago that the statute would be repealed and which was embodied in a letter given by the Prime Minister to the hon. member for Winnipeg North Centre (Mr. Woodsworth) and read in the house so that it might be recorded in Hansard. But for that, I fancy the necessity for repeal of the measure would not be so apparent nor the reasons so urgent to bring about the end which is now sought.

Section agreed to.

Mr. LAPOINTE: I move to amend Bill No. 191 by adding thereto the following sections:

2. The said act is amended by inserting after section 133 thereof the following:

133 A.

No one shall be deemed to have a seditious intention only because he intends in good faith,—

(a) to show that His Majesty has been misled or mistaken in his measures; or

(b) to point out errors or defects in the government or constitution of the United Kingdom or of any part of it or of Canada or of any province thereof or in either house of parliament of the United Kingdom or of Canada or in any legislature or in the administration of justice; or to excite His Majesty's subjects to attempt to procure by lawful means the alteration of any matter in the state; or

(c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred and illwill between different classes of His Majesty's subjects.

3. Section 134 of the said act is amended by striking out the words "twenty years" before the word imprisonment in the second line of the section and by inserting the words "two years" in lieu thereof.

Mr. BENNETT: Perhaps the minister will explain just what this means.

Mr. LAPOINTE: The purpose of the amendment is to restore that part of the criminal code relating to sedition as it was prior to 1919. Those provisions have also been voted by the house five times.

Mr. BENNETT: This section?

Mr. LAPOINTE: Yes.

Mr. BENNETT: Is this amendment the act as it was in 1919?

Mr. LAPOINTE: Yes—"two years".

Mr. BENNETT: There is only one observation I have to make and that is with respect to paragraph (b):

> No one shall be deemed to have a seditious intention only because he intends in good faith to point out errors or defects. . . in the administration of justice.

That is a very broad way in which to express the matter, and certainly some of the prosecutions that have taken place in Great Britain could not be maintained in the light of that section. To prove bad faith is almost always impossible. Perhaps the minister knows from experience the crown officers have always said that the question of proving good or bad faith is one of those matters that are so difficult, it is almost hopeless to expect to succeed. Bad faith is a state of mind, and to prove a state of mind can usually be done only by expressions. If a man then says: The expressions I used were only for the purpose of directing attention to something in order that it might be remedied, in most instances you would say that is good faith; whereas he may have in fact the worst of bad faith in connection with the matter. I cannot but think the observations I made a few moments ago apply with even greater force to this. If in the light of knowledge and experience it is thought desirable to strengthen the hands of the law, not necessarily by bringing men within the purview of it but by declaring that under certain circumstances an offence is being committed, that provision may never be called into use; but while it is there the effect is salutary and you have in your hands a weapon that will enable the officers of the law to maintain peace, order and good government in the country when they are being threatened. That is why the legislation was enacted, and that is why it should remain on the statute book. If there be in the measure any ambiguity by which labour unions may be thought to be affected, that should be removed, but we should not reenact the old law simply because of promises that have been made.

[Mr. Lapointe.]

Mr. LAPOINTE: I do not agree that the change was made in the light of knowledge and experience. As I said the other day, the change was made in a moment of panic. The three readings of the bill took place one afternoon inside of half an hour. I admit of course there was unrest at the time; but we cannot say that this was a very well-considered piece of legislation, and the fact that the statute has never served any purpose, because no proceeding has ever been instituted under it, shows it is not necessary to have it on the statute book. As regards the wording of the amendment, it is exactly what it was in the criminal code of Canada prior to 1919. After all I do not think we should be much in favour of limitation of free speech, provided that it is done in a constitutional way and merely as a matter of criticism against the government.

Mr. BENNETT: I agree as to that.

Mr. McGIBBON: I should like to remind the Minister of Justice that he himself was a consenting party to the passing of this act, and the members behind him were also consenting parties.

Mr. LAPOINTE: I do not remember.

Mr. McGIBBON: Yes, he was. I was in the house at the time.

Mr. LAPOINTE: I cannot say no, but perhaps I have since seen the error of my ways.

Mr. McGIBBON: It is remarkable that the same light that came over Saul of Tarsus should come over the Minister of Justice and his followers, especially at a time when political exigencies demanded that he secure support from certain quarters. I should like to ask the minister to-day, disregarding the political necessity that called forth this promise from the government, what demand there is behind this legislation.

Mr. LAPOINTE: My friend was not here the other night when we discussed this matter. As I said at the time, all the labour unions in Canada and all the men who have had anything to do with the labour movement in this country have been asking since 1919 for the repeal of this legislation. They have come in delegations—

Mr. McGIBBON: No.

Mr. LAPOINTE: Do not say no. I have been a minister since 1921, and I know that along with other members of the government I have received every year delegations representative of labour, asking for the repeal of this legislation. They think that it is a

danger to the working of the labour unions. They set forth, and I think they are right in doing so, that the common law concerning sedition is quite sufficient to provide for any prosecution of seditious libel, seditious utterance, or seditious conspiracy.

Mr. McGIBBON: The minister has admitted that it has created no hardship, and surely he should be the last man to remove anything from the statute book which, while working no hardship, creates respect for law and order. If it has done no harm it may do some good in preserving respect for law and order in this country, which is something every law-abiding citizen desires to see. I cannot see how the minister can have had such a change of heart since he and his whole party were a party to putting this on the statute books in 1919. But ever since they have been trying to kick it out and get rid of it, just because my hon. friend from Winnipeg North Centre demands that that be done.

Mr. LAPOINTE: Not at all.

Mr. McGIBBON: That was the genesis of it.

Mr. LAPOINTE: I think a similar bill was introduced before my hon. friend from Winnipeg North Centre was a member of this house.

Mr. McGIBBON: Yes, it was following a letter from him that the government promised to repeal this legislation.

Mr. LAPOINTE: No. Similar legislation was introduced before he was a member of this house, I believe.

Mr. McGIBBON: The government did not agree to repeal it before he demanded it.

Mr. LAPOINTE: Oh yes, we did.

Mr. HEAPS: Now that the minister has admitted seeing the light—

Mr. LAPOINTE: I do not admit having seen the light because I do not agree that I have supported the legislation. I was not a member of the government that passed it.

Mr. HEAPS: I am sorry that the Conservative party has not yet seen the light on this matter. The question has been asked, who is asking for the repeal of this particular legislation? I would like to know who ever asked for this legislation in 1919.

Mr. BENNETT: Parliament, unanimously.

Mr. HEAPS: Who came to parliament and asked for it in 1919?

Mr. BENNETT: The Prime Minister.

Mr. HEAPS: I do not know who was Prime Minister then. I do not know whether Sir Robert Borden was in the house at that time.

Mr. BENNETT: Then the Acting Prime Minister.

Mr. HEAPS: The Acting Prime Minister may have asked for it, but there was no organization that came to parliament and asked for it. It was put on the statute book possibly at the mere whim of the then Prime Minister or Acting Prime Minister. But in this case, behind parliament there is the whole labour movement asking for the repeal of this legislation, and a great many people outside.

Mr. STEVENS: The section has been passed, and my hon. friend is only obstructing the passing of the bill.

Mr. HEAPS: I am not obstructing it. The obstruction comes from hon. gentlemen to my right on this side of the house, and from another house very closely associated with the minority in this house.

Mr. BENNETT: That is a statement the hon. gentleman has no right to make. The rules of this house are clear on that.

Mr. HEAPS: If the rules of the house debar me from making that statement, I am sorry that I made it, but I would make it outside.

Mr. BENNETT: Certainly, and that is why sections like this are in the code.

Mr. HEAPS: The labour unions have asked for the repeal of this legislation. I believe it has been stated in this house that the British law has not been used since it was put on the statute books, and I think it has been argued that it should be there in case of emergency. Now if there was an emergency in this country in 1919, and the old law was able to convict, why was this law necessary at all? That is something I should like to hear from members of the legal profession. I should like them to tell us a little more about that, but they deal only in generalities.

This law dealing with sedition does not at all create any respect for law and order; it has just the very opposite effect. I could go into the library of any hon. gentleman who has spoken on this question and I could find there seditious literature within the meaning of this act. I could take the Bible in their homes and find passages in it which would be construed as being absolutely sedititous under this section of the criminal code.

Mr. STEVENS: That is nonsense.

Mr. HEAPS: If it was desired I could point to passages in the Bible that would be considered absolutely seditious under this section of the criminal code. That being the case, how can any person in this house argue that a law of this kind creates respect for law? It has the very opposite effect. If you want to create respect for law, the laws must be just in their character. I claim that this is a most unjust law, and that it operates unfairly and harshly on a section of the people of this country. I think the best thing you can do to create respect for law in this country is to repeal this law, which passed this house, I understand, in the space of twenty minutes. I would ask any hon. member of this house who wants the people of Canada to have respect for law in this country, how he can expect them to have respect for the law when a bill is given three readings and becomes the law of this land in the space of twenty minutes? We are supposed to be a deliberative assembly, and to give time and consideration to important questions.

Mr. BENNETT: That shows there was no opposition to it.

Mr. HEAPS: It shows a good deal more than that. It shows that it was railroaded through this house.

Mr. PRESTON: It could not be if there was opposition to it.

Mr. HEAPS: I am inclined to think from the knowledge that has come to me from sources which I believe to be fairly reliable, that my latter contention may be the more correct of the two. I understand that at the time this law was passed, assurances were given to certain members of this house, that there was nothing of an important character in it. On account of those promises, the then leader of the opposition, a gentleman who is not now a member of this house—

Mr. McGIBBON: To whom is my hon. friend referring?

Mr. HEAPS: Mr. D. D. McKenzie.

Mr. McGIBBON: My hon. friend mentions the dead, of course.

Mr. HEAPS: I believe the fact is on record —and during the election of 1921 the same statement was made by that gentleman in Nova Scotia—that he let the bill go through on certain assurances given to him by the then leader of this house. I mention that only to show the methods that were used to pass this legislation. If hon. gentlemen desire to see respect for law in this country, they should see to it that laws are put on the statute book that the people of this country can respect.

Mr. STEVENS: As a matter of fact, my hon. friend's somewhat for him, moderate tirade is wholly unjustifiable. We have already passed this section, and I submit that he and others were out of order in discussing it. But if there is to be allowed a discussion in which the motives of those who were present when this law was passed, are to be called in question, we have at least the right to say a word or two in justification of our action.

The amendment was not railroaded through the house at all. I was in the house at the time, and I recall the circumstances perfectly well. There was unanimity of opinion in this house that it was absolutely necessary that there should be some amendment to the criminal code to make it possible to deal with a situation that had never occurred in Canada before, a situation which had up to that time seemed impossible to occur in a country such as this, but which did arise entirely out of the new revolutionary methods obtaining in certain parts of Europe and Asia.

The question whether or not this legislation was carefully considered is not open to dispute. The legislation was most carefully drafted, after very thorough consideration by the law officers of the crown, and in the face of conditions which made perfectly clear the nature of the legislation that was required to deal with the situation. It was not a question of theory, of carrying out anybody's ideals, whims or wishes; it was legislation carefully drafted and prepared after careful consideration by those competent to do so. It was then brought to the house, fully explained, and accepted by the house without a single word of opposition as far as I recollect, and I am certain I am correct in saying this.

It does not follow that this or that member must be saddled with the full responsibility of that measure. I am not aware of anyone repudiating responsibility for it. The point is that it was accepted by the house. Now it is wholly unfair and inaccurate to say that the bill was railroaded through the house on the strength of certain assurances, as my hon. friend says. I submit that he has nothing whatsoever to back up his statement that assurances were given either to the late D. D. McKenzie, who was then temporary leader of the opposition, or to any other member of the house. I was then and have been since in close contact with the Right Hon. Arthur Meighen, who was at that time

more or less active in the drafting of the legislation, and I have never on any occasion heard him mention directly or indirectly that any such undertaking was given, and I am pretty certain he would have told some of us if that had been the case. That statement has never been made before when the matter was being discussed and particularly when the Right Hon. Arthur Meighen was in the house and well able to look after himself.

Mr. HEAPS: The statement I referred to was made by the late Mr. McKenzie himself.

Mr. STEVENS: Mr. McKenzie has been out of the house for nearly eight years. He is now dead, and we have no chance of discussing the matter with him. I sat with Mr. McKenzie while he was a member from 1911 to 1921, and I knew him well enough to be certain that he would not object to that legislation were he here to-night. In my estimation it is not in violation of Mr. McKenzie's attitude towards such questions.

Mr. HEAPS: He certainly objected to it in 1921 when the elections took place in Nova Scotia.

Mr. STEVENS: My hon. friend would do much better if he would bring the record. However, I am not going to enter into a discussion on that point; it is not relevant, and has no force. Let us look at the legislation itself. Before reading this clause I shall repeat what I said two years ago and on several other occasions. It is perhaps reasonable that there should be some modification or change of this legislation. I told my hon. friend the Minister of Justice two years ago, and I tell him again to-night, that as far as I am concerned I should be quite willing to sit down with him and study certain amendments to this legislation; but I am opposed to repealing it en bloc. Let us consider the real point in the legislation. Section 98, subsection 1, of the criminal code, which it is sought to repeal by this bill, reads as follows:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

I submit to hon. members that such a measure ought to be on the statute book after the experience we have had in several sections of the country. The first principle of any government is to offer security to life and property within the state. One of the first things an unorganized group of individuals would be called upon to do would be to organize themselves and to appoint some of their number to exercise this power. So the clause simply declares illegal any group of persons who desire by force, violence or physical injury to person or property to undermine the authority of government. I submit that we have no right to remove a clause of that kind from the statute book. I am free to admit that in the subsequent clauses it may be that there are some points upon which there could be a disagreement of view, and the repeal or change or modification of which we might justly consider. I have no objection to approaching it in that way, but I do object to the real point of this legislation being tampered with.

Now, I have said this and much more on previous occasions, and I do feel that it is entirely wrong for my hon. friend to rise in his place and single out the Conservative party, intimating that they have in some invidious way secured the passage of legislation that is inimical to the welfare of any number of citizens of this country.

Mr. McGIBBON: It is a compliment to be singled out like that.

Mr. STEVENS: Possibly. I repeat that the legislation was passed after being carefully drafted, and personally I hope that the amendment fails. Unfortunately it is pretty clear that the committee will carry it, but there should be no reflections cast on those who may not agree with the majority decision.

Mr. BENNETT: The hon. gentleman has said that this bill was put through the house with great rapidity. I find that on May 1 1919, the then Solicitor General, the Hon Hugh Guthrie, moved:

> That Messrs. Guthrie, Tweedie, McIntosh, Allan, Thomson, Boys, Douglas, Jacobs, Murphy, Ross, Archambault and Copp, be appointed a special committee to consider and report upon the law relating to sedition and seditious propaganda, and on any changes in the law which may be considered necessary to meet the existing conditions, and that the said committee have power to sit while the house is in session.

Mr. Speaker said:

> This motion can only be entertained by unanimous consent.

And the house gave its consent, Mr. Guthrie having stated that in England a committee had been appointed to consider the English law upon the subject. I find that on June 10—not twenty minutes, but six weeks later—Mr. Guthrie at the opening of the

house moved the adoption of the report of the committee. He set out the facts and law at some length, and I find in the course of his observations he said:

> At the same time the greatest care will have to be exercised that there be no unnecessary interference with, nor curtailment of the sacred right of free speech.

Mr. Ernest Lapointe, whom I take to be the same hon. gentleman who is now Minister of Justice, said "hear, hear," and Mr. Guthrie concluded his remarks, indicating what the findings of the committee were. Whereupon the Hon. Charles Murphy said that there seemed to be a very earnest desire on the part of members to protect the rights of labour unions. He added:

> Judging by the manner in which the house received the hon. gentleman's reference to the subject of free speech and the rights of organized labour, I take it that there is, at the present time, in any event, a unanimous opinion in this house that free speech and the rights of organized labour should not be interfered with. However that may be, such was the opinion that prevailed in the committee of which I was a member, and the report from which—not from the whole of which, however,—is now before the house.

Then he said:

> There was in the committee a very sharp division of opinion as to the necessity of amending the criminal code, and there was a further division of opinion whether, in the event of the committee being of opinion that the criminal code with reference to sedition and seditious propaganda should be amended—in view of the numerous strikes and the general unrest throughout the country—this was the proper time to make such a report to the house and to induce a discussion of matters that would inevitably be discussed by reason of that report and of any action that might follow the introduction of that report.

He concluded his observations by saying that the minority report was not brought in, nor did they propose to move in that direction. He reserved anything further he might have to say on the subject until a future occasion, if the report of the committee should be concurred in and legislation based upon it introduced in the house. "Motion agreed to and report concurred in."

I have not before me the Hansard in which there appeared the report of the introduction of the bill, but that is the report on which the bill was based, a report unanimously concurred in, to which no amendment was moved The committee was moved on the first of May and the report brought down on June 10. So much for the hon. gentleman's accuracy with respect to the report.

Mr. HEAPS: How long did it take the bill to go through the house?

[Mr. Bennett.]

Mr. BENNETT: The point is that the bill was not based upon anyone's caprice. It was a bill reported by a committee that took six weeks to consider it. It was not a bill that originated in the mind of the Acting Prime Minister. I was not a member of that parliament, but I know that it was not one of those bills which are brought before the house suddenly in a panic. On the contrary, it was a bill which in terms was considered by a very select committee of the house, a representative committee on which there were eminent lawyers and laymen as well. As I say, they made their report on June 10, the committee having been appointed on May first.

Under these circumstances, I am sure, the hon. gentleman will desire to withdraw the observations he made as to the panicky character of this legislation. As to the bill, I have not been able to put my hand on the Hansard reporting its introduction, but I have sent for it and if I have an opportunity later on I shall direct the attention of the house to it. The fact is that the bill did pass through the house in a very short time. Why? Because a committee had spent all the time dealing with it and had given it very thorough consideration. Indeed, it was based upon a report which received far more consideration, far more time and attention, than have been devoted to any legislation passing through this house this session. At that time apprehension was expressed whether the language employed was sufficiently clear to protect the interests of trade unions, and since that time on many occasions it has been pointed out that it is capable of being construed in a manner which would be injurious to those interests. But no case has arisen in which this fear is justified. The fact that the legislation stands in the form in which it is, after having been considered for weeks by a very representative committee, and the further fact that no cases have arisen under it that have impinged upon the rights of these unions, such as the Solicitor General had in mind when he made his motion to adopt the report of the committee, is in itself some evidence that if for a period of ten years that condition has prevailed, the same condition may be expected in the next ten years. The purposes for which the legislation was enacted are the purposes indicated in the report and in the speech of the Solicitor General. It is legislation which is intended to protect the people of this country, if occasion should arise. That is what most penal legislation is for. Under the circumstances I cannot see why the course

taken by the Minister of Justice should not have been the proper course, of amending the legislation to meet any doubt which there might be that, as the Hon. Mr. Murphy pointed out at that time, the interests of the labour unions might be impaired and their rights impinged upon so far as free speech was concerned. Not having been in the house and not being therefore quite familiar with the matter, I have ventured to send for the Hansard report and I shall quote from it. I see that my friend the Minister of Justice has the report.

Mr. LAPOINTE: My hon. friend is not correct when he says that this bill was submitted to a committee.

Mr. BENNETT: It was based upon the report of the committee.

Mr. LAPOINTE: Quite so. A committee was appointed for the purpose of studying and considering the laws concerning sedition. Apparently this committee reported, and when the report was presented to the house Mr. Murphy, who was a member of the committee, said:

> Because of that view prevailing, there was on the day of the last sitting of the committee a majority of the committee in the room at a certain time actually opposed to the bringing in of the report. The others who remained until the conclusion of the sitting did not submit a minority report,—

Saying that it would do more harm than good.

Mr. BENNETT: The discussion would.

Mr. LAPOINTE: Mr. Murphy proved a prophet. He went on:

> The others who remained until the conclusion of the sitting did not submit a minority report, for the reason that they wished to avoid the very discussion which has been evoked here this afternoon, and such further discussion as may take place. Having informed the house of the division of opinion that prevailed in the committee, and as to the points on which that division of opinion existed, I shall reserve anything further I may have to say on the subject until a future occasion, if the report of the committee is concurred in and legislation based upon it is introduced in the house.

The motion was agreed to and the bill was introduced subsequently and passed the house in a very short time. My hon. friend from Vancouver Centre (Mr. Stevens) seems to think that if this section disappears from the criminal code there will be nothing to protect society against sedition. That is absolutely wrong. If my hon. friend reads the speech of the Solicitor General of that day, the present member for South Wellington (Mr. Guthrie), he will see that the committee thought this might be a wise addition to the provisions of the criminal code. The code provides for the punishment of sedition, and the common law applies to everything that may be considered seditious. The laws of the country as they stood at the time were sufficient, but it was thought by the committee that it might be advisable to have this special section added. As I have said, however, this section has never been invoked; it has never served any purpose whatever except to irritate the labour people of Canada and to give them a grievance, inasmuch as they think it is specially directed against the activities of their union. We do not think that it is necessary to keep this section in the criminal code. I agree with the decision of the British parliament and of the Canadian parliament as well, both of which take the view that the common law is sufficient in matters of sedition, and that it is not advisable to adopt in that respect the report of the commissioners who were entrusted with the task of codifying the criminal code, both in England and in this country. Parliament, after a long discussion, took the attitude that the common law was better than any section which might be added by the commissioners. I do not think myself that parliament in 1919 was as wise as that parliament which at a prior date decided not to change the provisions of the common law in this regard.

Amendment agreed to.

Bill reported.

Mr. LAPOINTE moved the third reading of the bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): During this discussion a great deal has been said about labour, and I should like to make just one remark in that connection. Frequently the impression has been given that labour is more seditious than other sections of the community. As a matter of fact a great deal that is said on occasion by some labour men is very freely stated by other members of the community. For example take the statement, "No nation ever became truly great save by successful sedition and revolution." I wonder if the leader of the opposition would agree with that statement.

Mr. BENNETT: I would wholly disagree with the statement.

Mr. WOODSWORTH: I am glad to hear it. According to the Manitoba Free Press of April 24, that was said at the annual St. George's night dinner. The president of the organization, Mr. Jackson Dodds, O.B.E., presided as chairman; music was furnished during and after the dinner by the regimental

band of Princess Patricia's Canadian Light Infantry, and the speaker was Mr. R. B. Graham, K.C., whom I believe to be crown prosecutor in Winnipeg. He was proposing the toast to England at this dinner which was held at the Royal Alexander hotel on April 23. I notice that a little later in the evening a toast was proposed to Canada by Sir James Aikins, who apparently let these sentiments pass without criticism. I will just read this paragraph as it is reported in the Free Press. Mr. Graham may of course have been misreported though the statement appears in quotation marks.

Mr. DEPUTY SPEAKER: Perhaps I should point out to the hon. gentleman that while the motion for third reading of the bill is debatable, his remarks should be relevant.

Mr. WOODSWORTH: I submit that what I am saying is not irrelevant; I want to read a paragraph to illustrate the fact that again and again statements have been made which imply that labour is more seditious than other sections of the community.

Mr. STEVENS: To whom does the hon. gentleman refer?

Mr. WOODSWORTH: That implication has been left in these debates several times during the last five or six years.

Mr. STEVENS: Never.

Mr. WOODSWORTH: I am very glad to hear the hon. gentleman repudiate that suggestion, and I should be very happy to take back my words. However, this legislation was passed in the first instance in order that certain labour elements in this country might be curbed.

Some hon. MEMBERS: No.

Mr. STEVENS: The people guilty of what is set forth here should be curbed; that is all.

Mr. WOODSWORTH: I will finish my remarks, if I may. I submit that such statements as these, if given in any labour union room or in any socialist hall, would very easily come under the provisions of the act which we are repealing. This is the paragraph I should liked to read.

> No nation ever became truly great save by successful sedition and revolution. The lamp and the torch and the tumult have overcome tyranny. The signature of King John was placed to the Magna Charta, wrenched from him by the nobles; revolution led King Charles to the block; the corn law riots—these were crimes against the law and seditious, but no one hangs his head in shame because of them. "Liberty, equality, fraternity," were no mere catchwords as in the French revolution, but the expression of the earnest striving for the substance that lies behind the words.

[Mr. Woodsworth.]

I am not arguing for a revolution; I am not arguing for sedition, but I do submit that a certain section of this community which I have the honour to represent, the labouring people, may rightfully resent the constant implication that they need to be very carefully watched and that there must be laws enacted in order that they may not express themselves in some wrongful fashion.

That is all I wish to say at this stage, and I should not have done so had the question not arisen with regard to the occasion when this act which is being repealed was placed on the statute book. There was a great deal of misrepresentation with regard to the whole situation prevailing at that time. I am not blaming the members of the house for acting as they did; probably they acted according to the information which they possessed, but I am inclined to think that some of us who were a little nearer to the scene of action had a more intimate knowledge of what was going on. I am inclined to think that if there was too great exuberance on the part of labour, there was also a certain panic on the part of other people, and I also believe that if labour exercised any governmental authority, some of the business men's organizations exercised governmental authority to a much greater extent. These are things of the past; all I want to make clear is that the labouring people of this country are just as law-abiding as any other section of the community, and if there was any violation of peace, law and good government at the time this statute was passed, it was not on the part of labour but on the part of some other sections of the community. I do not intend to say more than to enter my protest against any imputation as to the loyalty of labour.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, as one who has persistently opposed the repeal of this legislation, and since my hon. friend has not been more specific in stating to whom he refers, I must necessarily consider that he refers to me at least in part.

Mr. WOODSWORTH: I made no reference to the hon. gentleman.

Mr. STEVENS: I have persistently resisted the repeal of this legislation, perhaps more than anyone else, and I have done so for the reason which I intimated a moment ago. I believe that any persons who by force, violence or physical injury and so on seek to undermine or disturb the foundations of government in this country merit criminal action being taken against them. That is my point, and I do not care whether they are labourites, capitalists, industrialists, farmers or any one

else. From that position I will not retire. On the other hand, I resent the suggestion of my hon. friend, who claims to speak for labour in Canada, that in taking the position we do we are branding labour as being more seditious than others. I have been in intimate touch with labour much longer, I think, than he has; I know the feeling and the heart of labour throughout this country just as thoroughly as he does, and I have the greatest sympathy with them.

Mr. WOODSWORTH: They have asked to have this rescinded.

Mr. STEVENS: Labour organizations may have, but I do not know that labour does. My hon. friend speaks with too much assurance. He refers to brief extracts from a speech made by a gentleman in Winnipeg. I do not know that I agree with the gentleman, but his language referring to a successful revolution referred to King John, who, it may be recalled, was guilty of a wholesale violation of the principles of government of the country over which he was king. The preamble of the very Magna Charta to which he refers states that this is a recital of the ancient rights and usages of the people, and they forced John to recognize that. In regard to King Charles whose head was cut off, he was guilty of imposing taxation—this was his chief offence—without the consent of parliament or of the people.

Mr. HEAPS: Supposing Charles had been successful, what would have happened then?

Mr. STEVENS: I am saying that the gentleman whose remarks were quoted—and his language was rather loose—referred to well-known incidents in history. Later the same gentleman used this language, which is enlightening:

> "England", he continued, "is not only a land of glory in the past, but a land of hope in the future, and Englishmen's ability to cope with an emergency, such as the general strike, leaves no room for doubt that they can cope with any emergency which may arise."

Mr. HEAPS: There was no emergency on the occasion of the strike in Great Britain.

Mr. STEVENS: But they passed legislation very much the same as that which we passed, and it is still upon the statute books of England. That legislation, found necessary with reference to conditions which then existed, was not dissimilar, I say, to the legislation to which we refer.

Mr. LAPOINTE: It is not as drastic as this.

Mr. STEVENS: I remember a review of that legislation in England, and it was much more drastic than this.

Mr. WOODSWORTH: When was that?

Mr. STEVENS: Within three years. The point is this—and I say this in answer to both my hon. friends from Winnipeg—that labour as exemplified in recognized labour organizations, such as railway trainmen's associations, the typographical union and such like, are not in sympthy with the movement which directed forces in Winnipeg and in Calgary and in Vancouver, out of which this legislation arose, namely, the One Big Union.

Mr. LAPOINTE: Still they are asking for the repeal of this legislation.

Mr. STEVENS: That may be, but they are not in sympathy with the movement to which I have referred.

Mr. WOODSWORTH: They were in the strike in Winnipeg.

Mr. STEVENS: Only a small section, and they were led away. It is a very long, a very intricate and a very sorrowful story; and these same labour organizations have since many times repudiated the principles of the so-called O.B.U. The point of the matter is that the O.B.U went out of existence.

Mr. WOODSWORTH: The O.B.U. was not in existence at the time of the strike in Winnipeg. The strike there was called by the president and secretary of the labour group in Winnipeg.

Mr. STEVENS: It was the same group that started afterwards in Vancouver; I know practically all of them. Some of them are there now, but most of them are scattered, and they never were the true exponents of labour. They did play here and there upon passion or prejudice, in many cases upon the sense of injustice under which certain labour groups were suffering, and by that means stirred up sedition, rebellion and attacks upon orderly government. They certainly did that.

Mr. WOODSWORTH: The hon. gentleman is going a long way towards justifying my charges of a few minutes ago.

Mr. STEVENS: I say without hesitation that the O.B.U. organization was not representative of labour in this country. The O.B.U. undoubtedly did seek to lead many groups in this country, composed largely of honest labour men, aside and apart from the true course which organized labour takes. The proof of it rests in this, that since that time organized labour throughout Canada, as or-

ganized labour in England, has repudiated the extremist and the revolutionary element in their party. Take the labour party in England to-day, and there is where you get perhaps as fine an illustration as you can find of organized labour. In every congress of recent years of the labour party, and also of the labour organizations in England, they have repudiated and successfully voted down the communistic, the extremely radical, and what we term the bolshevik element.

Mr. WOODSWORTH: They had a general strike in England.

Mr. STEVENS: And it was acknowledged by labour to be one of the worst things ever attempted in England. I am reminded just here that they put through the legislation immediately afterwards.

Mr. HEAPS: And the Conservative party as a result is going out of business.

Mr. STEVENS: As a matter of fact one very striking development in England during the last six months or a year is that the labour party has lost a very great deal of its strength.

Mr. HEAPS: I am speaking politically now.

Mr. STEVENS: And I am speaking politically now. It has lost its strength.

An hon. MEMBER: The Liberal party has gone out of business there.

Mr. STEVENS: Out of this trouble and this turmoil both in Canada and in England this fact has emerged, that the Labour party itself—that is, the political organization known as the Labour party in England, and the labour organizations of Canada represented by well recognized labour unions and associations—have repudiated and abandoned the revolutionary, the radical methods, the methods that involved the use of force, violence and physical injury such as are referred to here. They have come to the conclusion that by these processes they cannot hope to win anything in the way of good for their interests.

It may be asked why we need any such legislation as this. In normal times, no, you do not need it. That is, I think, admitted. Then it is said: Well, we are a democratic people; if the majority want a certain thing, why should they not have it? The history of revolution by violence in any country has disclosed that it is not representative of the will of the majority of the people, not even of the so-called element which may have brought on the revolution, but that it is usually the result of a carefully and intensively organized minority group. In the case, for instance, of Russia it consisted of a group of less than 100,000 persons out of 180,000,000, and even for some years after the successful second revolution in Russia, known as the Third Internationale revolution, it was stated on the best authority that the actual membership of the revolutionary party did not exceed half a million people out of 180,000,000. But they were organized, and what did they do? They seized not only the right to govern, a thing not disputed in this country if attained by constitutional methods, but the power to govern, and they exercised it by force.

Mr. WOODSWORTH: May I ask the speaker whether under the old czarist regime the people had not been persistently denied the right to govern, to have a Duma and so on?

Mr. STEVENS: Nobody who knows anything about history denies that. But what I say is that it has been demonstrated the world over, in the history of every country, the history of Rome, the history of almost every great empire, that revolution by force is not the expression of the will of the people but simply the seizure of power by well-organized minority groups. That is exactly what occurred in Winnipeg, where a small well-organized group of revolutionaries seized the power of government. They attempted the same thing in Vancouver and they failed, but in Seattle and Winnipeg they succeeded for a short time. In the city of Seattle they exercised absolute power for some three days, and it was only when they were driven out by force that they gave up the struggle.

Mr. WOODSWORTH: It is a good thing the hon. member for Vancouver Centre does not represent Winnipeg, or he would learn what the citizens at large think about his statement.

Mr. STEVENS: I am not concerned with what they or anyone else think about it, nor with what they say.

Mr. WOODSWORTH: It is not so much what they think of the statement itself as of the accuracy of it.

Mr. STEVENS: I am not concerned with what they think of the accuracy of it.

Mr. HEAPS: Is the hon. member not concerned about the accuracy of his statement?

Mr. STEVENS: I know it is accurate. The very gentlemen with whom my hon. friends are associated, a mere handful, improperly assumed that power, not by the use of the ballot, not with the concurrence of

the majority of the people or any opportunity for them to say whether they wanted it or not; they simply seized and exercised power by force and imposed themselves upon the people. They attempted the same thing in the city of Vancouver, where they tied up some works for about ten days, but they made an utter fiasco of the affair. Why? Because the citizens of Vancouver as a whole repudiated and resisted the movement.

Mr. CHAPLIN: Just the same as they did in Winnipeg.

Mr. STEVENS: Just the same. Again I say to the Minister of Justice and to the government that I resist the repeal of this legislation in so far as it deals with this type of violence. I think this legislation ought to be on the statute book. I am willing to sit in with anybody in order to scan the legislation carefully, because there may be in it certain passages or clauses which might properly be repealed, modified or changed—and I admit I cited them, I think, two years ago when this question was before the house. But I am opposed to abandoning the principle of the legislation.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I want to say a word in this most extraordinary debate. It seems to be a debate between the hon. member for Vancouver Centre (Mr. Stevens) and the hon. member for Winnipeg North Centre (Mr. Woodsworth) as to whether the Conservative party or the Labour party is the least revolutionary. The hon. member for Winnipeg North Centre assures us that the Labour party is not revolutionary, not nearly as revolutionary as certain lawyers in Winnipeg. That comes to me as a great surprise. I imagine, if we analyse the revolutions of history, we shall discover that they came just as epidemics of typhoid might come.

Mr. BENNETT: From bad water.

Mr. IRVINE: Yes, from bad water. Typhoid comes from bad water and bad sewage. Similarly revolution comes when there is bad government, economic or social or political oppression, and no law placed on the statute books of any country in the world will prevent a revolution arising if the necessary oppression or the condition which breeds revolution is produced. When you come to look at the matter in that regard, I imagine the labour people of any country are far more likely to be revolutionary than the bankers' association. The bankers' association are perfectly satisfied with the present system and conditions because they are getting their bread buttered on both sides. But when the hon. member for Winnipeg North Centre tells us that the labour people are less revolutionary than the bankers' association, I am glad to know that because it means that conditions for labour in Canada must be excellent.

That is all I wish to say, beyond this one thing: that the legislation under discussion is in my opinion of the nature of oppression. I do not doubt the sincerity of the people who placed it on the statute book. The hon. gentlemen who were responsible for the legislation were responsible for the government of the country at that time. I have no criticism to offer in that respect, but I believe the legislation itself is of the nature of oppression and that it would do more towards bringing about than preventing a revolution.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, before this discussion closes I wish to add a word. The legislation we are repealing I have never considered necessary, and I deem it superfluous in any country where democracy is practised without partiality. In its essence legislation of this kind carries with it the implication of lawlessness on the part of some class or other. Whom does it implicate in this case? It implicates a class who have been under the domination of some other class and who have realized their helplessness to exact a square deal in any other way than by revolution. Parliament has a sovereign power to enforce law; but we may well ask: what is law? Law is the juridical sanction which is given to the will of the ruling class or the class which happens to be in power at the time. I believe the juridical sanction has been given for many years by parliament to laws which have been unjust to the workers and primary producers.

I say again that the sovereign power of parliament has been used for many years to enforce the juridical sanction of a code of legislation in accordance with the will of a powerful political-commercial or political-financial group in this house. I was amazed, nay, I was startled by the words of the leader of the opposition on one occasion since I came to parliament, and that was when we sent the soldiers presumably to enforce law in Nova Scotia but in reality to protect the so-considered rights and property of a tyrannical body which was oppressing its men. The leader of the opposition upbraided the Minister of Militia across the floor of this house in 1923 and said: "You have gathered up the militia all the way from Winnipeg and sent them east, and now what protection has western Canada?" There was trouble at Powell River at that time. I understand,

Mr. Speaker, that we were then relying on force in this house rather than a square deal to preserve the peace and good government of this country. In the last few years we have tyrannically applied this force to our own shame, I say, and Canada may well be ashamed of the extent to which we have applied that force. Legislation of this kind will be needed so long as parliament as a body fails to protect the rights of the workers and the primary producers. Wage earners and labourers never strike until they realize their helplessness in getting a square deal by other means, and revolution has never taken place in any country except under those conditions.

My hon. friend has mentioned Russia. Russia is an exact case in point where the workers of a country have risen in their might because of untoward conditions under which they have been compelled to labour. It is within my own memory when conditions prevailed in that country under which no human being could live in any respectable way. I can remember when an order was issued by the czar himself, because of the condition of the peasants who occupied the land in that country, permitting them to go into the forests and pick up the dry branches that had fallen that they might use them for fuel, and gather up the fallen leaves for fodder. That was the condition which prevailed for many years in that country, and when at last the people rose we raised our hands in horror and called them bolshevik and Red. But revolutions never occur in any country until the people realize their helplessness to obtain a square deal in any other way. It is for parliament, therefore, and the country to study these conditions, to examine with care the road we are travelling, and, if all is not right, to take whatever steps may be necessary in the light of justice and reason.

Hon. R. B. BENNETT (Leader of the Opposition): But for the observations that were made to-night by the hon. member for North Winnipeg (Mr. Heaps) as to the circumstances under which this measure was originally passed, I should not on the third reading of the bill make any further observations. The hon. gentleman says that this bill was passed in 1919 as the result of a sudden panic, and after only twenty minutes consideration. My memory was not quite that, although I was not in the house at the time, and so I ventured to send to the library and get Hansard. The record shows that on the 1st day of May, 1919, a committee of this house under the chairmanship of the then Solicitor General, the Hon. Hugh Guthrie, was appointed to consider the whole question with respect to sedition. Upon that committee there were many members of the Liberal party, the Union government then being in power.

Mr. LAPOINTE: There were very few Liberals in the house at that time.

Mr. BENNETT: But the present Minister of Justice was one.

Mr. LAPOINTE: Not on the committee.

Mr. BENNETT: No, not on the committee, but the Hon. Charles Murphy was on the committee, as well as Mr. Copp, the ex-Secretary of State. That committee made a report, but not until the 10th day of June. Their findings were not unanimous, but they made no minority report; no amendment was moved, and the report was unanimously adopted by the House of Commons. Then what happened? On the 27th of June, seventeen days after the report had been made and adopted, the Hon. Arthur Meighen, Acting Minister of Justice, moved for leave to introduce Bill No. 160, to amend the criminal code. Mr. McKenzie, then leading the Liberal party, asked him to explain, and Mr. Meighen made half a column of explanation. Mr. Murphy stated what his position had been, and then at page 4135 of Hansard, the motion is stated to have been agreed to and the bill read the first time.

I find that the bill was read the second time on the 1st of July. Page 4355 of Hansard shows that on motion of the Hon. Arthur Meighen, then Acting Minister of Justice, bill No. 160, to amend the criminal code, was read the second time and the house went into committee thereon, Mr. Boivin in the chair. Mr. Meighen explained that the bill was taken from the report of the committee except with a slight variation with respect to justice, instead of justices, of the peace. Then there followed a discussion in which Mr. Jacobs and Mr. McMaster participated, and finally, Mr. Meighen having made further explanations, Mr. Guthrie having made some, and Mr. Bureau having participated in the debate, we find that the bill was adopted. It was not, however, given its third reading that day.

Mr. HEAPS: Did the hon. gentleman state that the bill was read on the 6th day of June? Were there not two different bills?

Mr. BENNETT: I did not say anything about the 6th of June. I said that the committee was appointed on the 1st of May, that on the 10th of June it made its report, that on the 27th of June a bill based on the report

of the committee was introduced and given a first reading, and that on the 1st of July the bill was given its second reading. There was not any twenty minutes hurry to get it through and read a third time that day, because according to Hansard, page 4380, on motion of the Hon. Arthur Meighen, Acting Minister of Justice, Bill No. 160, to amend the criminal code, was read the third time and passed, the date being the 2nd day of July. That is, between the 1st of May, when the committee was first appointed, and the 2nd day of July, when the bill received its third reading and was passed, not on division, but without a question being raised against it, a period of two months had elapsed—not twenty minutes.

Mr. HEAPS: Does the hon. gentleman state that that bill amending the criminal code had reference to sedition, to what we are dealing with here?

Mr. BENNETT: Surely. This is the very bill we are talking about. Now, we go a step further. The bill could not become law until it had gone to the senate. On the 5th of July the bill came back from the senate, and page 4660 of Hansard shows that the house proceeded to the consideration of amendments made by the senate to Bill No. 160, to amend the criminal code. Mr. Meighen explained the differences between the amendments made by the senate and the bill as it left the House of Commons, and then at page 4661 of Hasard, we find these words:

Motion agreed to, and concurred in.

The motion being that the senate amendments be concurred in. The bill did not then become law; it had to receive the royal assent. The royal assent was given to the bill when the house prorogued on the 7th of July, 1919.

It is just such statements, Mr. Speaker, as were made by the hon. member for North Winnipeg to-night that are responsible for the conditions aimed at by this legislation. I have no doubt that he has endeavoured to inflame the minds of labour men by inducing them to believe that this parliament did something in twenty minutes which it should have taken them two months to do, and which this parliament actually took over two months to do. It is just as the hon. member for Vancouver Centre (Mr. Stevens) has pointed out: you arouse the animosities and prejudices and suspicions of groups of men by intimating that this parliament, reflecting the mind of plutocrats and others, has been endeavouring to crush free speech amongst the labour men of the country, when the very report made by the committee and the observations of those in charge of the legislation show that the facts were directly the opposite. I join with my friend from Vancouver Centre in stating that in all this country there is no group of men more desirous of the enforcement of law and order than those organized under labour unions, for their very freedom of speech and continuance in useful existence depends upon their having the unfailing support of law and order. They must have order that they may pursue their vocations; they must have the protection of the law because under our institutions every man stands on an equality before the law: they must have those things if they are to prosper and maintain their families.

When the hon. member for Rosetown (Mr. Evans) referred to what took place in 1923 as to the raising of troops, I wondered if he had reference to observations I had made as leader of the opposition. I had no memory of having done so. I was not sitting in the house at that time, but I doubt not it will be found that the then leader of the opposition by his observations intended to ensure peace, order, good government, prosperity, happiness —all of which spring from a just and proper observance of law and recognition of the equality of every man under the law. That is the important thing to remember—the equality of all men under the law, rich or poor, high or low. In this country so far, despite the attempts made at times to induce people to believe that it is otherwise, I have seen no instance in which I could not say truly that I believe in the administration of our criminal law every man stands on an equal footing—something which does not obtain in certain other countries.

I have never seen a more striking illustration than that afforded by the observations of the hon. member for North Winnipeg in his attempt to have the house believe that in a moment of panic parliament rushed through in twenty minutes this legislation that is now being repealed. I believed it until I found that over two months elapsed from the time the motion was made for the appointment of the special committee until it made its report on the 10th of June and the bill was finally passed into law early in July. It is just such statements as that which arouse and inflame the minds of those who look to the member for North Winnipeg and others for leadership. Instead of accurate statements they receive misstatements, which lead them into conditions that imperil their liberty and bring discredit upon their organizations. That is the position we have before us to-night. That is why upon the third reading of this bill I have taken the trouble to direct the

attention of the house to every stage of the measure from the time the special committee was appointed until the bill received the royal assent. Had it not been that I sent to the library for Hansard, the statement would have gone on record that this bill, supposedly a panic measure, was passed in twenty minutes by parliament because it was believed there was red revolution in the streets of Winnipeg. That was not the fact.

I do not propose further to trespass on the time of the house, but I conceive it to be a public duty to frown down any effort made to induce large bodies of our people to believe that this is the way parliament acts. This is what arouses unrest and hatred, instead of peace, unity and high desire to promote the interests of one another that usually characterize Canadian citizens whether they be found in parliament or elsewhere. I resent any effort to mislead the people in the way to which I have alluded.

Motion agreed to, and bill read the third time and passed.

TRAFFIC IN INTOXICATING LIQUORS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 192, respecting interprovincial and international traffic in intoxicating liquors.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. BENNETT: I congratulate the Minister of Justice on bringing forward this legislation. The provinces have long sought it. It will enable them beyond question to make effective their legislation, removing any doubt of the constitutionality of the statutes passed by the various provinces that have dealt with the liquor problem through government control. That is what is intended I understand, although the Nadan decision cleared the air.

Mr. LAPOINTE: Yes; and it applies to two provinces which did not come under the old law.

Section agreed to.

Section 2 agreed to.

On section 3—Importation into province forbidden, etc.

Mr. LAPOINTE: I have two amendments to offer to section 3. First, by inserting after the word "railway" in the third line of paragraph (a) of subsection (2), the words:

including any necessary transfer by truck or railway car to a ship, or vice versa,

The subsection will then read:

The provisions of subsection one of this section shall not apply to

(a) the carriage or transportation of intoxicating liquor into and through a province by means only of a common carrier by water or by railway, including any necessary transfer by truck or railway car to a ship, or vice versa, if, during the time the intoxicating liquor is being so carried or transported, the package or vessel containing the intoxicating liquor is not opened or broken or any of the intoxicating liquor drunk or used therefrom.

This is to cover cases where the railway has to transfer the liquor to a ship.

Mr. BENNETT: Where there are no interchange facilities.

Mr. LAPOINTE: Yes. The other amendment is to add a new subsection to section 3, as follows:

The transfer from one distillery to another of any spirits or liquor which is permitted by any act or regulation lawfully in force, or by special permit of the Department of National Revenue.

This is suggested by the Department of National Revenue.

Amendments agreed to.

Section as amended agreed to.

Sections 4 and 5 agreed to.

On section 6—Prosecution in place where liquor imported.

Mr. CAMPBELL: Is it the intention of the department to leave the enforcement of this provision entirely to the provincial officials, or does the Dominion government intend to assume some responsibility? I notice here that no prosecution can be entered without the consent of the attorney general of the province. In any case where there is complaint in Manitoba, say, in regard to liquor being shipped into that province from Saskatchewan, I presume the Manitoba police will be empowered to deal with those who receive liquor in Manitoba. But the punishment of those shipping the liquor will evidently be left to the other province. It seems to me it would be difficult in these cases to get the provincial authorities to act. The logical thing would be for the federal authorities to take the responsibility.

Mr. LAPOINTE: The same provision appeared in part IV of the Canada Temperance Act, which had the effect of supplementing the legislation of every province in regard to the prevention of liquor importations, and the provinces themselves have asked that this provision should be made, I do not think there will be any difficulty.

Mr. CAMPBELL: It seems to me that this is only one step in the direction of the objective we all have in view, namely, the better enforcement of the liquor laws. Where there are such enormous profits as in the liquor business you will always have great difficulty in enforcing the law, and now that nearly all the provinces have public control of the sale of liquor, it would be only logical for the Dominion government to nationalize the manufacture of liquor. This may seem rather drastic, but I have in mind bringing before this parliament next session a resolution on this question.

Mr. LAPOINTE: Does the hon. member suggest that we engage in the trade of distillers?

Mr. CAMPBELL: Yes; nationalize the manufacture. If you did that you would not increase the evil any more than the provincial governments to-day are increasing the evil by selling liquor, and you would curtail to a considerable extent the lawlessness which now surrounds the whole traffic. Anyone who has read the report of the royal commission that recently examined into the action of the brewers will be impressed with the fact that it is almost impossible for the authorities to enforce the law. What with the falsification of reports, and the illegal shipment of liquor here and there, the authorities are powerless to deal with the situation. I know the Minister of Justice and other members of the government will hesitate to take a step so drastic as nationalizing the breweries, but it is my conviction that this is the only way you will ever get to the root of the evil.

Section agreed to.

Sections 7 to 9 inclusive agreed to.

On the preamble.

Mr. BENNETT: The provinces have approved of this?

Mr. LAPOINTE: Yes.

Mr. BENNETT: It embodies their wishes?

Mr. LAPOINTE: Yes.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAY ACT

CONCURRENCE IN SENATE AMENDMENTS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of and concurrence in amendments made by the senate to Bill No. 194, to amend the Canadian National Railway Act.

Mr. GARDINER: Will the minister explain the amendments?

Mr. DUNNING: I have carefully examined the amendments, and had them examined by the legal officers of the department, and I can assure the committee that they are to the same effect precisely as the bill which left the house to go to the senate. The change is really a matter of construction of phraseology and has no bearing on the intention we had in passing the measure.

Mr. POULIOT: I suppose the railway commission will have full jurisdiction over construction, operation and maintenance, except in cases of expropriation?

Mr. DUNNING: Construction, maintenance and operation, excepting provisions relating to the location of lines of railway, the making and filing of plans and profiles, other than highway and railway crossing plans, and the expropriation provision. That is all.

Mr. POULIOT: It includes railway stations, fences and ditches.

Mr. DUNNING: I have no doubt.

Mr. BENNETT: And fences?

Mr. DUNNING: He said fences.

Motion agreed to; amendments read the second time and concurred in.

IMMIGRATION ACT AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved the second reading of Bill No. 187, to amend the Immigration Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Persons deemed to belong to prohibited classes.

Mr. FORKE: This bill is designed to make deportation for certain causes dependent upon conviction in Canada under part II of the criminal code relating to offences against public order, rather than upon a bearing before a board of inquiry condemning certain offences under section 41 of the Immigration

Act. Proceedings for the deportation of such undesirable classes are provided by sections 40, 42 and 43 of the act, and under these sections deportation may be carried out. It is considered that the provisions of section 41 are unnecessary, as section 40 and part II of the criminal code cover the case. Section 41 of the Immigration act reads:

Every person who

(a) by word or act in Canada seeks to overthrow by force or violence the government of or constituted law and authority in the United Kingdom of Great Britain and Ireland, or Canada, or any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies, or advocates the assassination of any official of any of the said governments or of any foreign government, or who in Canada defends or suggests the unlawful destruction of property or by word or act creates or attempts to create any riot or public disorder in Canada; or

(b) without lawful authority assumes any powers of government in Canada or in any part thereof; or

(c) by common repute belongs to or is suspected of belonging any secret society or organization which extorts money from or in anyway attempts to control any resident of Canada by force or by threat of bodily harm, or by blackmail; or

(d) is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government; shall, for the purposes of this act, be deemed to belong to the prohibited or undesirable classes, and shall be liable to deportation in the manner provided by this act, and it shall be the duty of any officer becoming cognizant thereof and of the clerk, secretary or other official of any municipality in Canada wherein any such person may be, forthwith to send a written complaint to the minister, giving full particulars: Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

This amendment to the Immigration Act has been before the house four times, I believe, and has been adopted each time. I might point out that the crimes or misdemeanors mentioned in this section are pretty well taken care of by the criminal code and also by section 3, subsection (n) and (o) of the Immigration Act. Those sections refer particularly to immigrants newly coming to Canada who are dealt with at the port of debarkation. This matter has been debated in this house so often that I believe every hon. member is pretty well aware of the arguments which can be advanced for and against the amendment. You will notice that this does not apply to anyone who is a British subject by reason of birth or naturalization in Canada. It means that under this section no immigrant coming from England, no matter how long he may have been in Canada, can claim a trial by a judge and jury for treason or any of the misdemeanors mentioned; no matter how long he may have been in Canada he is still liable to deportation. When the hon. member for Winnipeg North Centre mentioned Mr. Jackson Dodds, who is a very estimable and highly respected citizen of Winnipeg, it just struck me that he would come under this section and would be liable to deportation should he be found guilty of using any language which might be thought treasonable.

Mr. BENNETT: He only presided at the banquet; Mr. Graham used the language.

Mr. FORKE: That is so, but it did strike me that if Mr. Dodds had made those statements he would have been liable for deportation if the circumstances corresponded to those which existed at the time this section was placed in the Immigration Act.

I think this amendment should appeal to the sense of fair play of all the members of this house. British immigrants have been treated so well and so generously by native-born Canadians that I think as a matter of fair play they should be treated in this regard as well as we treat an immigrant coming from Central Europe. Just the other evening the hon. member for Comox-Alberni brought a lady to my room in a very indignant frame of mind. She had resided in Canada for sixteen years, and upon going home for a visit to England had overstayed the one year period during which British immigrants may remain abroad without notice to the Department of Immigration. When an immigrant overstays that limit he loses his domicile and can only return to Canada as an immigrant. That is another thing that I would like to see remedied. This lady found herself in that position, and she was very indignant that she, a good citizen of British Columbia, should be treated as an immigrant when she wanted to return to Canada. She also told me it was quite common talk in her locality in England that if a British immigrant came to Canada and committed any crime, immediately he would be deported back to England no matter how long he had stayed in this country. I know this is entirely wrong; that only applies where certain crimes have been committed, but hon. gentlemen will appreciate the effect such a story might have. I hear a great deal these days about the Department of Immigration not being as anxious as it should be to secure British immigrants.

Mr. BENNETT: Hear, hear.

Mr. FORKE: The leader of the opposition says "hear, hear;" I hope he does not think

the Minister of Immigration is guilty of that fault. However, hon. members will quite appreciate that a rumour of that kind will have its effect upon English people who may desire to come to Canada. This lady said she had been in Canada sixteen years; she was a good Canadian; this was her country, and she could not understand any law which would make a distinction between her and a native born Canadian. An alien coming from continental Europe enjoys privileges that are not enjoyed by British subjects.

The name of Hon. D. D. McKenzie has been mentioned to-night, but I do not think I can agree with what the hon. member for Winnipeg North Centre said about that gentleman. I remember a conversation which I had with him a number of years ago, with regard to this section of the Immigration Act; while I did not feel very strongly about it I thought it rather cast a reflection upon British immigrants. I remember that Mr. McKenzie, in his inimitable way, said to me, "Oh, don't be afraid, Mr. Forke; we will never deport you." In that sentence he put me in an entirely different class from native-born Canadians; and I think that is the real difficulty. It is largely a matter of sentiment, because I do not believe it likely that any reputable citizen coming to Canada from Great Britain and living in this country will be deported; but sentiment, Mr. Chairman, is a very powerful thing and has very great influence. The act as it stands puts it in the hands of the minister or his officers, without trial, to deport anyone on mere suspicion of sedition. That is to say, a board of inquiry of the immigration officials can deport anyone who is suspected of treason, without trial. As a matter of fair play I think anyone who has come to Canada, who has been a good citizen, who has lived here for years, who has done his part in the developing of the country, participated in its interests and activities, is at least entitled to trial by a judge and jury, and then if found guilty he may be deported to the country from which he came.

I do not know that it is necessary to make any lengthy speech on this subject. It is perfectly evident what is involved in the elimination of this section from the Immigration Act. I would appeal to the hon. members on the other side to look upon this matter in a broad way—I will not say in a charitable way, but from a sense of even-handed justice. I know that no hon. member on that side wishes to cast any slur upon immigrants from Great Britain, but it does seem peculiar that a man can come to Canada and marry a Canadian girl, and his children will have privileges which he does not enjoy. The sense of fair play in the thing appeals to me, and I ask that this section be taken out of the Immigration Act.

Mr. McQUARRIE: How many men or women have been deported under this provision?

Mr. FORKE: I do not know that any have been deported, but it casts a stigma upon men and women who may have been in this country for forty years, and who are in this respect not on an equality with those who have come here and have received Canadian citizenship. It is not a matter of suffering, but it is a matter of sentiment; and sentiment is sometimes stronger than law. I am not making any complaint. I have every reason to be thankful and proud of the privileges which I have enjoyed as a British immigrant, and I have found the Canadian people warmhearted and ready to extend to all British immigrants kind treatment. I would appeal to the house to remove this stigma, because it is a stigma on British immigrants.

Mr. BENNETT: The minister has referred to one matter which I think should engage the attention of parliament, and when this bill is before the house it should possibly be determined by an amendment. He referred to a lady who had lived in Canada for some sixteen years, but who, having been absent in Great Britain on a visit, when she came back to this country found that she was treated as an immigrant.

Mr. FORKE: Because she had been in England more than a year.

Mr. BENNETT: Let me state what I conceive the law would be. The domicile of a person is not necessarily his residence. Domicile consists of two factors, namely, the anima, the state of mind or intention—I will not use the legal word—of the person, plus the fact of residence. Any person who comes into Canada from any other country with the intention of making this country his or her home, and who resides here for even a short time, is in law domiciled in Canada. So that when this lady went to England and stayed there for fifteen or eighteen months, the question as to what her intentions were would become of paramount importance. If her intention was still to make her home in Canada, when she came back to resume her residence in the country that she had chosen as her home by intention, her domicile was still Canadian.

Mr. DUNNING: If she had declared her intention of returning to Canada.

Mr. BENNETT: There is the difficultv. The question has frequently engaged the attention of the courts, in connection with succession duties. An outstanding case is the Widmer case. A very rich American who had for many years resided in Great Britain, and had very large sums of money in the Bank of England, died, and his estate was taxed for succession duty by the British authorities. It was contended that he had never lost his domicile. The decision ultimately was that there was no evidence to show that he had ever expressed an intention to make England his permanent home, although he had resided there. There was no such expression of intention as would indicate the two factors had combined, namely, the intention to make his home in England, and the residence in pursuance of his intention. His property in Great Britain therefore, was not taxable as though he were a domiciled Englishman. I contend that our statute should be changed; we should say that any person domiciled in Canada may return to Canada at any time. For why should a domiciled Canadian be shut out of this country? My hon. friend from Battle River (Mr. Spencer) I daresay has in mind the case of one of his constituents, a man from England who went over to England and lived there, and then found he could not get back into Canada because in the meantime he had suffered ill health and was not in perfect physical condition. I regard that as a very serious situation. The minister should consider whether there should not be an amendment added declaring clearly that a domiciled Canadian cannot be kept out of Canada. If the Minister of Railways and Canals were to go to England for fifteen months and then come back, the Minister of Immigration would have to issue a permit for him to enter Canada. My friend from Vancouver Centre (Mr. Stevens) would be in exactly the same position.

Mr. DUNNING: Worse than that, both of us can be deported without trial.

Mr. BENNETT: I have no doubt that if the hon. gentleman spoke his mind they both would be deported.

Progress reported.

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

Monday, April 30, 1928

The house met at three o'clock.

REPORTS OF COMMITTEE

Third and fourth (final) reports of the special committee on pensions and returned soldiers' problems.—Mr. Power.

CHICAGO DRAINAGE CANAL

PRINTING OF PAPERS TABLED RESPECTING DIVERSION OF WATER

Hon. CHARLES STEWART (Minister of the Interior) moved:

That 500 copies in English and 250 copies in French of that portion of the return tabled on April 19 respecting diversion of water at Chicago, not already in print, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Hon. R. B. BENNETT (Leader of the Opposition): It does occur to me, Mr. Speaker, that if only those portions that are already in print—

Mr. STEWART (Edmonton): All but those already in print.

Mr. BENNETT: A number of the documents attached to the report are already in print, and they should be treated as a whole.

Mr. STEWART (Edmonton): If my hon. friend will let this motion stand I will consider what he says.

Motion stands.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

MOTION THAT BILL BE GIVEN PRECEDENCE

Mr. D. M. KENNEDY (Peace River) moved:

That all unopposed private bills placed on the order paper for consideration from 8 to 9 p.m. on Tuesday, the 1st of May, 1928, be then given precedence over other bills.

My purpose in moving this motion, Mr. Speaker, is to enable the house to pass—without prejudice to other private bills—bill No. 57, which stands as order No. 56 under private bills. It is "an act respecting the Edmonton, Dunvegan and British Columbia Railway Company." I am asking the house to table this course because of a telegram I have received from the Department of Railways and Telephones in Alberta, reading as follows:

Please advise when sanction of E D and B C legislation authorising extensions of main line and Grande Prairie branch may be expected. Very essential that construction of Grande Prairie branch extension be started at once in order that grading be completed before winter owing to advanced state of settlement in

locality to be served by proposed railway extension. In public interest that railway facilities be provided early as possible. Wire reply.

(Signed) JNO CALLAGHAN.

I may say that an early start on this railway will make a difference of a season and accommodate settlers who are now living from thirty to seventy miles from railway facilities and raising from a million to a million and a quarter bushels of grain. Consequently the Alberta government, having made an appropriation for this railway extension, are anxious to start work as quickly as possible.

The bill finds itself in its present position through a collision with the rules, which apparently none of us thought of when we asked on April 17 that it stand. When the bill was in committee a mistake was discovered in the wording of a certain amendment. Let me illustrate my point by quoting from Hansard of that date:

Mr. Dunning: Perhaps the hon. member for Peace River would consent to leave the bill in committee in order that he may determine what amendment should be made.

Mr. Cahill: If the figures are not right there must have been an error on my part in putting them down. In that case I hardly think it necessary to give notice of an amendment.

Mr. Kennedy: I am quite certain that in subsection (a) the words should be seventy-eight or seventy-nine. And in subsection (b) seventy-seven or seventy-eight.

Mr. Dunning: If my hon. friend is prepared to move an amendment now, in view of the fact that apparently there is a clerical error in the record we may dispense with the usual notice. In any event the mistake must be corrected by some formal action on the part of this committee. I suggest to my hon. friend that he leave the bill in committee in order to enable him to confirm his impression, or he may move the necessary substitution now.

Therefore I would ask the house to agree to this motion.

Mr. MACKENZIE KING: Can my hon. friend tell us what bills on the list of private bills are the unopposed bills to which he refers?

Mr. KENNEDY: I think that would be quite simple. We could start in and if any bill is opposed simply let it stand. It would mean very little delay for opposed bills.

Hon. ERNEST LAPOINTE (Minister of Justice): But a bill cannot be called unless it is to be unopposed. By what standard are we to judge it is unopposed; who will tell us that there will be no opposition in order that the bill may be called?

Mr. KENNEDY: The opposition will develop as we go along. If it is impossible to proceed under the rules, have the government any objection to this bill being read tomorrow?

Mr. MACKENZIE KING: There is no reason why one private bill should be given preference over any other. The government is anxious that all of these bills should be reached, and if hon. gentlemen will co-operate with us we will do our utmost to expedite the final disposition of all the private bills. I do not think we can single out one particular bill and at the same time disregard all the others.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, this bill would have gone through the house the other night except for a clerical error—purely unintentional—on the part of the chairman of the railway committee. At the time he admitted that it was his error. Therefore I think this bill is in an entirely different category from the other private bills.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I think the suggestion is not wholly unreasonable in view of what has transpired in this particular case. The right hon. Prime Minister (Mr. Mackenzie King) was not in the house the other evening when the bill was being considered. It would have gone to its third reading, but the figures indicating a township seemed to be uncertain, and the minister then in charge of the house suggested that the bill stand. By standing it lost its place. It is a public measure in the sense that it is desired by the province of Alberta. Under the circumstances it seems to me we might let the bill go through. I think Hansard shows that the minister said he would suggest the measure stand.

Mr. DUNNING: No. I was the minister concerned and I will deal with it in a moment.

Mr. BENNETT: My hon. friend from Peace River (Mr. Kennedy) read it.

Mr. DUNNING: I am sorry my hon. friend apparently did not hear Hansard correctly. What I suggested to the hon. member for Peace River was that, if he was certain enough of the figures which required to be put in, notice could be waived and the figures changed then and there.

Mr. BENNETT: Yes.

Mr. DUNNING: But in the interests of accuracy he might desire the bill to remain in committee, in which case I was agreeable, as Minister of Railways, dealing with these matters.

Mr. BENNETT: That is quite right.

Mr. DUNNING: But it is not quite fair to take the view that the government requested that the bill stand. There was certainly no such intention.

Mr. BENNETT: What happened was that the hon. member for Peace River was not prepared to take the responsibility for saying, "Change the figures", until he had had an oportunity to verify them by reference to the proper authorities.

Mr. DUNNING: Right.

Mr. BENNETT: And the Minister of Railway said that if that was the situation perhaps the hon. gentleman would be well advised to let it stand.

Mr. DUNNING: That is right.

Mr. BENNETT: Under those circumstances, and having regard to the public character of the measure, I should fancy that the house might, if the Prime Minister (Mr. Mackenzie King) who after all, is in control of the chamber—does not think otherwise, adopt the motion that the house proceed to the consideration of that bill on private members' day.

Mr. LAPOINTE: Of that particular bill.

Mr. BENNET: To meet the hon. member's view, at eight o'clock to-morrow evening a motion could be made that the house consider that bill, which would have been disposed of but for the unfortunate circumstance to which I have alluded.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I was in the house at the time, but I did not recognize at the moment the fact that it was with reference to that particular discussion that this motion was being put. Certainly, if the house is agreeable to accepting this motion unanimously, the government, in view of the circumstances that have been mentioned, would have no objection to that procedure being adopted in respect of the bill in question. I can see no real objection to considering the bill under these circumstances. It was simply due to this clerical error at the time that it was held up, and I suggest that my hon. friend withdraw his motion, on the understanding that when the house meets at eight o'clock to-morrow evening a motion will be made to consider it.

Mr. KENNEDY: If this bill is considered to-morrow night I am willing to withdraw the motion.

Sir EUGENE FISET: This, I submit, is not fair to those hon. members who also have private bills awaiting the consideration of the house. We have had to wait two days in succession—a Friday and a Tuesday—for private bills to come up. They have been held up. These private bills have had no oportunity of being considered by the house.

I remember perfectly well the incident that occurred the other evening, and the hon. member who said "Stand" was the hon. gentleman himself. Why therefore should we be deprived of our rights at the present time? I may point out that there is an important bill of mine first on the order paper for consideration of the house to-morrow evening at eight o'clock. Why should I give way, notwithstanding the rules of the house, when my bill stands first for consideration? I do not see any reason and I protest.

Mr. L. J. LADNER (South Vancouver): I rise to supplement the views of the hon. member for Rimouski (Sir Eugene Fiset). There are on the order paper other bills which, to a number of us, are just as important as the measure in which the hon. member who is moving this motion is interested. I do not see why there should be a departure from the ordinary rules and orders in dealing with these bills as a class by singling out one particular bill in order to accommodate some hon. member. I suggest that the proper procedure would be to segregate the divorce bills from the other bills and, if you are going to give special attention to any one, then consider those measures, other than divorce bills in their order.

Mr. E. J. GARLAND (Bow River): I do not think the hon. member for Rimouski, and the hon. gentleman who has just taken his seat, are quite correct in their premises in this matter. There is no special privilege asked for this bill. What really happened was this: there was an error in the work of the King's Printer in regard to a numeral. When the bill came before the house the minister in charge did not know whether it was correct or whether the statement of those in this corner was right. It was found that the position taken by us in this corner was the correct one. Through no fault of ours but by reason of an error on the part of the King's Printer, or whoever prints these bills, and possibly at least on the part of the chairman of the railway committee, the bill has been unfairly put at the foot of the list. Had the bill been properly printed it would have gone through the house without question the other night. It is not unfair therefore to suggest that in view of most peculiar and unusual circumstances such as these the public interest could be better served if the house were considerate, in this particular instance at any rate. I agree absolutely with the hon. member for Rimouski on principle as regards the consideration of these bills. I do not think that any bill should be given precedence over others, and for that reason I voted the other night against

the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth). I did not consider it fair by a motion, after we had amended the rules of the house, deliberately to move that one particular bill be given prior consideration. This however is not a parallel case. In this instance an error has occurred inadvertently, and as everyone recognizes the purely technical character of the objection, I think the house should be willing to adopt at least the peaceful attitude suggested by the government.

Sir EUGENE FISET: Once again I want to protest against this procedure. The hon. member for Bow River (Mr. Garland) has read the house a lesson, but I was here the other night and I heard the minister remark that the bill was, practically speaking, through. The hon. member interested in the bill was the one who said, "Stand". He insisted that the bill should stand.

Mr. BENNETT: No.

Sir EUGENE FISET: I was here; I know what was said.

Mr. BENNETT: He said that if there was any doubt as to the correctness of the description, it had better stand.

Sir EUGENE FISET: My hon. friend did not hear exactly what was said. I myself suggested that this was simply a printer's error and, I added, "The bill is through; let it go through". The hon. member then said "Stand".

Mr. JAMES ARTHURS (Parry Sound): I was in the house at the time the question came up and there is no doubt at all in my mind that the bill fathered by the hon. member for Peace River would have been carried had it not been for certain numbers in regard to certain townships and so on, in dispute as between the Minister of Railways and—

Mr. STEWART (Edmonton): The Minister of Railways was not disputing it.

Mr. ARTHURS: The Minister of Railways said he was.

Mr. DUNNING: No.

Mr. ARTHURS: Very well. At any rate it was in dispute as regards the numbers of certain townships, and that was the only reason for deferring the bill. The hon. member for Peace River is at the present moment trying to have the bill given precedence over othr bills, although he did not make this request in the first place. I think the hon. member for Rimouski (Sir Eugene Fiset) and the hon. member for Vancouver South (Mr. Ladner) would be well advised to accept a fair request of this kind; otherwise, if this house is disposed to dispute any bill, it might be disposed to dispute that of the hon. member for Rimouski, and another hang-up would occur.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): If I may be permitted to clarify the situation with respect to this bill, it was a private bill with which the government had nothing to do. It went to the railway committee in the usual way and there, following a discussion, was amended in ink by the chairman in connection with certain numerals. When the bill returned there was some question as to whether the numerals describing certain townships were correct or not, and I think the hon. member for Peace River himself raised the question.

Mr. MANION: Were they correct?

Mr. DUNNING: I could have no knowledge as to whether they were correct or not; the bill was not a government measure. The numerals in question have since been determined not to have been correct. The chairman of the railway committee, who is not present to-day, stated on that occasion that if there was an error doubtless it could be attributed to him. To avoid the necessity for formal notice, he was willing to take the responsibility of having made a clerical error himself, and under those circumstances I suggested that if the hon. member for Peace River was sure enough of the correct numerals, we might decide to let the bill go through without the customary notice of motion for an amendment to a private bill. In the interests of accuracy, my hon. friend from Peace River being Scotch, and desiring to be absolutely sure, he decided, and properly, to let the bill stand. As to its coming up again first to-morrow night, I of course have no objection. If the same attitude is taken towards this bill as is taken towards other private bills by hon. members in the opposite corner of the house and by the hon. member for Toronto Northwest (Mr. Church), those who object can easily talk for the full hour to-morrow night. I distinctly remember that on two occasions the hon. member for Toronto Northwest announced that he was going to talk the full hour.

Mr. BENNETT: He is only allowed to speak for forty minutes.

Mr. DUNNING: He definitely stated that he was going to talk it out, so that unless there is practically unanimous consent to enable my hon. friend to go on, nothing the

government can do to-morrow night can affect the issue. Personally I am desirous of seeing this bill out of the way, and it would have been out of the way only for this little clerical error. I will do all I can and I am sure the government will do everything possible to expedite the passage of this bill, but other members have their rights and if hon. members in that corner insist on exercising their rights, as they do quite properly, they cannot object if other members on this side of the house or across the way who are interested in private bills exercise their rights in like manner.

Sir EUGENE FISET: Since I appear—

Mr. DEPUTY SPEAKER: The hon. gentleman has already spoken; we are not in committee of the whole now.

Sir EUGENE FISET: Since I appear to be the only member who has entered a protest, I will withdraw my objection.

Mr. McQUARRIE: I would like to suggest a solution to the whole difficulty. Why could we not start sitting on Wednesday nights from now on, to take up private bills on those nights and get rid of them?

Mr. DEPUTY SPEAKER: What is the pleasure of the house?

Mr. MACKENZIE KING: I understand that my hon. friend has agreed to withdraw his motion on the understanding that when the house meets to-morrow evening to consider private bills a motion will be made to have the bill in which he is interested given precedence, and the government will support that motion. Of course, the decision rests with the house.

Mr. KENNEDY: Then I will withdraw the motion.

Motion withdrawn.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPORTATION OF BUTTER

Mr. MacNUTT:

What was the tonnage of butter imported into Canada by steamers of the Canadian merchant marine during the calendar years of 1926-27, from Australia, and from New Zealand; (a) to Halifax; (b) to Vancouver; (c) to Montreal; (d) to any other ports in Canada?

[Mr. Dunning.]

Mr. DUNNING:

		Australia	New Zealand
(a)	1926	160 tons	nil
	1927	nil	313 tons
(b)	1926	nil	nil
	1927	nil	nil
(c)	1926	nil	nil
	1927	nil	nil
(d)	1926	nil	nil
	1927	nil	nil

RAIL AND RIVER COAL COMPANY

Mr. SMITH (Cumberland):

1. What quantity of coal, if any, was supplied the Canadian National Railways by the Rail and River Coal Company, of the United States of America in the year 1927?

2. What price was paid for the coal supplied during said period?

3. At what points in Canada was the said coal delivered?

4. Has any effort been made by the Canadian National Railways or any of its subsidiaries to dispose of the capital stock of the Rail and River Coal Company? If so, state particulars.

Mr. DUNNING:

1. 429,882 tons, of which 307,373 tons were used on Canadian lines—the balance on lines Detroit and west.

2. $1.8187 per ton, f.o.b. cars, Bellaire, Ohio.

3. Sarnia, 160,963 tons; Niagara frontier, 146,410 tons.

4. This property came to Canadian National Railways upon acquisition of the Grand Trunk. The question of its disposal to others has not been considered.

HALIFAX COLD STORAGE PLANT

Mr. SHORT:

1. Does the property on which the proposed new cold storage plant is to be erected at Halifax, Nova Scotia, by private enterprise, belong to the Canadian National Railways or to the crown?

2. Did the Canadian National Railways, or the crown lease this property to the cold storage company; if so, at what price, also terms of lease?

Mr. DUNNING:

1. Land acquired by the crown for ocean terminals.

2. 7.253 acres of land and land covered by water leased by Department of Railways and Canals to Victor Montague Drury, for cold and dry storage purposes, from April 6, 1927, to April 5, 2026, at rental of one hundred dollars per annum.

CARILLONNEUR—PERCIVAL PRICE

Mr. SPENCER:

1. Is one Percival Price employed by the government? If so, in what capacity and at what salary?

2. What specific services does he perform for this salary?
3. Is it the intention of the government to permit this employee to take two months' leave of absence before he has been employed twelve months?
4. If so, will the same privileges be extended to scientists and research workers in other departments who have given faithful service for many years and whose work would be benefited by a trip to Europe?
5. In the absence of said employee does the government intend to permit the substitution of alien labour in this connection?

Mr. ELLIOTT:

1. (a) Yes. (b) Carillonneur. (c) $3,000 per annum.

2. Giving formal public recitals upon the carillon of the Peace tower at such times as are required by the Department of Public Works, these performances entailing in preparation the actual arranging and writing out in manuscript form of the music rendered, as there is no music published for the instrument and hardly any two carillons are of similar registration and voicing; the inspecting and supervising of the making of adjustments and minor repairs to the carillon; and attending to the correspondence (extra-departmental) regarding the carillon.

3. Yes.

4. This is the only position of its kind in the service and cannot be compared with any other but only to conditions attaching to other carillonneurs.

5. If a substitute is required it may be necessary to procure one outside of Canada, as there may be no other carillonneur sufficiently trained available.

BRIGDEN, ONTARIO, POSTMASTER

Mr. MANION:

1. What is the name of the postmaster at the village of Brigden, Ontario?
2. When was he appointed?
3. Is he a returned soldier?
4. If not, did any returned soldiers apply for this position?
5. Was the appointee recommended by the Civil Service Commission as their first choice?

Mr. VENIOT:

1. William Howard MacDonald.
2. 15th September, 1927.
3. No.
4. Yes.
5. No.

OLYMPIC GAMES

Mr. CHURCH:

1. What sums were voted by parliament for Olympic games since 1918, and who received said grants?
2. Were these grants an accountable or non-accountable expenditure?
3. What amount of said grant in each year was spent on Olympic contestants (a) on rowing, (b) on hockey, (c) track, (d) lacrosse, (e) other branches of sport?
4. How many (a) contestants, and (b) non-contestants, were there at each Olympic who had their expenses or part thereof paid, and the names of non-contestants receiving expenses, and amounts in each case?
5. Is there any audit of these accounts by the Auditor General? If not, why?
6. How many took part overseas at these games on behalf of Canada, and what events were won at each Olympic?
7. What portion of these various grants was spent (a) in Canada in training; (b) overseas, in each case?

Mr. MACKENZIE KING (for Mr. Robb):

1. 1920 (Antwerp), $15,000; 1924 (Paris), $25,000; 1928 (Amsterdam), $26,000. Payments were made to the Canadian Olympic Committee.

2 and 5. The assistance given was by way of contribution. The government did not control or audit the expenditure.

3, 4, 6 and 7. No information.

CANADIAN NATIONAL RAILWAYS—COAL MINES

Mr. CHURCH:

1. Has the attention of the government been called to a sworn statement at Washington, D.C., made by Oliver K. Eaton, attorney for the Mine Workers' Union, before Congress to the following fact, that Sir Henry Thornton and the Canadian National Railways owns coal mines in Western Virginia"?
2. If so, where are these mines located, when were they purchased, and for what purpose?

Mr. DUNNING: In connection with this question I call attention to the fact that a similar question has been answered before to-day, and question No. 3 on the order paper to-day also deals with the same matter. I suggest that it is not reasonable to keep answering the same question three or four times.

Mr. DEPUTY SPEAKER: Question dropped.

DUMPING DUTY ON FRUIT AND VEGETABLES

Mr. GOTT:

1. Has order in council No. 1088 been rescinded and cancelled?
2. When was same rescinded and cancelled?
3. When did the rescission and cancellation become effective?
4. Has the tariff board made any recommendation regarding protection for early Canadian fruit and vegetable growers, seasonable or otherwise?
5. If so, what was the substance of such recommendation?
6. Is the government aware that resolutions are being passed by boards of trade, town and city councils, chapters of the Daughters of the Empire, and other bodies, protesting against the government's action in rescinding order in council 1088?

Mr. MACKENZIE KING:

1. Yes.
2. March 19, 1928.
3. March 19, 1928.
4. The subject is under enquiry.
5. Answered by No. 4.
6. Some resolutions have been received.

CHARLES PINARD

Mr. TUMMON:

1. Is Charles Pinard employed in the Department of Public Works?
2. How many days was he absent from duty in the last fiscal year?
3. How many days sick leave did he have in that period and what dates?
4. For how many days did he draw pay in the last fiscal year?

Mr. ELLIOTT:

1. Yes.
2. 8.
3. (a) 2½; (b) March 20 (½ day), 21 and 22.
4. 366 days.

FEDERAL DISTRICT COMMISSION—RUSSELL HOUSE BLOCK

Mr. COTNAM:

1. Who were the former owners of the Russell house block?
2. Were any of such owners members of the Federal District Commission?
3. What legal expenses were incurred by the expropriation proceedings in connection with the Russell house block?
4. To what firm or individual will such fees be paid?

Mr. MACKENZIE KING (For Mr. Robb):

1. The Russell Company.
2. No.
3. No accounts yet rendered.
4. Murphy, Fisher, Clark and Robertson.

FEDERAL DISTRICT COMMISSION—EXPROPRIATIONS

Mr. BARBER:

1. What property has been purchased or expropriated by the government or the Federal District Commission in Ottawa, during the past three years?
2. From whom was the said property purchased?
3. What was the price paid in each case?
4. Who acted as agents in the transactions and what commissions or other fees were received in each case?

Mr. MACKENZIE KING (For Mr. Robb):

With respect to the Federal District Commission:

1. (a) Dey's arena, Laurier avenue north; (b) Russell house and theatre, Sparks street and Queen street; (c) Property of C. W. Mitchell estate, corner Queen and Elgin streets; (d) Property of Francis McDougall estate, between the Russell theatre and the Mitchell property; (e) Lot 65, Slater street north.

2. (a) E. A. Sherwood; (b) Russell Company; (c) C. W. Mitchell estate; (d) Francis McDougall estate; (e) Bate Realty Company.

3. (a) Dey's arena: $60,000; (b) Russell house and theatre: $1,125,000; (c) Mitchell property: $75,000; (d and e) McDougall and Bate properties are both under expropriation.

4. (a) L. P. Sherwood who was paid $224.70 for legal services; (b, c, d, e) Murphy, Fisher, Clark and Robertson acted as solicitors for the Federal District Commission in the purchase and expropriation of the other properties. No payments to date. With respect to purchases by government other than Federal District Commission, see answer to question 30.

Mr. GARLAND (Carleton):

1. What price was paid by the government for each of the following properties in the city of Ottawa which were taken over for improvement purposes: (a) Wellington street south and Sparks street north, (b) Sparks street south and Queen street north (Russell house), (c) Bate building, (d) Birkett building, (e) Ottawa Transportation building, (f) Canadian International Paper Company property, Sussex street?
2. What legal fees were paid in connection with each of these transactions, and to whom?
3. What commissions were paid in connection with the above mentioned transactions, and to whom?

Mr. MACKENZIE KING (for Mr. Robb):

1. (b) Russell house and theatre: $1,125,000. (c) Bate warehouse: lease expired; no payment made for property, (d) Birkett building: in hands of solicitors for adjustment, (e) Ottawa Transportation building: lease expired; no payment made.
2. No payments to date.
3. None.

FEDERAL DISTRICT COMMISSION—BRIDGE AT REMIC RAPIDS

Mr. WILSON (Wentworth):

1. What steps have been taken by the Ottawa Federal District Commission to secure property on the Quebec side of the Ottawa river for roadways, approach and landing for the bridge across the Ottawa river at Remic rapids?
2. What is the area of the property proposed to be acquired?
3. Who owns the said property and has expropriation proceedings been commenced? If so, what price was offered by the commission to the owners?
4. What was the sum paid or agreed to be paid for the said property?

Mr. MACKENZIE KING (for Mr. Robb):

1. Right of way has been secured.
2. 0.8415 acre donated by the Hon. Thos. Ahearn and 6.42 acres purchased from A. M.

Mackarell. Authority has been secured by order of the Board of Railway Commissioners for a grade crossing over the right of way held jointly by the Hull Electric Railway and the Pontiac & Pacific Ry. (C.P.R.). This provides right of way from river shore to Aylmer road.

3. No expropriation. Purchase arranged by private negotiations.

4. $15,000 for the Mackarell property.

FEDERAL DISTRICT COMMISSION—MACKARELL PROPERTY

Mr. WILSON (Wentworth):

How much was paid by the Ottawa Federal District Commission (formerly Ottawa Improvement Commission) for the Mackarell property on the Quebec side of the Ottawa river near Remic rapids?

Mr. MACKENZIE KING (for Mr. Robb): $15,000.

FEDERAL DISTRICT COMMISSION—NEW EDINBURGH MILLS

Mr. WILSON (Wentworth):

1. Has the government or the Ottawa Improvement Commission or its successor the Federal District Commission or any other person or commission associated with the government taken steps to procure property known as the New Edinburgh mills and situated at Rideau falls at the mouth of the Rideau river?

2. If so, in what manner is the property being secured? Is it by expropriation under the Expropriation Act or the Railway Act or by private purchase?

3. Who are the present owners of the said property and what is the area to be acquired?

4. Has any sum been offered for the said property, and if so, what is the amount?

5. What is the horse-power of the water-power situated on the said property and is such power rights included in the purchase price?

6. Has any offer been made to the government or other persons dealing with this matter on behalf of the public for such water-power rights, and if so, by whom, and on what terms and price?

7. Has an order in council been passed dealing with the proposed purchase of the New Edinburgh mills and adjacent property? If so, what is the date of the said order in council?

Mr. ELLIOTT:

1. Yes.

2. By private purchase.

3. (a) The Gatineau Company Limited.
(b) Approximately 21 acres.

4. (a) Yes.
(b) $525,000.

5. (a) Approximately 2400 H.P.
(b) Yes.

6. No.

7. Yes, March 30, 1928.

56103—158½

QUESTIONS PASSED AS ORDERS FOR RETURN

EMPLOYMENT OF LAW FIRMS—CITY OF QUEBEC

Mr. CAHAN:

1. Have any lawyers or law firms been employed by the Dominion government, or any departments thereof, in the city of Quebec during the fiscal year 1926-27?

2. If so: (a) by what departments; (b) who are those lawyers or firms; (c) what were the nature and extent of the services rendered; (d) what remuneration was paid in each case?

ASSISTANCE TO IMMIGRANTS

Mr. HOCKEN:

1. Does the Canadian government bring in immigrants from the British isles and foreign countries, and supply them with free land for settlement?

2. If not, on what terms do immigrants receive such lands?

3. Is any monetary assistance afforded said immigrants other than land settlement inducements, and if so, what are they?

4. Are like inducements, if any, as regards free land and other assistance offered to Canadians?

5. If not, why not?

CIVIL SERVICE— DISMISSALS

Mr. KAISER:

1. How many members of the civil service in 1927 were dismissed for cause?

2. How many of such persons were contributing to the superannuation fund?

3. How many were refunded their contribution?

4. How many were refused such refund by the treasury board?

5. How many cases are now pending decision?

UNOPPOSED MOTIONS FOR PAPERS

APPOINTMENT OF SUCCESSOR TO NOEL CHASSE

Mr. STEVENS:

For a return of copies of all correspondence, memoranda, decisions and recommendations, passing between the Department of National Revenue and the Civil Service Commission and any and all other parties relating to the appointment of a law officer or solicitor to the department in the place of Noel Chasse, deceased.

DISMISSAL OF P. A. SAULNIER

Mr. SHORT:

For a copy of all documents, correspondence and orders in council relating to the dismissal of P. A. Saulnier, late customs sub-collector at Church Point, Digby county, Nova Scotia, and to the appointment of his successor in said office.

DISMISSAL OF H. S. DOWNIE

Mr. SHORT:

For a copy of all documents, correspondence and orders in council relating to the dismissal

of H. S. Downie, returned soldier, late national revenue collector at Margaretsville, Annapolis county, Nova Scotia, and the appointment of his successor in said office.

CANADIAN NATIONAL RAILWAYS—LANDS

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, agreements and all other documents relating to the sale of the Canadian National Railways' old belt line lands in the Humber valley, Toronto, including all correspondence with the late Sir Adam Beck and the hydro for purchase thereof, and in 1928 with any other person or persons for the recent sale of this valuable radial right of way for $18,000 without public tender when the Canadian National Railways all along refused to sell the same to the hydro and city for radial purposes.

Hon. C. A. DUNNING (Minister of Railways and Canals): I would point out that this resolution contains matter which should not be contained in a motion of this kind; the last two lines contain statements and what might be called arguments. I know nothing of the matters involved, but I do not think it is within the right of any hon. member under the rules of the house to include statements such as are contained in the last two lines of this motion in a matter of this kind.

Mr. DEPUTY SPEAKER: Stands.

DISMISSAL OF FRANK AMAS

Mr. STEVENS:

For a copy of correspondence regarding the dismissal of Frank Amas of Qu'Appelle from the meterological service, together with a copy of all charges made against the said Frank Amas, if any, and a copy of the proceedings of the investigation, if any, in connection with the said charges, and a copy of the recommendation for dismissal, if any. Also copy of all correspondence relating to the appointment of John Miller of Qu'Appelle to the position of observer in the place of Frank Amas. Also a statement setting forth the age, capacity and training of the said John Miller for the appointment.

ICE BREAKING—FORT WILLIAM AND PORT ARTHUR

Mr. COWAN:

For a copy of all correspondence, letters, applications, telegrams, in connection with the contract for ice breaking in the harbours of Port Arthur and Fort William, dated the 1st day of October, 1923, and made by the Department of Marine and Fisheries, and also for a copy of the advertising for tenders, tenders, and the contract itself.

DISMISSAL OF HOWARD ROBAR

Mr. ERNST:

For a copy of all correspondence and other documents relating to the dismissal of Howard Robar as postmaster at North River in the county of Lunenburg, and the appointment of his successor.

[Mr. Short.]

NEW GERMANY—NORTH RIVER MAIL CONTRACT

Mr. ERNST:

For a copy of all correspondence, tenders and other documents relating to the current contract for the mail route from New Germany to North River in the county of Lunenburg.

Mr. ERNST: I would ask leave to withdraw this motion, Mr. Speaker.

Mr. DEPUTY SPEAKER: Motion withdrawn.

BARSS CORNER—NEW GERMANY MAIL CONTRACT

Mr. ERNST:

For a copy of all correspondence, telegrams, tenders, letters and other documents relating to the current contract for the mail route between Barss Corner and New Germany in the county of Lunenburg.

INQUIRY FOR RETURN

On the orders of the day:

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I would like to ask the Minister of Agriculture when I may expect a reply to my question passed as an order for a return on the 14th March, regarding certain employees of the Department of Agriculture.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I will have the matter looked after as soon as possible.

BUSINESS OF THE HOUSE

WEDNESDAY EVENING SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, having reference to the discussions which we have had from time to time about private bills, I suggest to the house that it would possibly facilitate what all of us have in mind in the matter of the expedition of public business, if we were from now on to take Wednesday evening for the purpose of private legislation and give private bills priority on Wednesday after eight o'clock. If there is no opposition to that suggestion, I will have the motion presented in a formal way on Wednesday. In the meantime this intimation may be taken as a notice of motion.

Mr. BENNETT: You mean Wednesday afternoon?

Mr. MACKENZIE KING: Wednesday evening—the house to sit on Wednesday evening.

Mr. BENNETT: I am not prepared for that at the moment.

Mr. MACKENZIE KING: It may be taken as a notice of motion to be considered Wednesday.

Mr. SPENCER: Mr. Speaker, many of the members of the house have made engagements for this first Wednesday evening.

IMMIGRATION ACT AMENDMENT

The house resumed from April 27 consideration in committee of Bill No. 187, to amend the Immigration Act—Mr. Forke—Mr. Marcil in the chair.

On section 1—Persons deemed to belong to prohibited classes.

Mr. THORSON: Mr. Chairman, I wish to make a few remarks with regard to this bill, notwithstanding the fact that it has been before the house on numerous occasions. I object to section 41 of the Immigration Act as it now stands and I do so on two grounds: first, it discriminates, in my opinion very unfairly, against British subjects who were born outside of Canada; in the second place, the legislation is unnecessary in view of the other provisions of the Immigration Act and in view of the provisions of the criminal code and the common law with regard to sedition.

The discrimination, I think, is admitted. The section as it stands places British subjects who were born outside of Canada in an inferior position to aliens who have become naturalized as British subjects in Canada Section 3 of the Immigration Act specifies the classes of persons who are to be regarded as undesirable or prohibited classes. Section 41, which we are now discussing, refers to several classes of offences and provides that the persons who commit those offences shall be deemed to come within the undesirable classes. Section 42 provides for the method of deportation of those who are, under the provisions of the Act, deemed to be undesirable. Section 41 of the act has an important proviso at the end thereof, which I propose to read:

> Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

Thus it happens that a British subject who comes to Canada is not exempted from the provisions of this act because he cannot be naturalized in Canada. He is a British subject by virtue of his having become such somewhere outside of Canada. So that the section as it reads does not apply to persons who are born in Canada or to aliens who have become naturalized as British subjects in Canada, but it does extend to British subjects who come to Canada from some other part of the empire. It would apply, for example, to anyone who was born in England or Scotland or any other of the British dominions. British subjects born outside of Canada can never become exempt from the provisions of this section; so that it follows that a naturalized alien may commit any of the offences described in section 41, and he is not deemed to be an undesirable and he cannot be deported; but persons who happen to have been born in England or Scotland who do commit any of the offences described in section 41 are deemed to be undesirable and are subject to deportation. An alien may become naturalized, if I remember the provisions of the Naturalization Act correctly, after five years residence in Canada. He then under the provisions of the Immigration Act is exempt from deportation; but a British subject born outside of Canada cannot never get complete exemption from deportation, no matter how long he resides in Canada. So that you have this situation; even if a naturalized alien commits one of the offences referred to in section 41 and is convicted of that offence after full trial by a jury, he cannot be deported; but a British subject born outside of Canada may commit one of the less important offences referred to in section 41 and he can be deported without any trial, on the mere say-so of a single officer of the department. That is a discrimination which ought not to exist in any British statute. The statute as it stands discriminates in this manner against a British subject born outside of Canada, and I think the legal effect of the section is beyond dispute. I will go further and say that the change in the law was deliberately made to make this discrimination possible; it was intended specifically for British subjects born outside of Canada and for no one else.

Mr. ARTHURS: Why?

Mr. THORSON: I will ask the committee to follow me carefully with regard to the history of the passage of this legislation through the house and in the comparison which I make between the section as it now stands and the state of the law as it existed prior to the enactment of this section. In the discussion of last year a comparison was made between the state of the law as it is now under the provisions of this section and as it was in 1910 when the Immigration Act was first passed. I do not think that is the comparison which ought to be made. I think the comparison ought to be made between the section as it now stands and the section that was passed in the same session of parliament, because in the session of 1919 two bills were brought in to amend the Immigration Act.

One of them, which appears in the statutes of 1919 as chapter 25, comprised twenty-six sections including an amendment to section 41. In the same session another bill was introduced which appears as chapter 26 of the statutes of 1919 and it includes only one section, the one which we are now discussing.

The first bill to amend the Immigration Act was comprehensive in its nature and it subjected the Immigration Act to a careful and thorough revision. It was introduced into the house and received first reading on the 7th April, 1919. It received second reading and went into committee on the 29th April. It received third reading on the 12th May. In the senate it received first reading on the 15th May, second reading on the 16th May and third reading on the 4th June. The senate reported the bill with an amendment which I will not discuss but which does not deal with the points which we have under consideration. The senate amendment was concurred in on the 5th June and on the 6th June the bill received royal assent. The section of which we now complain was not included in that bill. The present section 41 was introduced into the House of Commons on the 6th June fifteen minutes before the house was summoned to appear before the senate to hear the royal assent being given to the bills which had passed both houses of parliament prior to that time. It was introduced, received first and second readings, passed through the committee stage and received third reading, all in fifteen minutes.

Mr ARTHURS: When?

Mr. THORSON: On the 6th June.

Mr. ARTHURS: What year?

Mr. THORSON: 1919. I make that statement advisedly because I have taken the trouble to make some arithmetical calculations. The total debate in the House of Commons comprised less than four columns of Hansard. If hon. members will compute on an average the number of pages used in the course of a day, I think I am safe in saying that these four columns of Hansard consumed less than fifteen minutes of the time of the house. The bill was then sent to the senate. Everyone knows the length of time which it takes for members of the House of Commons to proceed to the senate chamber. In the course of that time the bill had received first, second and third readings by the senate and was ready for royal assent immediately after the bill that had passed, in a regular, methodical manner, through both houses of parliament. As the debate in the senate took up two columns of Hansard I estimate that if the debate in the House of Commons lasted fifteen minutes, the debate in the senate took half that time. Why this unseemly haste, in connection with the passing of this bill? On Friday of last week the hon. member for North Winnipeg (Mr. Heaps) received a severe castigation from the leader of the opposition (Mr. Bennett). There are two bills which have associated themselves in the minds of the labour leaders of this country, namely, the bill to amend the criminal code, which received third reading last Friday, and the present bill. Those two bills have been, perhaps in error, placed together in the discussion. The hon. member for North Winnipeg stated that the bill to amend the criminal code had been railroaded through the House of Commons. He was in error with regard to that statement. If he had made it in regard to section 41 of the Immigration Act, his statement would have been correct because that bill was railroaded through the house. Why all this unseemly haste in bringing this section into effect in view of the deliberate revision of the Immigration Act which had taken place during the same session?

Mr. MANION: Just as a matter of information, will the hon. member explain what he means by "railroaded through the House of Commons?"

Mr. THORSON: I think the term has a fairly well-known meaning. What was the reason for this unseemly haste in bringing this bill into legislative effect, that is within half an hour of its first introduction into the house? I think I am conservative in making that estimate of time. It was law half an hour after it was first introduced into the House of Commons. In Hansard, page 3211, of the 1919 debates, Hon. J. A. Calder, Minister of Immigration, in introducing the bill said:

> In the bill which was before this house amending the Immigration Act certain persons who advocated the overthrow of government, the destruction of property, and so on, by violence, were within the prohibited classes. The matter has been inquired into further and the law officers of the crown have advised that the section as it stands does not really cover all that was intended.

What was intended? I have made the statement that the intention of the amendment was to discriminate against British subjects born outside of Canada, and to enable their deportation without a trial. That is what was intended.

What reasons were given in the House of Commons for the enactment of this measure? The leader of the opposition, Mr. D. D. McKenzie, asked in the course of the debate, "How does the new clause differ from the old?" The hon. member for Gaspe, Mr.

Lemieux, later in the course of the debate asked, "Would the minister point out where it differs as he goes along?" To which, Mr. Calder replied, "It is not the easiest thing in the world to do." Then Mr. Calder indicated certain respects in which the bill differed from the bill previously introduced and concurred in by both houses of parliament dealing with section 41, and he indicated every difference except the difference that is the real difference, the difference of which we are complaining. In order to make that point perfectly clear, it is necessary for me to refer to the state of the law as it existed prior to the passing of this act of which we are complaining. Section 41 as passed previously in the same session commences in this manner:

Whenever any person, other than a Canadian citizen advocates in Canada the overthrow by force—

I shall not read the balance. The importance of what I am saying apears from the words which I have just quoted, namely: "Whenever any person other than a Canadian citizen" commits the following offences he shall be considered an undesirable. That is, anybody who was a Canadian citizen, no matter how he got his Canadian citizenship, was exempted from deportation under the provisions of the act as it stood prior to the enactment of this section. But the new section 41 commences in this manner: "Every person who commits" the following offences is an undesirable, and it concludes with the proviso:

Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

So that the effect of removing the opening words of the old section, "whenever any person other than a Canadian citizen," and the tacking on of the proviso of the new section, is to make a discrimination against British subjects who were born outside of Canada.

Mr. ARTHURS: May I ask whether the hon. gentleman would be in favour of the substitution of section 41 as it stood before being amended by this act?

Mr. THORSON: I shall deal with that point a little later. The words "Canadian citizen" as used in the Immigration Act have a special significance. The term is defined in paragraph (f) of section 2 of the Immigration Act, as follows:

"Canadian citizen" means—
1. a person born in Canada who has not become an alien;
2. a British subject who has Canadian domicile; or,
3. a person naturalized under the laws of Canada who has not subsequently become an alien or lost Canadian domicile.

That is, it has a special meaning as it is used in the Immigration Act. The word "domicile" is defined also.

Mr. ARTHURS: Would the hon. gentleman allow me to repeat my question? In view of his explanation of what constitutes a Canadian citizen, would he be in favour of substituting the original section 41 for the section which is now under discussion?

Mr. THORSON: I have already stated, and in this I think I have the support of the hon. leader of the opposition, that section 41 is of no value in view of the other provisions of the Immigration Act and of the code. I shall come back to that in a moment.

Mr. ARTHURS: That is no answer to the question.

Mr. THORSON: I do not propose to be diverted from my line of discussion. The word "domicile" is also defined in the act, in paragraph (d) of section 2, as follows:

"domicile" means the place in which a person has his home, or in which he resides, or to which he returns as his place of permanent abode, and does not mean the place where he resides for a mere special or temporary purpose;
(i) Canadian domicile can only be acquired, for the purposes of this act, by a person having his domicile for at least five years in Canada after having been landed therein within the meaning of this act;

So that Canadian domicile has a special meaning under this act and must not be confused with the ordinary meaning attached to the word domicile. Therefore, under the old law, a British subject born outside of Canada who had lived in Canada and acquired Canadian domicile, by virtue of his acquisition of Canadian domicile became a Canadian citizen and was exempted from deportation. Now under the new law he is expressly discriminated against because under section 41 every person who commits any of the offences therein mentioned is classed as an undesirable and is liable to deportation without trial; but there is a proviso that the section does not apply to British subjects who are such by virtue of birth in Canada or by reason of naturalization in Canada. In other words, the British subject born outside of Canada remains constantly liable to deportation, and under another section of the act he can never acquire Canadian domicile in order to exempt himself from deportation under section 41.

I make the statement that in the course of the debate in the House of Commons when this section was being discussed, all the differences were pointed out to the house except the important and major difference, but the purpose of the amending act was clearly

indicated in the debate which took place in the senate. I therefore make the statement that legislation of this sort which so unjustly discriminates against one class of British subject is iniquitous legislation and ought not to be tolerated for one moment on the statute books of this parliament.

I think no one will deny that as section 41 now stands there is this discrimination. I would go further and say that section 41 is not needed in view of the other provisions of the Immigration Act and the provisions of the criminal code. Sections 3 and 40 of the Immigration Act sufficiently provide for some of the offences described in section 41. The other offences are, I think, amply provided for by the criminal code. I do not seek to minimize or in any way condone the seriousness of the offences referred to in section 41, but I say advisedly, after careful consideration, that section 41 is not necessary in view of the provisions which we already have in the Immigration Act and in the criminal code. So that the only purpose of maintaining section 41 is to continue the discrimination against British subjects born outside of Canada.

I make that statement with a large measure of support from no less a lawyer than the hon. leader of the opposition (Mr. Bennett). He has spoken twice on this subject in previous sessions. In 1926, when a private member, he agreed with the Minister of Justice (Mr. Lapointe) that if section 40 of the Immigration Act were retained—and there is no suggestion that it be not—then section 41 was valueless and of no importance. So there may be no question of this, let me quote this most important statement. It will be found at page 4120 of Hansard of June 7, 1926:

Mr. Lapointe: But we must keep the bill in order to repeal section 41. I am quite willing to agree with the hon. member for West Calgary (Mr. Bennett) to allow the bill to read:

"Section 41 of the Immigration Act, chapter 27 of the Statutes of 1910, as enacted by chapter 26 of the statutes of 1919, is repealed."

The rest is certainly covered by section 40.

Mr. Bennett: That is my view.

Earlier in the debate the hon. member for West Calgary said:

Then section 41 is of no value at all, or it should be linked up in some way with section 40.

Mr. Cannon: Section 40 covers the case.

Mr. Lapointe: I agree that section 40 would cover the case, and the only purpose of the bill would be to repeal section 41.

Mr. Bennett: The new section is of no value at all.

Speaking again on this subject last session the language of the hon. member for West Calgary was somewhat different. At page 2103 of Hansard of April 27, 1927, I find the following:

I do say, sir, that the maintaining of that section upon our statute books was never more necessary than it is to-day.

The same section that was absolutely valueless the year before!

Mr. BENNETT: That is a mistake. I was referring to the section as a whole, not a part of it.

Mr. THORSON: I have no doubt that my hon. friend will be quite able to look after himself when his turn comes.

Mr. BENNETT: Deal with the whole of it.

Mr. THORSON: I will continue the quotation from the point where I was interrupted:

Having regard for what is going on to-day in China, having regard to the deliberate concerted effort that is being made to destroy the British Empire, openly vaunted by a certain class of people in the world who are teaching sedition in the worst form and endeavouring in every way possible to bring about the destruction of the empire, this statute should remain just where it is in order that if the occasion necessitates we may use it, and use it effectively.

The same statute that in his opinion was valueless the year before. Then at page 2104 he says:

Deportation is not punishment.

Well, I should like to know what could be more drastic punishment than the deportation of a British subject born outside of Canada who has lived here for twenty years, whose roots have been torn up from the soil of Great Britain and planted here. Yet the hon. gentleman says that deportation in such a case is not punishment.

The criminal law is in operation for the punishment of the offender, and for deterring others; it is to punish those who violate our laws. But deportation is to send out of our country undesirable citizens, and when this house votes to repeal a section such as that, indirectly it says that it is satisfied that that class of person is not an undesirable person. To retain the section cannot do harm; it may do good. It cannot interefere with liberty, because it does not deal with British subjects.

In fairness to the hon. member I may say that I think he read the section with which we are now dealing a little too rapidly, for he stated several times that section 41 as it now stands did not apply to British subjects. I also wish to say that he corrected that statement later on in the course of the debate. I quote from Hansard at page 2110 of April 8, 1927:

Mr. Bennett: Rising to a question of privilege, I have to thank my hon. friend from Winnipeg North Centre (Mr. Woodsworth) for

having drawn my attention to the fact that I used the words "British subject" erroneously. I was speaking very rapidly.—

Mr. HEAPS: That is how he spoke on Friday night.

Mr. THORSON:

—I was speaking very rapidly and should have employed the expression "Canadian citizen" instead of which I erroneously used the term "British citizen or subject" and did so quite frequently.

Mr. Forke: You used the term "British subject" several times.

Mr. Bennett: I know I did, but I did so erroneously, and I now desire to make a correction.

Perhaps a certain latitude ought to be allowed to private members of the opposition This year, however, the hon. member for West Calgary occupies an important position as the head of a great party. Perhaps in view of the statements made by him in 1926 that the section was valueless, and in 1927 that it was most important that it should be retained, he will communicate to this house his present views on this subject now that he is the leader of the Conservative party.

In support of my contention that the legislation is not only discriminatory against British subjects born outside of Canada, but is also of no value having regard to the existing law, I repeat that section 3 of the Immigration Act is very wide in its extent. Section 40 is wide in its extent and the provisions of the criminal law with regard to sedition are generously very broad indeed. Section 132 of the criminal code has been frequently referred to in the course of the discussion on this subject:

Seditious words are words expressive of a seditious intention.

(2) A seditious libel is a libel expressive of a seditious intention.

(3) A seditious conspiracy is an agreement between two or more persons to carry into execution a seditious intention.

Then 134 provides for the punishment of sedition. But the expression "seditious intention" is nowhere defined in the criminal code, and therefore we have to go back to the English common law, which is the law of this country except in so far as it has been changed by statute. As I say, the definition of seditious intention appears nowhere in the criminal code. When it was intended in England to draft a code of English criminal law section 102 was drawn up, but it never became law. It did, however, contain a clause defining seditious intention. I cite now Crankshaw's Criminal Code at page 142:

A seditious intention is an intention to bring into hatred or contempt or to excite disaffection against the person of Her Majesty, or the government and constitution of the United Kingdom or of any part of it as by law established, or either house of parliament, or the administration of justice; or to excite Her Majesty's subjects to attempt to procure, otherwise than by lawful means, the alteration of any matter—

Any matter.

—in church or state by law established; or to raise discontent or disaffection amongst Her Majesty's subjects; or to promote feelings of ill-will and hostility between different classes of such subjects.

Anyone who has made a special study of the subject of sedition, as it was my unfortunate duty to do upon one occasion, will know the wide extent of that definition of seditious intention. That definition drafted by the English commissioners never became law, but it was admitted to be a very fair presentation of the common law affecting seditious intention.

I therefore make the statement in conclusion that this section as it stands now is unjust in that it discriminates unfairly against British subjects born outside Canada. It is also unnecessary in view of the legislation already existing. I therefore appeal to the leader of the opposition (Mr. Bennett) to assist in the repeal of this iniquitous law. It is a monstrosity that bears the obvious signs of its hysterical birth. There ought not to be in this country any legislation that effects or makes possible discrimination of this sort. Canadian citizenship ought to mean the same for all Canadian citizens. Canadian citizenship is something that ought to be valued, and we ought to place all persons who are British subjects on the same footing, whether they are British subjects born in Canada or British subjects born outside Canada, whether they are British subjects by virtue of birth or by naturalization. When we hand an alien a certificate of naturalization we say to him, "You have served five years of probation in this country and we deem you a fit person to enjoy the rights and privileges of British citizenship now conferred upon you". Let us place all British subjects in this country upon an equality. We cannot do so without repealing this section. I therefore again appeal to the leader of the opposition to assist the house in bringing about that repeal. He now occupies an important position and irresponsible utterances do not come well from him.

Mr. STEVENS: My hon. friend (Mr. Thorson) has quoted at some length from previous discussions. I am not going to go into great detail, but I must say that he was most unhappy in his last attempt to castigate my hon. friend and leader (Mr. Bennett) for inconsistency. The least he could have done, in honouring the house with his address, was to have quoted correctly from the records of the house.

Mr. THORSON: To what does my hon. friend refer?

Mr. STEVENS: My hon. leader in 1926, instead of intimating, as suggested, that this legislation was not needed and was useless, clearly pointed out in a discussion, carried on largely between himself and the Minister of Justice (Mr. Lapointe), that this section 41, went further than part II of the criminal code to which reference has been made. I will not read at any great length, but there are one or two quotations which I desire to make in order to clear the matter up. I am quoting from Hansard of 1926, page 4114:

Mr. Bennett:—

Directing his observation to the Minister of Justice.

—If my hon. friend will analyse the provisions of part II of the code, in the light of the provisions in section 41, he will have no difficulty in arriving at the conclusion that there are, in that section, offences whch are not contained in part II of the criminal code.

Later on he had this to say:

This is not the day to relax the arm of the law; this is not the day to lessen the authority of our officials to bring to account men who are deliberately endeavouring to destroy our institutions,

And so forth.

Mr. THORSON: May I ask a question?

Mr. STEVENS: Just a moment; let me conclude the quotation:

At the moment I am concerned with men who are circulating seditious literature and who are carrying on an active propaganda against organized government in the provinces and in this Dominion, and my regret is that in part II of the code there is no section that meets the cases mentioned in section 41.

In other words, my leader was discussing with the Minister of Justice the inadequacy of part II of the code in dealing with the very points that were dealt with in section 41. And that has been our point all through in regard to this legislation. The hon. member says that this legislation was railroaded through the house in 1919. Again he quoted one or two portions of Hansard, which I have in my hand, to give to the house a fair presentation of the facts. What are the facts? During the session of 1919 the house passed an amendment to the Immigration Act. I have not the details before me—

Mr. THORSON: I gave them.

Mr. STEVENS: No, you did not mention them.

Mr. THORSON: I gave all the dates.

Mr. STEVENS: I will give the dates the hon. member gave and deal with them differently. The act was passed through the house and accepted apparently by both houses. And by the way, this went concurrently with the amendment to the code which took from May first to July seventh before it finally passed. It was in a sense concurrent legislation. In June of that year, however, it was found by the officers of the crown that the amendment passed was not sufficient to cover the case as indicated in the criminal code. On June 6, therefore, Mr. Calder, then Minister of Immigration, came before the house with a bill to amend the act already passed at that session. Mr. Calder said:

In the bill which was before this house amending the Immigration Act certain persons who advocated the overthrow of government, the destruction of property, and so on, by violence were in the prohibited classes. The matter has been inquired into further and the law officers of the crown have advised that the section as it stands does not really cover all that was intended.

Then Mr. D. D. McKenzie, leader of the opposition, said:

I have no desire to obstruct the minister but would he say in what form this legislation comes before the house?

The hon. gentleman discreetly avoided an answer, and Sir Robert Borden, who was Prime Minister at the time, said:

It can only be done by the unanimous consent of the house.

To that statement Mr. McKenzie replied:

I did not hear the minister ask the unanimous consent of the house.

Then Mr. Calder moved for leave to introduce the bill; he moved first reading, second reading and third reading and it was passed by the house and sent to the senate. Each of these moves had to be and was made with unanimous consent after Sir Robert Borden, then Prime Minister, intimated to the house that unanimous consent was required.

Mr. YOUNG (Weyburn): Was the bill printed and in the hands of the members at the time?

Mr. STEVENS: I do not know; my hon. friend can assume that it was not, but it does not alter the fact that unanimous consent was given. That bill was passed to amend a piece of legislation which had been previously considered together with another piece of legislation which took two months and one week to consider, and it was read three times with unanimous consent during that sitting of the house, after some considerable discussion. Had one member of the house objected, the whole business wolud have stoped; the bill could not have moved at all. My hon. friend says it took only fifteen minutes; that may be so, but there was considerable discussion. This

bill repealed a section which was previously passed during that session, and I think that fairly disposes of any suggestion that this legislation was railroaded either in the amendment to the Immigration Act or the amendment to the criminal code, as we pointed out very clearly on Friday night.

Now let us come to the point. I happen to belong to that benighted class of persons born in England. Some gentlemen who were not born in England seem to be intensely solicitous for some of us who were born there. I was born in England, and I am mighty proud of it. I came to this country forty-one years ago, and I am going to have something to say to the minister about how he treats those people who were born in England and who have lived a number of years in this country, when they go to the motherland for a visit, and try to return to Canada. Now I want the house to remember that we are not dealing with law-abiding citizens, persons seeking to make an honest living here and who have a right to claim a square deal from the people of Canada. We are dealing with those who, by word or act in Canada, seek to overthrow by force or violence the government or the constituted law and authority of the United Kingdom of Great Britain and Ireland, of Canada, and so forth. We are not interfering in any way with the law-abiding citizens of this country.

Mr. WOODSWORTH: Who is to decide whether or not the charges against these people are true? That is the very point; they are not to receive trial by jury. Surely the hon. gentleman will admit that even such a man accused of breaking the law should have the right to trial by jury.

Mr. STEVENS: There comes a time—and few people know it better than does my hon. friend—when by virtue of insurrection, rebellion, violence and seizing control of the machinery of government in a locality or in a country as a whole, or attempting to do so, the ordinary functions of the administration of law cannot be applied. For instance, if the offences cited here are dealt with months later there may be an opportunity for the normal functioning of the processes of law, but when a group of men seek by violence to overthrow the constituted authority, under this section the government of the day have the right to deport such persons.

Mr. WOODSWORTH: When they are only charged with the offence?

Mr. STEVENS: That may be, but you have at least this much trial; their cases are reviewed by the officers of the government, and that is at least a measure of trial.

Mr. ADSHEAD: Why not apply it to Russia as well as to Canada?

Mr. STEVENS: Now I am going to turn to the attitude adopted by the minister toward law-abiding citizens of the present day. There is no trial by jury; it is done according to the whims of himself and his officers. I have been referring to a very extreme case, that of persons seeking to overthrow the government by force. It is all very well for my hon. friend to suggest that such persons should have the advantage of all the intricacies of legal procedure, but we know from experience in this country—although fortunately we have had few experiences—and we know from the history of other countries that to deal with such people requires somewhat drastic measures. As far as Canada is concerned, the test of this is the fact that it has not been used; there has been no need to use it at all, but its presence on our statutes is an excellent deterrent.

Now take one of these persons born in England who comes to Canada and lives here for say forty-one years, as I have done. That person goes back to England for a visit and remains only a few weeks, not a year as the minister stated previously. Then he comes to the ticket office of the Canadian National Railways, or some other transportation company, and is told that he must fill out this form in order to get back to his family, his business and the country where he has lived for so many years. This form is not issued under the statute, and is not something with which parliament can deal; it is an arbitrary form issued by the minister under his authority, and his officers are instructed that a person who refuses to fill out this form or to comply with its provisions shall not be admitted to Canada. In all there are twenty-six questions; some of them I will not read. There are questions covering the name, age, place of birth, nationality and so on. Then one is asked, "Have you ever been refused admission to or deported from Canada? Do you intend to reside permanently in Canada? Can you read? What language? By whom was passage paid? Religion." It is not enough to say you are a Protestant; you must state whether you are Wesleyan, Church of England, Roman Catholic, and so on. "What trade or occupation did you follow in your own country? What occupation do you intend to follow in Canada? If destined to relative, friend or employer, state which and give full name and address. If not joining any person, give address in Canada to which you are going. Give full name, relationship and full address of your nearest relative in the country from which you came?"

I happen to have, I suppose, thirty or forty relatives over there and I could not for the life of me tell you which is my nearest relative; I have a few cousins, aunts, and so forth. "If your wife and children are to follow you, give names and ages." And then it goes on, "Have you or your family ever been mentally defective, physically defective, or tubercular?" And then, "If in possession of passport, give place of issue and the date" and so on. And then the last question, "What money in possession of passenger?"—how much money you have in your pocket. That was a list of questions which was presented to me and which I had to fill out before I could buy a ticket to return to Canada.

Mr. FORKE: You did not make a statement that you were a returning Canadian, when asked those questions?

Mr. STEVENS: I certainly did. I said, I have been forty-one years in Canada and I have been a member of parliament for many years, and why have I to fill out these questions? And he said, I am sorry, sir, but you have to fill out the questions.

Mr. FORKE: Then the officer did not do his duty.

Mr. STEVENS: He was a Canadian officer. I had to fill them out.

Mr. FORKE: You would be glad to fill them out.

Mr. STEVENS: Not only did I have to fill them out for myself, but for my wife and my son, who left England three weeks before I did, as I was detained; I had to fill them out before I could get a ticket for her. She has been in Canada longer than I have, ever since she was a year and a half old.

Mr. YOUNG (Weyburn): What is the objection to filling it out?

Mr. STEVENS: After I had answered these questions, I wrote across the top of it that I considered these questions ludicrous and absurd.

Mr. FORKE: I will make the statement here that the only requirement for an Englishman to come here is good health.

Mr. STEVENS: That is not the case.

Mr. RINFRET: That is the case.

Mr. DUNNING: We should have order. I am rising to a point of order.

The CHAIRMAN (Mr. Marcil): The member for Vancouver Centre (Mr. Stevens) has the floor and cannot be interrupted.

Mr. DUNNING: On a point of order. My point of order is not against the member but to the whole discussion. The bill relates to a certain, specific matter of deportation; I do not think it is sufficiently broad to permit a general discussion upon immigration and the conditions surrounding it.

Mr. STEVENS: Upon the point of order, if you intend to rule on it, we are dealing with the repeal of a section of the Immigration Act which calls for the deportation of certain persons, to the character of whom I have referred. I now bring in this as an illustration of the inconsistency of the position, that while some are proposing the repeal of an act which deals with criminals and insurrectionists and seditionists, under the regulations of the act bona fide citizens of Canada are forced to answer questions and meet with obstacles to re-enter Canada which are absurd; and I am going to carry it a step further and say this, that the presentation of this form and others which I have not under my hand—there are four or five of them—together with the necessity for photographs being taken—it did not go to the length of finger prints, but at all events photographs had to be attached, plus an examination by a a strange doctor in a fixed place—is doing more to interfere with Britsh immigration to Canada than does any other thing, and certainly more than the presence of section 41 in the Immigration Act. That is the gravamen of my argument, and I desire just to complete it. If the chairman is going to rule upon my discussion of this question—

The CHAIRMAN (Mr. Marcil): The rules of the house are well known, but here is what subsection 2 of standing order 58 says:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Of course an illustration is allowed, but it must always be remembered that the question of relevancy applies.

Mr. STEVENS: I entirely agree with your ruling, Mr. Chairman. The point I am endeavouring to make is particularly in response to the argument made by the hon. member for Winnipeg South Centre (Mr. Thorson) and it is this. When some hon. gentlemen exercise themselves to a point of impassioned appeal in defence of Englishmen, if you like, who seek to overthrow by force or violence the law and constituted authority of this country—

Mr. THORSON: I protest against that, Mr. Chairman.

Mr. STEVENS: Excuse me, my hon. friend is not going to make an argument; he may make a statement if he likes.

Mr. THORSON: I rise to a point of order. I ask the hon. member for Vancouver Centre to withdraw that statement.

Mr. STEVENS: That is not a point of order. I know my rights in this house.

Mr. DUNNING: If the hon. member for Winnipeg South Centre says that the hon. member for Vancouver Centre is attributing to him statements which he did not make, he has a right so to state.

Mr. THORSON: The hon. member for Vancouver Centre has attributed to me words which I never uttered. The hon. member says that I am solicitous for Englishmen who have committed certain offences. I made no such statement. I made—

Mr. STEVENS: That is all Mr. Chairman, the hon. gentleman is not entitled to make a speech.

Mr. THORSON: I stated first of all that the bill was discriminatory.

The CHAIRMAN (Mr. Marcil): In Beauchesne's Parliamentary Rules and Forms, page 103, paragraph 313, it is pointed out that the rule is that a statement by an hon. member respecting himself and peculiarly within his own knowledge must be accepted. The statement of the hon. member for Vancouver Centre must be accepted.

Mr. STEVENS: My point is this—

Mr. THORSON: I ask that the hon. member withdraw his statement that there was approval by me of Englishmen who have committed offences. I expressed no such approval.

Mr. STEVENS: The chariman is quite able, I am sure, to keep me in order, and he knows me quite long enough—

Mr. DUNNING: Does my hon. friend say that he did not make this statement?

Mr. STEVENS: I made no such statement.

Mr. THORSON: Will the chairman say whether I did or did not make such a statement?

The CHAIRMAN: The hon. member for Vancouver Centre having made a statement, and the hon. member for Winnipeg South Centre having made a statement, both statements must be accepted. The debate will proceed.

Mr. STEVENS: Let me try and make this as impersonal as I can.

Mr. RINFRET: You may make it worse.

Mr. STEVENS: No, I am going to make it as nearly as I can according to the facts. We have on the statute book a certain law providing that persons who seek to overthrow by force or violence the government and statute law and authority of this country may be deported. I said that this applied to Englishmen,—I used that word because I happen to be an Englishman. It applies to Englishmen who are now resident in Canada. I said this: There are some who are apparently solicitous for those who are guilty of this offence and they are seeking to repeal this law so that no disability in regard to deportation under the act shall rest upon such persons.

Mr. LAPOINTE: They will be subject to deportation if they are convicted of a criminal offence.

Mr. STEVENS: I am talking about treatment under this act—

Mr. DUNNING: Treatment is a good word.

Mr. STEVENS: —and I say that the same government which is supporting the repeal of this legislation allows its Minister of Immigration to issue regulations placing impediments and obstacles in the way of British immigrants coming into Canada and, furthermore, obstacles which are little less than offensive and insulting to an Englishman who visits the old country and who seeks to return to Canada.

Mr. WOODSWORTH: Is it not better to keep out a criminal Englishman than to have to deport him afterwards?

Mr. STEVENS: I suppose my hon. friend thinks that is clever.

Mr. WOODSWORTH: I am answering the hon. member's own question.

Mr. STEVENS: The law provides for keeping out criminals, but if a man enters this country and later develops his criminality, he is liable to deportation under section 41.

Mr. LAPOINTE: If he is convicted properly.

Mr. STEVENS: I say that under these regulations together with others that are still more arbitrary, we are placing in the way of legitimate immigration, impediments which I think are unwarranted and should not be tolerated. Let me illustrate in this way what I mean. I know of a farmer near Leeds, England, who sold his farm a few months ago for £5,000. He had five sons born on the farm, every one of them young lads, the

oldest being twenty-one and the youngest eleven, a daughter and his wife. He wanted to start every one of them up on a farm in Canada. This is not an Englishman who knew nothing about farming; he, his father and his grandfather were farmers; he had approximately $25,000 in cash and he wanted to come to Canada. I am taking this case from the officers of the Department of Immigration. What was he faced with? First he was shown the document which I hold in my hand and which he had to sign. Then he was told that he must go to a certain place on a certain date and subject himself, his sons, his daughter and his wife to a medical examination by an absolutely strange doctor. He asked if they would accept the certificate of his family doctor, but, no, they would not accept it. In this case it happened that the immigration office was in a public-house. There are twelve places where they are in publichouses.

Mr. ROSS (Moose Jaw): I rise to a point of order. I think the hon. member is absolutely out of order.

Mr. STEVENS: The farmer took the stand that it was not a reasonable thing to request of him. In addition to that, he had to submit—

Mr. ROSS (Moose Jaw): Mr. Chairman, I submit the hon. member is out of order.

The CHAIRMAN (Mr. Marcil): We are discussing the question of immigration.

Mr. DUNNING: No, we are not.

The CHAIRMAN (Mr. Marcil): We are discussing the question of deportation of immigrants. The hon. member for Vancouver Centre knows of course that the rule of relevancy applies. By way of relevancy he may refer to other cases dealing with immigration.

Mr. DUNNING: I submit, on the point of order, there is a proper place for the house to discuss this matter and that is on the estimates of the Department of Immigration. I for one should be delighted to discuss the matter there, but I do not think it is fair nor within the rules of the house to have attention diverted from the specific and only point which is contained within this legislation and which has to do solely with the deportation of British subjects born outside of Canada. If we can on that one point discuss the whole subject of immigration, then there is no use in anyone rising to a point of order.

Mr. BENNETT: Speaking to the point of order, I think it is quite clear from what was said by the minister himself the other evening, that the question of deportation involves the question of immigration. You have to get your citizen into the country before you can deport him. In dealing with the right of deportation we are dealing with the right to send out of the country those whom the country has brought in. The hon. member is discussing circumstances under which some people who are brought in, are subsequently taken out.

Mr. STEWART (Edmonton): I want to raise a point of order from another angle. This matter is now before a select standing committee of the house and we would be glad to hear the hon. member before that committee.

Mr. LAPOINTE: I was going to submit the very point of order which the Minister of the Interior has just mentioned. The whole subject of immigration has been referred to a committee of this house, and it should not be discussed here while the bill is before the committee.

Mr. BENNETT: Why was this bill not referred?

Mr. LAPOINTE: This is another matter altogether. It is to repeal a statute specifically concerning deportation, and the discussion should be restricted to that statute.

Mr. STEVENS: I will restrict myself to it. If the house is, as I said a moment ago, going to be solicitous for the welfare or the wishes or desires of those who seek to overthrow by force or violence the government, to come into this country—

Mr. LAPOINTE: My hon. friend has no right to say that. I am not any more solicitous for those who commit such acts than my hon. friend is.

Mr. STEVENS: Then why repeal the section?

Mr. LAPOINTE: I want to give everybody in this country the right of a trial for any alleged offence.

The CHAIRMAN (Mr. Marcil): The point of order must be settled. The rule of relevancy applies and I am somewhat of the opinion expressed by the Minister of the Interior that, as the matter of immigration has been referred to a committee which will have to report back to the house, an opportunity will then be given to the house to discuss the whole question of immigration.

Mr. STEVENS: I have finished with that portion of my remarks.

The CHAIRMAN (Mr. Marcil): I hope the hon. member will limit himself to what is now before the committee.

Sir GEORGE PERLEY: This bill ought to go before the select standing committee also.

Mr. STEVENS: My illustration, although somewhat interrupted and disjointed, has at least borne in upon the minds of hon. members the necessity for some consideration of the matter. The Minister of Justice interjected a moment ago that his point was that no one should be deported except after trial before the courts of the country. Why, there are dozens and dozens of cases, including the McConachie baby case, deported on what authority?

Mr. LAPOINTE: I am referring to people who are charged with crimes, not to cases like the McConachie one.

Mr. STEVENS: I am referring to people charged with crimes. The other day there was a case in Vancouver where it was said that a man was charged with a crime. I know nothing about the man; he may have been good or bad; but he was carrying on some profession there which was perfectly honest. Someone said that about eight or ten years ago he had been charged with some crime in the United States, although he had never been convicted, and he was picked up by the immigration authorities for deportation. There was no charge that he had committed any offence in Canada, nor that he had uttered sedition nor sought to overthrow the government of this country. There was simply a statement that he had been charged with a crime in some other country, and he was picked up by the immigration authorities.

Mr. FORKE: Because he had never landed in Canada. He was not here legally.

Mr. STEVENS: The minister said: He had never landed in Canada. He was in Vanvouver.

Mr. FORKE: I said legally. He had not entered Canada legally.

Mr. STEVENS: Here we have an illustration of the minister's lack of knowledge of the law. I am not blaming him because I am not a lawyer and neither is he. His position, however, is rather weak. Why did the man enter Canada illegally? What was the illegality of his presence in Canada? Because he was supposed, according to another person's statement—and no trial was held—to have been charged with an illegal act in the United States.

Mr. STEWART (Edmonton): The minister did not say anything of the kind.

Mr. STEVENS: I am saying that.

Mr. STEWART (Edmonton): My hon. friend is making a statement that is entirely apart from the fact.

Mr. STEVENS: Does the minister know the case I am talking about?

Mr. STEWART (Edmonton): The minister said that the man landed in Canada illegally, and for that reason he may be deported.

Mr. STEVENS: The minister decides that this individual was in Canada illegally.

Mr. FORKE: I do not know the case, but if my hon. friend will allow me to make a statement—

Mr. STEVENS: The minister says he does not know the case, but he is going to explain it.

Mr. FORKE: If he was over here illegally—

Mr. STEVENS: To whom is the minister referring?

Mr. FORKE: —he probably slipped over the border, the same as some Canadians do going the other way.

Mr. STEVENS: Does the minister know whom he is talking about?

Mr. FORKE: No, but I know—

Mr. STEVENS: The minister says he does not know whom he is talking about.

Mr. FORKE: I know that he would not be deported if he were here legally.

Mr. STEVENS: If the minister will please take his seat, I will go on.

The CHAIRMAN: These interruptions are taking up the time of the hon. member for Vancouver Centre. He has the floor.

Mr. STEVENS: The minister says he does not know the case, and yet he says the man was illegally in Canada. I am telling the house the facts of the case. Here was a man from the United States who came to Canada and was carrying on here a perfectly legitimate business. An individual informed the immigration authorities that this man had been charged with—he was not convicted—an offence in the United States, and the minister's officers come along and pick him up and take him down to the detention sheds for deportation without a trial.

Mr. STEWART (Edmonton): My hon. friend is now going beyond the facts.

Mr. STEVENS: No, I am not.

Mr. STEWART (Edmonton): He would not be deported without a trial.

Mr. STEVENS: The answer to the minister is the answer that the poor fellow gave when he was in gaol. They told him, "They cannot put you in gaol for this," and he said, "Why the answer is, I am in gaol now."

Mr. STEWART (Edmonton): My hon. friend well knows that he would not be sent out of the country without being given a trial.

Mr. DUNNING: Was he deported?

Mr. STEVENS: As far as I know, yes.

Mr. DUNNING: As far as you know.

Mr. STEVENS: I think under this forty minute rule, Mr. Chairman, one should at least be permitted to state his case. My point is this, that under the Immigration Act we have a score of different reasons why a man may be deported. He can be deported for various things—an offence in another country—and I know many of them who have been picked up—

Mr. DUNNING: Can we have the name of the individual who, my hon. friend says, was deported under the circumstances which he has just related?

Mr. STEVENS: The Minister of Immigration knows the case; ask him.

Mr. DUNNING: Let us have the name.

Mr. STEVENS: The Minister of Immigration says he knows the case; ask him. If he says that what I state is wrong—

Mr. DUNNING: Give us the name.

Mr. STEVENS: Another thing is this—

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: You are the very one who said names should not be mentioned the other day.

Mr. DUNNING: Will my hon. friend give the name to the minister privately, if the man would be injured by giving it publicly?

Mr. FORKE: Does not the hon. member think it is only decent, when he makes a charge, to give me the name, so that I can have a report made on the case?

Mr. STEVENS: I am making no charge.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I submit, Mr. Chairman, that interruptions of this kind are not conducive to orderly debate. One should at least have the opportunity to present his case without ribald "oh, ohs," from that section of the house. My argument is that in the repeal of this legislation we are dealing with perhaps one of the most difficult phases of administration that it is possible for us to consider. We have had one experience in Canada, the only one, I think, in the last forty or fifty years, where certain groups of individuals sought by violence to secure control of constituted authority in this country. Canada prides itself, and very properly so, upon its system of government and upon its constitution, and yet the constituted authorities upon that occasion found it impossible to deal with the situation which arose, and so this legislation was passed, not ill-advisedly, not railroaded through the house, but the corollary to this amendment took two months and a week to get through in the session before this particular amendment was made, and later on this amendment was introduced into the house and unanimously accepted by the house without a protesting voice. Since that date not a single complaint regarding the application of this law has been made. Only a political cry has been set up by certain individuals, to gain a little political advantage, for the repeal of this section, and two years ago, when a bargain was made between the Prime Minister and the hon. member from Winnipeg North Centre, who at that time was sitting on the other side of the house—

Mr. WOODSWORTH: I ask that the hon. member retract that statement. It is absolutely untrue.

Mr. STEVENS: A letter passed between the Prime Minister and the hon. gentleman—

Mr. WOODSWORTH: I ask that that statement be retracted, Mr. Chairman. I repeat it is absolutely untrue.

Mr. STEVENS: If the hon. gentleman says that there was no bargain or understanding with the Prime Minister, I am quite willing to accept his word, as he is entitled to have done, speaking from his place in the house, but I was referring to a letter which was written by the Prime Minister to the hon. gentleman, and which was read by the hon. gentleman himself into the record.

Mr. WOODSWORTH: What did the letter say?

Mr. STEVENS: I have not got it under my hand, but my hon. friend will not deny reading that letter to the house.

Mr. WOODSWORTH: If I read it, I will not deny it.

Mr. STEVENS: You received it and read it into the record.

Mr. LAPOINTE: There was no bargain in that letter.

The CHAIRMAN: The forty minutes is up but in view of the interruptions, perhaps the hon. gentleman should be allowed more time.

Mr. STEVENS: I did not get through my argument, but I shall bow to your ruling, Mr. Chairman.

Mr. DUNNING: As another individual who is affected by this law in the same manner as the hon. member for Vancouver Centre, who has just spoken, I desire to say a few words along the same lines that I followed on a former occasion.

While my hon. friend from Vancouver Centre is, like myself an Englishman resident many years in this country, and like myself, subject to the provisions of this law, his view of it is different from mine, just in the same manner as his political principles differ from mine. His view is essentially the Tory view of this class of legislation, and mine, I hope, is essentially the Liberal view.

Some hon. MEMBERS: Oh, oh.

Mr. DUNNING: Broadly the question resolves itself into one of the most fundamental questions of government: Shall a man who is charged with a crime be given a trial or not? Shall Canadian citizens stand equal before the law? That is the question, and I submit that those of us who come from the old land have exactly, or should have exactly the same rights before the law of this country as those who come from other lands, and it is on that particular ground of principle that I am against any legislation of this sort. Perhaps I can best illustrate my point by making a comparison from within the walls of this house.

I have a very high respect for my hon. friend the member for Vegreville (Mr. Luchkovich). He comes from another land. He comes of a different race from mine, a different race from that of almost all of us. He is to-day a Canadian citizen by naturalization. I am a British subject, born in England, and resident in Canada. I believed that we were both Canadian citizens with equal rights before the law, but this legislation does not treat us equally. Let me follow my illustration further. The hon. member for Vegreville and I, having common principles, as we have on many matters, go out and address a public meeting. Some individual at that meeting has the idea that we are advocating the overthrow of government by force and violence, and a charge is laid against both of us. What is the treatment accorded under this law? Under this law as it now stands, an immigration inspector puts his hand on my shoulder and kicks me out of the country without a trial, but my hon. friend from Vegreville, charged with the very same offence, must be charged under the criminal code and receive a fair trial. I am asking for the British-born subject the same treatment—

Mr. THORSON: And the hon. member for Vegreville could not be deported if found guilty.

Mr. DUNNING: No. He must be punished in this country, because there is no place to deport him to. He has lost his previous nationality in accepting Canadian nationality. But I may be torn away from my family and my possessions in this country and sent back home at the whim of a bureaucrat—an immigration inspector. My hon. friend from Vancouver Centre actually defends that procedure and accuses us who seek to wipe it out of championing the cause of those who would upset government in this country by violence. No, Mr. Chairman, the principle is far more vital than that. The principle gets down to the very roots of our freedom, as to whether men who are charged with crime shall be equal before the law, shall all be treated before the same courts in the same way, or whether there shall be an arbitrary authority set up, no matter what it is, that can say to one man: "You get out of the country; leave your family and your possessions behind you; you are guilty;" and to the other man: "You go before the court and we will prove whether you are innocent or guilty." It is on the matter of principle that I stand in connection with this law.

Mr. McGIBBON: Is it not the fact that previous to this law you could not deport a Britisher who talked sedition, while you could deport a Frenchman, an Italian or any alien; and that what this law did was to put them on an equality, not an inequality?

Mr. DUNNING: No. it is not a fact as relating to British subjects.

Mr. McGIBBON: I beg your pardon, I think you will find it is.

Mr. DUNNING: Until this law was passed a British subject born in England was treated the same way in this country with respect to this class of offences as any other British subject. With respect to aliens, they could always be deported, but even then only after conviction for an offence. I am in the judgment of the lawyers of the house in saying that this is the only case where a man charged with a criminal offence in this country can be deported without trial. I should like any lawyer in this house to name another circumstance under which any man charged with crime in Canada can be deported without trial, be he a British subject or an alien.

Mr. BENNETT: Surely you know better than that.

Mr. DUNNING: There may be other classes of offences for which people may be deported; for instance, if they got into the country illegally in the first place, or are medically unfit. I am not discussing such cases. Personally I know of no case at all similar to this one. Even so, I prefer to limit my claim to those who are British subjects and simply to plead for equal treatment, no matter where they may happen to have been born. After all, is it so creditable to have been born in this country? I am inclined to think there is more merit in having had the courage to leave one's native country and come here than there is in the mere accident of birth in this country. Why should we treat differently before the law British subjects, whether born in Canada, in England or elsewhere in the British Empire? We are not defending those who commit offences. But my hon. friend from Vancouver Centre asks us to adopt the principle that a man is to be presumed guilty without trial—

Mr. BENNETT: No such thing.

Mr. DUNNING: —on the determination of a bureaucratic official. British law presumes that men are innocent until they are proven guilty, and all I ask for British people in this country is that they be given a chance before a jury of their peers to defend themselves, that they are proven criminal in the regular courts before they are turned out of this country.

Mr. BENNETT: I do not know whether to be more appalled at the absolute lack of knowledge of the minister who has just taken his seat (Mr. Dunning) or with his effrontery in making statements such as he has made.

Mr. DUNNING: Mr. Chairman, I ask for the withdrawal of that word.

The CHAIRMAN (Mr. Marcil): I think the word "effrontery" might be modified.

Mr. BENNETT: Then I will say "courage".

Mr. DUNNING: I will admit that my hon. friend is an excellent judge of effrontery.

Mr. BENNETT: Now, Mr. Chairman, the hon. gentleman transgresses the rule that he has invoked. This is his idea of parliamentary procedure. I suppose he is subject to exactly the same observation which you made in respect of myself, Mr. Chairman. Will you be good enough to make it?

The CHAIRMAN (Mr. Marcil): The same rule applies.

[Mr. Dunning.]

Mr. DUNNING: If it is unparliamentary to say that my hon. friend is an excellent judge of effrontery, I have pleasure in withdrawing the expression, and would say that he is an excellent judge of courage.

Mr. BENNETT: Now that the minister has admitted that I am an excellent judge of that courage which he has just displayed, may I venture to direct the attention of the committee to the fact that ever since we have had an immigration law it has contained a provision whereby immigrants who are guilty of criminal offences may be deported without trial? I wonder if this is not known to hon. members.

Mr. DUNNING: Proven guilty?

Mr. BENNETT: No.

Mr. DUNNING: I should like to see the section. If it were so I would urge its repeal.

Mr. BENNETT: I thought the hon. gentleman wanted to change the whole foundation of our law. That is one of the difficulties of speaking without knowledge.

Mr. DUNNING: We will find that out later.

Mr. BENNETT: Let us look at the Immigration Act itself. But before I read it I may make this observation. The right of every country to determine who shall be its citizens has always been admitted in international law as one of the proudest of a nation's privileges. No one has been more insistent than the hon. gentleman from Winnipeg South Centre (Mr. Thorson) in claiming that we are a nation, that we have the right to determine our own affairs as suits us best, and that with respect to determining who shall come within our borders and who shall go out we are the only judges, and that this question should be determined according to the exigencies of the moment and the necessities of the case.

Mr. DUNNING: By this parliament.

Mr. BENNETT: This parliament should determine. Now, let me quote the Immigration Act itself. Hon. members will find that section 3 specifies the classes of persons that are prohibited from entering Canada. Then I turn to section 40, a section that has been much discussed in this house during the debates that have taken place in connection with the repeal of section 41. Section 40, chapter 93 of the revised statutes of Canada, 1927, reads as follows:

Whenever any person other than a Canadian citizen or person having Canadian domicile, shall be found an inmate of or connected with

the management of a house of prostitution or practising prostitution, or who shall receive, share in, or derive benefit from any part of the earnings of any prostitute or who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes, or where prostitutes gather, or who in any way assists any prostitute or protects or promises to protect from arrest any prostitute or who shall import or attempt to import any person for the purpose of prostitution or for any other immoral purpose, or who has been convicted—

"Or," mark you, not "and."

—or who has been convicted of a criminal offence in Canada or who admits the commission prior to landing or entry to Canada, of a crime involving moral turpitude, or who has become a professional beggar or a public charge or practices polygamy, or has become an inmate of a penitentiary, gaol, reformatory, prison, asylum or hospital for the insane or the mentally deficient, or an inmate of a public charitable institution, or enters or remains in Canada contrary to any provision of this act, it shall be the duty of any officer cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the minister, giving full particulars.

There is the position with respect to that.

Mr. DUNNING: Am I not domiciled in Canada?

Mr. BENNETT: Yes. I will read you what domiciled is in a moment. I want to leave the word domicile alone for the time being and to show that parliament found it desirable to confer large powers on the immigration authorities to deport certain prohibited and undesirable classes of persons, regardless of whether or not they were convicted of offences, for the reasons mentioned by the minister in the early part of the session, and which the then Minister of the Interior referred to in 1926. This parliament has always claimed the right to place in the hands of its officials certain powers with respect to removing from the country those classes of people that were regarded as undesirable.

Mr. FORKE: Immigrants.

Mr. BENNETT: Yes.

Mr. FORKE: The clause you read deals especially with immigrants.

Mr. BENNETT: Let us take the minister's interpretation—immigrants whom we turn out of the country. The Minister of Health (Mr. King, Kootenay) the other day read the prohibited classes and I will not take the time now to give them again. Suppose anyone in that class came to the country: what would happen? Is there any trial? Was there a trial in the case of the McConachie child?

Mr. FORKE: The cases are not parallel at all.

Mr. BENNETT: The point which I am making the minister has not yet appreciated. It is this: Under the provisions of the statute powers are given to the officials of the department to deport from this country men and women who, though they have not been convicted of any crime, are found to be within the prohibited or undesirable classes.

Mr. FORKE: But who are not Canadians.

Mr. BENNETT: The authorities themselves have the right to order such deportation. The question whether or not they are Canadians does not arise.

Mr. FORKE: Yes, it does.

Mr. BENNETT: My point is that parliament has claimed the right to determine who shall come within the borders of Canada, and under what conditions people shall be deported. And that power is not limited to the deportation of persons convicted of any crime. The prohibited classes, as mentioned in the section, were given the other day by the Minister of Health. Section 3 gives one class and section 40 the other; and one of the classes embraces those who have been convicted of any crime. With respect to them the crime need not necessarily have been committed in Canada; if any such person has been convicted of a crime in any other country we may exclude him from this Dominion. That is the provision of the law. In the United States and in other countries as well, to whose shores people are invited, it has been deemed wise—and it is not an unreasonable thing—to vest in certain officials the power to send out of the country certain undesirable persons who have come in. I would remind the minister and this committee that 95 per cent of all deportations that have taken place in Canada have been deportations made at the whim of Canadian officials. I say whim; let us call it a judicial whim, if you like. But the fact is that these deportations have been made by the officials of this country without regard at all to the courts of the land.

Mr. DUNNING: But not in connection with matters that could come before the courts.

Mr. BENNETT: Every one of those to whom I have reference comes within the class of persons committing what are offences under the code.

Mr. DUNNING: Being in an insane asylum or a charitable institution is not an offence.

Mr. BENNETT: No. But inmates of the other institutions are all persons who have committed criminal offences. And what is more, the prohibited class involves criminal cases. In other words, this parliament has claimed from time immemorial, and properly so, the right to exclude from Canada men and women who, in the opinion of the public of this country, ought not to be here; and the officials of the department—not the minister himself, except in so far as he signs his name to the deportation order—have determined the question without reference to the courts of Canada.

Mr. FORKE: My hon. friend's argument is perfectly sound so long as he is dealing with immigrants. There is no mistake that these powers are given in these cases. But section 41 deals with people like the Minister of Railways (Mr. Dunning) and myself.

Mr. BENNETT: I am sure—

Mr. FORKE: The hon. member for Vegreville (Mr. Luchkovich), for example—this is merely by way of illustration—may commit any crime under the sun and he will be tried and punished under the laws of Canada. No immigration official can deport him. He has passed out of the immigrant class and is now in the Canadian citizen class. But the Minister of Railways (Mr. Dunning) and I have never ceased to be of that class so far as section 41 is concerned, and that is where the injustice and the wrong exist. All these laws are for the protection of the country against undesirable immigrants, and the officials can stop them at the border and turn them back.

Mr. BENNETT: I desire to say again that the minister and I are at one; there is no confusion of thought with respect to the matter. I was dealing with immigrants, and so was he. I was pointing out that this country had always retained the power, in its officials, to deport without recourse to the courts or trial by jury; and I made the statement that 95 per cent of all cases that have ever been dealt with in this country have been deportations made by the officials without convictions in the courts of Canada. I wish to impress that point upon the minister.

Mr. DUNNING: I should like my hon. friend to advance some proof regarding that 95 per cent. The statement is a sweeping one.

Mr. BENNETT: All I can say is that in the records of the department that statement appears many times and has never been denied in this house. It is shown that there are not 5 per cent of these cases in which a conviction in the courts of Canada is the basis of deportation.

Mr. DUNNING: If you include all the medical and mental reasons.

Mr. BENNETT: That is what I am doing; I am taking the whole list of deportations.

Mr. DUNNING: That is to say, there may be 80 per cent that would never have committed any offences for which they could have been brought to court.

Mr. BENNETT: The statement I am making is that, of all deportations from Canada, not 5 per cent, so far as I can gather from the records that have been drawn to my attention, were based on convictions in the courts of this country.

Mr. DUNNING: That might be true, because the reason for deportation might have nothing at all to do with any offence.

Mr. THORSON: The leader of the opposition has stated the powers of parliament in this matter. May I ask whether these powers do not continue beyond the time during which you might call a person, strictly speaking, an immigrant? That power of deportation without trial lies with the department for the period of five years of residence or until the naturalization of the alien.

Mr. BENNETT: That is what I am coming to.

Mr. THORSON: So that the minister has the power to deport without trial so long as the newcomer has not acquired Canadian citizenship within the meaning of the act. Does the leader of the opposition agree with that interpretation of the act?

Mr. BENNETT: I am coming to that. Obviously there must come a time when a limitation will be imposed by parliament upon its right, or upon the right of its officials, to deport, and that limitation has been fixed in the case of aliens at naturalization. My hon. friend has referred to the period of five years. It used to be a shorter time but under the statute at present, as he knows, the limitation has been fixed at five years for the reason that within five years the immigrant may obtain naturalization. And once he has obtained naturalization you cannot deport him, for the palpable reason that he no longer has any country to which he may be deported. It therefore follows that our powers with respect to deportation are exhausted when the immigrant becomes a naturalized Canadian citizen.

Mr. THORSON: Unless he loses his naturalization.

Mr. BENNETT: I am not discussing exceptions; he may lose his naturalization afterwards and be again subject to deportation. I am at the moment dealing with the broad principle that we have imposed a restriction on the exercise of our powers; that is to say, they must be exercised within five years. At the end of that period if the immigrant has become a naturalized Canadian—and it is to be assumed that he will become naturalized if he remains in the country for that length of time—these powers are no longer exercisable for the obvious reason, as I have said, that the immigrant has no country to which he can be deported, unless by his own conduct another condition has arisen to which I need not now refer. There is another point. What about the British subject who comes to this country and is a Canadian citizen ipso facto?

Mr. THORSON: He is not a Canadian citizen within the act.

Mr. BENNETT: He is a Canadian citizen within a year. His name goes on the voters' list and he votes; he participates in government. Why? Because we are a part of one empire. That is the reason. We have no right to say that he is not a British subject, and our constitutional powers would not enable us to say to him, "You shall leave the country", unless we place upon the law some artificial restriction with respect to his rights as a British subject. Parliament has said a very simple thing; under the test imposed by parliament in 1919 they merely said, "Was he born here or was he not?" In the one case he had to live here five years and become naturalized; then the power of parliament was gone, because the man was a naturalized Canadian and could not be deported for the simple reason that he had no other country to which he could go. The Britisher who comes to this country has the right to participate in the government of the country, with all the rights and privileges which belong to such participation, within a short time after his arrival, but he cannot become naturalized; he cannot become a Canadian citizen in the sense that an alien becomes a Canadian citizen, but there is a provision in the act in respect to domicile which was read by my hon. friend from Winnipeg South Centre (Mr. Thorson). Under that provision a Canadian citizen means a British subject who has Canadian domicile, and a Canadian domicile can only be acquired for the purposes of the Immigration Act by a person having his domicile in Canada for at least five years after having been allowed to enter the country. Clearly that does not apply to a British subject.

Mr. FORKE: I may be wrong, but I think it does apply to a British subject.

Mr. THORSON: Does the leader of the opposition say that that does not apply to a British subject?

Mr. BENNETT: Not as it applies to an alien, but for the purposes of the Immigration Act. I will read the section:

"Domicile" means the place in which a person has his home, or in which he resides, or to which he returns as his place of permanent abode, and does not mean the place where he resides for a mere special or temporary purpose;

(i) Canadian domicile can only be acquired, for the purposes of this act, by a person having his domicile for at least five years in Canada after having been landed therein within the meaning of this act:

Mr. THORSON: Does the hon. gentleman say this would not apply to a British subject?

Mr. BENNETT: Yes, it does, but I am coming to the point I want to make with respect to another point brought out by my hon. friend.

Mr. WOODSWORTH: Would the leader of the opposition mind reading the classes of persons who cannot establish domicile under any circumstances?

Mr. BENNETT: I was going to deal with that later, but I can do it now. Without going into the details at length, I think it is covered by this observation: The question of domicile is a matter of intention and fact, and the question of citizenship involves the law of nationality to this extent, that the British subject who comes into Canada is a Canadian citizen by virtue of his birth.

Mr. ADSHEAD: After twelve months.

Mr. BENNETT: Exactly. Now let us go a step further. We have our immigrant here, coming to us from England; he has exercised all the rights and privileges of a Canadian after he has been here twelve months. We have brought in a foreigner who becomes naturalized at the end of five years; then he cannot be deported. How are we going to deal with that class of immigrant about which my friend the minister is so insistent? As he has said he is an immigrant; my hon. friend from Vancouver Centre is an immigrant, and now we are dealing with immigrants. The difficulty is that the house is confusing the two things. We are dealing only with immigrants, people who come from outside countries to Canada. Such a person does not cease to be an immigrant because he came from another section of the British Empire; he is as much an immigrant coming

from London as a person coming from Poland. In law there is no distinction in the use of the word immigrant as between the person coming from any part of the British Empire and the person coming from outside the British Empire. Clearly both persons are immigrants and as the minister has said this section deals with immigrants and no other class of persons.

Mr. THORSON: I am sorry to interrupt so often, but I would like to ask another question for the purpose of securing information. Am I correct in stating that under the law as it existed previous to the present section 41, once a stranger came to Canada and acquired Canadian citizenship within the meaning of the Immigration Act, whether he was a British subject or an alien, he was then free from deportation no matter what offence he committed and no matter whether or not he received a trial?

Mr. BENNETT: I am just going to read the section; I think my legal friends will agree that I have fairly stated the situation to this moment. It will be remembered that in 1919 we amended the Immigration Act of 1910; that was the first amendment. What did we enact? In 1919 the statutes of 1910 were amended, and the section which was amended read as follows:

Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, or other British dominion, colony, possession or dependency, or the overthrow by force or violence of constituted law and authority, or the assassination of any official of the government of Great Britain or Canada or other British dominion, colony, possession or dependency, or of any foreign government, or shall by word or act create or attempt to create riot or public disorder in Canada, or shall by common repute belong to or be suspected of belonging to any secret society or organization which extorts money from or in any way attempts to control, any resident of Canada, by force, or threat of bodily harm, or by blackmail; such person for the purposes of this act shall be considered and classed as an undesirable immigrant, and it shall be the duty of any officer becoming cognizant thereof, and the duty of the clerk, secretary or other official of any municicpality in Canada wherein such person may be, to forthwith send a written complaint thereof to the minister or superintendent of immigration, giving full particulars.

As perhaps the house will remember, the statute of 1910 was amended in the early part of 1919, and if my friend from Winnipeg had directed his attention to what took place in 1926 perhaps he would not have made the observations he did make with respect to my position then. In 1926 the government of the day introduced a bill to deal with the immigration statute; they did not ask to repeal it and leave no substitute, but they provided that it should be repealed and that the section which I have just read should be enacted in its place. I am sure the hon. gentleman does not remember that, because he was not then in the house. I hold in my hand the bills of 1926; I sent to the library for them when my friend was speaking, because I realized that I was then dealing with a bill different in terms from the bill now before the house, and different also from the bill of 1927. Bill 91 of 1926, to amend the Immigration Act, read:

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section forty-one of the Immigration Act, chapter twenty-seven of the statutes of 1910, as enacted by chapter twenty-six of the statutes of 1919, is repealed and the following is substituted therefor:

41. Whenever any alien advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, or other British dominion, colony, possession or dependency, or the overthrow by force or violence of constituted law and authority, or assassination, or shall by word or act create or attempt to create riot or public disorder in Canada, or shall by common repute belong to or be suspected of belonging to any secret society or organization which extorts money from, or in any way attempts to control any resident of Canada by force or threat of bodily harm, or by blackmail; such person for the purposes of this act shall be considered and classed as an undesirable immigrant, and it shall be the duty of any officer becoming cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the Minister of Immigration giving full particulars.

What was to be substituted for the section to be repealed was the act of 1910. Under the leadership of the present Prime Minister the parliament of Canada proposed to repeal section 41 of the act as we now have it and to substitute the section which was in the act in 1910, which section provides for deportation without trial by jury. That section was enacted by a Liberal government presided over by Sir Wilfrid Laurier, a government which the Minister of Railways this afternoon said expressed the pure views of Liberalism. That government propose to deport these people from this country without trial by jury, without trial by jury of his peers—and the hon. gentleman thinks he has none.

I should like to direct his attention again to the sections which I have just read—my friend from Winnipeg South Centre will find them in the bills of 1926. Provision is made therein for the report to the minister with respect to any person who attempts the overthrow of government by force and violence;

the overthrow by force or statute law; who makes a threat of assassination; who by word or act creates or attempts to create disorder or riot in Canada—no trial by jury—or who by common repute is suspected of belonging to any disloyal association which seeks to extort money—such person shall be classed as an undesirable immigrant and it shall be the duty of the official to report him. And that involves a duty upon the part of the minister to deport him, because it is the duty of the minister to deport every such case. Or perhaps my hon. friend means that, being associated with ministers who do not do their duty, he does not have to do this.

Mr. DUNNING: May I draw your attention to the fact that my hon. friend is quoting from something which is not now the law?

Mr. BENNETT: I read the statute of 1910.

Mr. THORSON: The statute of 1910 did not apply to any persons with Canadian citizenship, within the meaning of the Immigration Act.

Mr. BENNETT: Surely my hon. friend does not expect me to say that the Minister of Railways and Canals is an alien within that act. My hon. friend has stated that I did not quote from the statute but from a bill. I quoted from a bill which was intended to be substituted—

Mr. DUNNING: And which was not in existence in 1926, and was not intended to be law.

Mr. BENNETT: In 1926 the government intended to restore the act of 1910. Its failure to become law was due to the dissolution of parliament.

Mr. DUNNING: In this case it applied not to British subjects but only to aliens. You keep putting us in the same class, as if we were aliens, and that is what I object to. I am not an alien.

Mr. BENNETT: In consequence of the statement made by the Minister of Railways and Canals, I refer him to the Immigration Act enacted by the Liberal government of 1910, being chapter 27—

Mr. DUNNING: And dealing with aliens.

Mr. BENNETT: And being chapter 27 of the statutes of 1910, which provides for the deportation of undesirables without trial by jury.

Mr. DUNNING: Of aliens.

Mr. BENNETT: I am coming to that. I said without trial by a jury of his peers. The section from chapter 27 of 1910, to which I have referred, is a reproduction of section 41 proposed in 1926. There is the section, the same section, and this is the way it reads: "Whenever any person other than a Canadian citizen advocates in Canada overthrow by force—"

Mr. THORSON: "Other than a Canadian citizen".

Mr. BENNETT: That is what I am coming to. The section which was in 1926 introduced by the acting minister was "whenever any alien advocates",—an "alien" and a "person other than a Canadian citizen" we will take to be the same thing for the purpose of this discussion. In 1919 a situation developed in Winnipeg which necessitated prompt action on the part of this parliament. And when the member for Winnipeg says the bill was railroaded through, he knows perfectly well that Sir Robert Borden pointed out that it could only be done by the unanimous consent of the house. In 1919 neither the leader of the Liberal party nor my friend the Minister of Justice (Mr. Lapointe), who was then in the house, rose in his place and objected to that bill being put through its several stages as indicated.

Mr. LAPOINTE: I hope I was not there that afternoon.

Mr. BENNETT: If my friend is now so wise that he did not protest against it, perhaps it is an indication of the truth of the statement that knowledge comes but wisdom lingers.

In 1919 it became necessary to deal with a serious and difficult situation, which involved, as my friend from Winnipeg has said, many problems, the national system and national position with regard to our statue in the British Empire. There were men who were in the same class, who were all British immigrants. It gets back to this wild cry about the Britisher and the love for him which so suddenly arises. The fact is that we were dealing with immigrants and none else; we had to deal with the British immigrant as well as with the foreign immigrant, and how could we deal with him? The British immigrant was not a Canadian citizen; he came in here, and as Paul says, "I was born a Roman citizen" so he said, when he came to Canada, he was born a British subject; but he was an immigrant, and because he was an immigrant he stood in exactly the same position before the law as a Pole or a Hottentot.

Mr. FORKE: You mean before this law was passed.

Mr. BENNETT: No, before the law now existing. He stands in exactly the same position here. He has come into this country as an immigrant, and one of the chances he has taken is that legislation which deals with other immigrants shall deal with him. If he places himself in the position of endeavouring to destroy constituted government and authority in this country, he still has a country back to which we can send him, the country from which he came.

Mr. WOODSWORTH: The other immigrant had a chance for a trial.

Mr. BENNETT: The other immigrant had a chance for a trial unless he had become a British subject. That involves the subject with which the Prime Minister has had to deal at the British conferences. How can a person who comes to this country from other parts of the British Empire become distinctively a Canadian citizen, apart from his place of birth? And because there was no provison in our law to deal with that situation, what happened? The parliament of Canada unanimously in the House of Commons passed a bill, placed this law upon the statute book of this country, by which they said that immigrants who came from the British Empire and those who came from other parts of the world and are not naturalized Canadians occupy the same position under the law. That is all.

Mr. DUNNING: They said more than that.

Mr. BENNETT: That is something they did say.

Mr. HEAPS: After twenty minutes consideration, they did all that.

Mr. BENNETT: I can say to the hon. gentleman, what is five minutes among gentlemen? At any rate this house put through a supply bill the other day, to take care of the salaries of the civil servants, and it did not take long. I am only pointing out that by unanimous consent of parliament legislation need not take as long as fifteen minutes; a bill may pass through three readings in this house in ten minutes or even less. And I find that the hon. the Minister of Justice was in the house that day.

Mr. LAPOINTE: Was I?

Mr. BENNETT: The records show that he was.

Mr. LAPOINTE: It may be. I said that I hoped I was not. I do not know.

[Mr. Bennett.]

Mr. BENNETT: I find that on June 6, amongst those who were dealing with other matters was Mr. Ernest Lapointe of Kamouraska, who rose on the orders of the day to make a few very delightful observations in regard to a conference which he suggested between employers and employees. Shortly after that the legislation to which I referred was taken up.

Mr. LAPOINTE: But I may have been away from the chamber for twenty minutes.

Mr. BENNETT: Well, we will say that peradventure the hon. gentleman was away for fifteen minutes, and they happened to be the fifteen minutes during which this bill was engaging the attention of the house. At least that is what he hopes and what I am not able to disprove.

Mr. ADSHEAD: Does my hon. friend give him no hope of conversion? That is what they want.

Mr. BENNETT: The hon. member for East Calgary sees how the bright light of power and office has changed the attitude of mind of the Minister of Justice in view of the letter which was written by his leader to the hon. member for Winnipeg North Centre and to which I have had occasion more than once to refer in this house. In the hectic days of the life of the administration of which my hon. friend was so distinguished a member, his leader under date of January 28, 1926, wrote to the hon. member for Winnipeg North Centre as follows:

DEAR MR. WOODSWORTH:

Replying to the letter received from Mr. Heaps and yourself, dated January 7, in which you ask whether it is the intention of the government to introduce at this session legislation with regard to: (a) provision for the unemployed; and (b) old age pensions, I would refer you, respecting provision for the unemployed, to the answer given in the House of Commons to-day by the Hon. Ernest Lapointe on behalf of the government in reply to a question by yourself—

I suppose that was not arranged?

Mr. LAPOINTE: What is wrong about it?

Mr. BENNETT: Nothing in the world.

—and which indicated the government's intention of carrying out with respect to emergency relief the practice adopted in co-operation with provinces and municipalities in the years immediately following the war. In answer to a question from Mr. Neill, Mr. Lapointe further intimated that it was the intention of the government to introduce at this session legislation with respect to old age pensions.

You will observe that the statement made by Mr. Lapointe was in accordance with the intimation which I gave to Mr. Heaps and

yourself at the time of our interview, following the receipt of the communication herein referred to.

With respect to amendments to: (a) the Immigration Act; (b) the Naturalization Act; and (c) the Criminal Code, which were referred to at the time of our interview, I would say that having since taken up the proposed amendments with the ministers concerned, I feel I am in a position to assure you that legislation on those matters will also be introduced in the course of the present session.

Yours sincerely,

W. L. MACKENZIE KING.

An hon. MEMBER: What is wrong with that?

Mr. BENNETT: Not a thing in the world. Then the hon. member for Winnipeg North Centre said—

Mr. WOODSWORTH: Perhaps the hon. member would like to read the reply of his then leader to a similar letter sent by my colleague and myself to him.

Mr. BENNETT: Surely. I have it before me, but it is so vastly different from the one I have just read that I think it might be well for me to read the language of the hon. member for Winnipeg North Centre as reported at page 561 of Hansard of January 29, 1926. This is what the hon. member said:

So long as the government is prepared to bring down legislation which commends itself to our judgment we must continue to support it, and this attitude will therefore determine our action on the amendment now before the house and on the vote which must subsequently be taken.

Is that a bargain or not? That is the hon. gentleman's own statement.

Mr. DUNNING: Is not that the position of every member?

Mr. BENNETT: That is both an acceptance and a threat. If that is not a bargain, what is?

Mr. DUNNING: I submit that is the position of every member in the house.

Mr. BENNETT: If that be so, then some hon. gentlemen will find it difficult to reconcile it with their duty to their constituents.

Mr. DUNNING: I think the hon. member should read Mr. Meighen's letter.

Mr. BENNETT: If the hon. member would prefer to have it read, I should be glad to read it, because it was the words and language of one who was not making bargains. Let me read it.

Mr. WOODSWORTH: Before that is read, may I again assert that there is no bargain? I ask that the expression be withdrawn.

Mr. BENNETT: The hon. gentleman has misapprehended my point. I have read his language, not mine, and having read the letter and his statement in the house to the government I say that nothing is clearer than that that constitutes an acceptance, and the terms of the acceptance are mentioned. Whenever you have an offer and an acceptance, that constitutes a bargain.

Mr. WOODSWORTH: I again assert that at the time spoken of, there was no bargain between the government and the Labour group in the house, and I ask that the term be withdrawn.

Mr. BENNETT: With respect to the point of order I want to make myself abundantly clear. I read the letter of the 28th January, 1926, and now I again read these words in order that there may be no misapprehension:

So long as the government is prepared to bring down legislation which commends itself to our judgment we must continue to support it, and this attitude will therefore determine our action on the amendment now before the house and on the vote which must subsequently be taken.

That is the statement of the hon. member for Winnipeg North Centre after he had read the letter written by himself and his colleague to the Prime Minister, the answer of the Prime Minister, the letter to Mr. Meighen and Mr. Meighen's answer Then he stated exactly what he was going to do. I have not read it all. This is in part what he said:

In view of the measures that have been proposed what is our position? It would seem as if this legislation merits our support; I could put it even more strongly—commands our support. We have said that we would deal with legislation as it came to us, and the government is evidently prepared to meet our views along this line. I would also like to state, much along the lines of the remarks of the hon. member for Labelle (Mr. Bourassa), that we hold ourselves at liberty to discuss freely the legislation as it is brought down. We feel that as Independent members we must be true to our constituents and true to our highest conceptions of what is best for Canada. So long as the government—

Then follows the statement as to how they proposed to act upon the amendment which threatened the life of the administration itself. Perhaps my hon. friend would prefer the word "agreement."

Mr. WOODSWORTH: There was absolutely no agreement.

Mr. BENNETT: I am reading only what the document says.

Mr. WOODSWORTH: There was absolutely no agreement. My position then was

precisely what it is to-day. I read my position into Hansard; I have absolutely no reason for being ashamed of it or hiding it or altering it, and I ask that the word "bargain" or "agreement" be retracted. There was none such. I was free at any moment to determine any measure on its merits and to vote for or against the government.

Mr. BENNETT: Perhaps I should have supplemented my statement of the hon. gentleman's position with a few other observations which will show conclusively what the arrangement was. May I be permitted to read these words:

> Now with regard to this debate, when the former amendment was before the house I think the position of our Labour party was fairly clearly defined.

Mr. DUNNING: What is the hon. member reading from now?

Mr. BENNETT: The speech of the hon. member for Winnipeg North Centre on the 29th January, 1926, when he read the letters:

> We took the ground that the government had a perfect right to meet parliament. Further than that we thought it would be a serious mistake if the precedent would be established that the largest group, even if it were a minority, had the right to form a government. I believe the vote on the first amendment was a decided victory for minorities in this country. We stated at that time that we would wait until the legislative proposals were brought down. These are now before us and I must confess that the speech from the throne gives us little indication that the government has been preparing to give very much attention to the needs of industrial workers. I think my colleague, in his speech the other evening, stated very clearly the feeling we have in this matter. However, in the last few days the government has made certain important announcements with regard to policies directly affecting a great many people whom we represent that we feel that our position has to be decidedly modified. I think perhaps the general attitude of labour with regard to the speech from the throne might very well be indicated by an extract from an editorial which appears in the current number of the Congress Journal.

Then follows what I have already read, the letter of the Prime Minister and the hon. gentleman's statement that so long as such and such is done, we will do so and so, and our vote on the amendment will be determined. If the hon. member prefers the word "agreement" to the word "bargain," I am content. But according to the use of the English language an offer and an acceptance constitutes a bargain, an agreement, and in this instance we have the offer of the Prime Minister stating his proposal to enact certain legislation.

Mr. DUNNING: That was not an offer.

[Mr. Woodsworth.]

Mr. BENNETT: It was so regarded—

Mr. WOODSWORTH: I again state that there was no offer made. There was a statement made as to what the government proposed to do, and we stated then what was a reasonable proposition, that if the government proposed to act in that way we would endeavour to support the government; but there was no bargain about it, no agreement, no offer and no acceptance. It was an intimation of what the government proposed to do, and a statement on our part as to what, under the circumstances, our action would be. Again I would ask that the word "bargain" or "agreement" be withdrawn.

The CHAIRMAN: There is a well-known rule that the word of an hon. gentleman as to a matter affecting himself must be accepted, and no one knows that better than the hon. leader of the opposition. I cannot think that he is not at liberty to draw his own conclusions as to the letters which he has read, but if the statement attributed to the hon. leader of the opposition was made, I think it should be withdrawn.

Mr. BENNETT: You will observe, Mr. Chairman, that I was only drawing the inference that that constituted a bargain. That is the argument I have been endeavouring to advance, that it constituted a bargain between the two.

Mr. LAPOINTE: My hon. friend is imputing motives.

Mr. BENNETT: I was very careful not to.

Mr. LAPOINTE: My hon. friend has no right to impute motives and then try to justify them in his argument, especially motives questioning the honour of an hon. gentleman, because after all the implications of the word "bargain" are well understood.

Mr. BENNETT: If I had said a corrupt bargain—

Mr. POULIOT: It was a bonne entente.

Mr. BENNETT: It must be remembered that the word "bargain" standing by itself means just what I have said.

Mr. LAPOINTE: Surely my hon. friend did not intend to pay a compliment to the hon. member for Winnipeg North Centre when he used that word.

Mr. BENNETT: May I say to the Minister of Justice that I used it in much the same sense as it was used by the hon. member for Southeast Grey in a speech she made outside of this house. She said that man's necessity is man's opportunity, and the necessity of the government at that day compelled

them to accept at the hands of one or two people just such legislation as they demanded they should have. That is the sense in which I used it, not imputing motives at all, but it was their desire to crystallize into legislative form their beliefs as to what was best for the country. That is all, and I assure my hon. friend from Winnipeg North Centre that I have never in my life imputed any dishonourable motives to him because I believe him to be sincere in everything he advocates. I disagree with him profoundly, but I have talked with him, and both in public and private I will bear tribute to the sincerity of his motives. But I still think he is wrong in the conclusions he draws, and in that I am sure that I am not unassociated with those who are sitting opposite to me in this house.

Mr. WOODSWORTH: I quite appreciate what the hon. gentleman has said. But it is not a question of motive; it is a question of fact. The hon. gentleman has drawn the inference that there was a bargain, and I say, with all deference to him, that his inference was wrong. I ask, therefore, that the word be withdrawn.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock we were considering Bill 187, to amend the Immigration Act. The discussion is on section 1, persons deemed to belong to prohibited classes.

Mr. BENNETT: Mr. Chairman, as the committee rose we were discussing a question of order raised by my hon. friend from Winnipeg North Centre (Mr. Woodsworth). Perhaps it will satisfy all the purposes I had in mind if I say there was no bargain other than that to which I referred on the records of the House of Commons. The hon. member quite appreciates that I was not casting any reflection upon him in the matter.

There is just one other point I desire to deal with—that raised by my hon. friend the Minister of Railways (Mr. Dunning), when he intimated that the making of a report did not signify that action would necessarily be taken. Section 42 of the Immigration Act deals with that situation:

> Upon receiving a complaint from any officer, or from any clerk or secretary or other official of a municipality, whether directly or through the superintendent of Immigration, against any person alleged to belong to any prohibited or undesirable class, the minister may order such person to be taken into custody and detained at an immigrant station for examination and an investigation of the facts alleged in the said complaint to be made by a board of inquiry or by an officer acting as such. Such board of inquiry or officer shall have the same powers and privileges, and shall follow the same procedure, as if the person against whom complaint is made were being examined before landing as provided in section 33, of this act; and similarly the person against whom complaint is made shall have the same rights and privileges as he would have if seeking to land in Canada.
>
> 2. If upon investigation of the facts such board of inquiry or examining officer is satisfied that such person belongs to any of the prohibited or undesirable classes mentioned in sections 40 and 41 of this act, such person shall be deported forthwith, as provided for in section 33 of this act, subject, however, to such right of appeal as he may have to the minister.
>
> 3. The governor in council may, at any time, order any such person found by a board of inquiry or examining officer to belong to any of the undesirable classes referred to in section 41 of this act to leave Canada within a specified period. Such order may be in the form D in the schedule to this act, and shall be in force as soon as it is served upon such person, or is left for him by any officer at the last known place of abode or address of such person.

There are other subsections, but I need not quote them now.

Mr. DUNNING: That applies to aliens.

Mr. BENNETT: No, to everybody. It follows section 41 as it now reads. That is the point I am making. It refers in terms to all persons subject to deportation. I mention that in order that there may be no misapprehension as to the scope and authority of the section to which I refer.

There is one other fact which I think has been overlooked and which I venture to bring to the attention of my hon. friend from Winnipeg South Centre (Mr. Thorson). Section 41, which is now sought to be repealed, contains this proviso:

> Provided that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalisation in Canada.

That is the proviso to which so much objection is taken. May I point out to him and other hon. members that that applies to immigrants from Australia or New Zealand or Newfoundland or India or South Africa, and to endeavour to limit the scope and operation of the section to those who come from the British Isles is manifestly wrong.

Mr. THORSON: I did not so limit the scope of the section.

Mr. BENNETT: It was just the inference drawn by the minister speaking in relation to the matter, when my friend from Vancouver Centre was dealing with that phase of it. This section in terms applies to the seditionist whether he be from India, Australia, South Africa, New Zealand—in fact to any person

who comes within the description of "British subject" regardless of what part of the empire he may come from. I desire to make that clear. Let me summarize this and I have concluded for the moment. First, this country claims a right to deport, for causes that may be determined by parliament, any immigrant who may come within its borders. An immigrant may come from one of two places—outside of or within the British Empire. For the purposes of this act the person who comes from without the British Empire is treated as being in exactly the same position as the person who comes from within; they stand upon parity.

Mr. DUNNING: But not deportable.

Mr. BENNETT: Yes, exactly. The immigrant who comes from without the British Empire and the immigrant who comes from within stand upon a parity. I know what my hon. friend is going to say, but perhaps he will wait until he hears my next sentence. There is no power to deport a Canadian. Therefore, with respect to naturalized aliens this section has no application; but inasmuch as a British subject, whether he come from England, or India or Australia or New Zealand, is at the end of five years undeportable by reason of the limitation imposed by the statute, for I apprehend that the terms of the section are not sufficient to afford the minister power after five years—

Mr. FORKE: There is nothing in the act to bear that out.

Mr. BENNETT: I read it with that limitation imposed.

Mr. FORKE: Where do you find it in the act?

Mr. BENNETT: The section that deals with the limitation of five years. It used to be three, if my memory serves me right.

Mr. LAPOINTE: If my hon. friend is right, there was no necessity to change the act in 1919. It was changed for that purpose.

Mr. BENNETT: It was changed for this purpose—I am sorry to be drawn away from my summary.

Mr. LAPOINTE: I did not intend to interrupt my hon. friend.

Mr. BENNETT: It is all right. The change was made for the purpose of asserting the autonomous right of Canada to deal with immigrants of all countries on the same basis; but inasmuch as you could not convert a native born British subject into a Canadian citizen by any naturalization statute as you could the foreigner, because the British subject could not avail himself of the Naturalization Act, it followed—

Mr. THORSON: Surely a British subject born outside of Canada could acquire that special Canadian citizenship referred to in the Immigration Act by acquiring Canadian domicile, which he could do under the old act after five years. Then he was a Canadian citizen within the Immigration Act, and was not liable to deportation.

Mr. BENNETT: But the language is "British subject", and I am dealing with the language as it stood. A British subject is a Canadian citizen, at any rate as soon as he comes within the country.

Mr. THORSON: But not within the meaning of the Immigration Act.

Mr. BENNETT: He is within the meaning of the Naturalization Act. I wish to make that clear.

Mr. THORSON: But that is the distinction: he is not a Canadian citizen within the meaning of the Immigration Act.

Mr. BENNETT: I want to make it clear if I can—subject to these observations—that here was a class of immigrants that had to be dealt with. If you concede the right of the Canadian parliament to enact laws for the deportation of immigrants without trial —which has always been the law under the Immigration Act—for offences which are regarded as of a character to make them subject to a deportation order, you find there was a class that could not be dealt with by deportation unless this section were here. A man might come from India and preach open sedition against India, Australia, or the British Empire as a whole, he might say that the time had come when it should be broken up, and under this section we deport him. But if that section were not there he could not be deported.

Mr. DUNNING: Oh yes, if he were convicted under the criminal code.

Mr. BENNETT: I say he is not deportable until he is convicted.

Mr. DUNNING: Why should he be? He is not guilty until found so.

Mr. BENNETT: Since the Immigration Act was first passed, we have said: We are going to deport undesirables after investigation by a board of inquiry. Every other nation does the same.

An hon. MEMBER: Against citizens?

Mr. BENNETT: Citizens of what?

Mr. FORKE: Of the country.

Mr. BENNETT: But these are not citizens of the country; that is the point.

Mr. FORKE: Has my hon. friend looked into section 3, subsections (n) and (o), dealing with that class of people?

Mr. BENNETT: Certainly. My hon. friend from Winnipeg South Centre read it to-day. That was a class of immigrants who had to be dealt with in some way, and this country asserted its sovereign power. We said that it made no difference whether they came from India or from the Philippine islands; whether they came from India or from Poland; whether they came from South Africa or from Poland; whether they came from Great Britain or from Russia: for the purposes of this act we were going to treat them all the same. But because there was no provision for Canadian citizenship, in the sense in which that term is used in the Naturalization Act, a British subject who came from India could not be naturalized, having his rights here as such, and therefore we could not report him unless we specially provided in the statute for so doing.

Mr. DUNNING: Or prove him guilty of his offence.

Mr. BENNETT: My hon. friend overlooks the fact that Sir Wilfrid Laurier in 1910 put on the statute book section 42 which provides for deportation, without conviction, of any alien—

Mr. LAPOINTE: Alien, yes.

Mr. BENNETT: —who preaches sedition in this country. But the alien preaching sedition in Canada was in no different position from that of the man who came from India to preach sedition, except that the man from India or from Australia, say, had the advantage of this fact, that he could at once participate in the government of the country, or at least within a year, and did not have to be naturalized.

Mr. THORSON: That is the distinction between the two.

Mr. BENNETT: This country put them on a parity in 1919.

Mr. LAPOINTE: No.

Mr. FORKE: Why the necessity for the 1919 act?

Mr. BENNETT: That was what it was done for.

Mr. DUNNING: If it was so before, why pass the act?

Mr. BENNETT: I did not say it was so before.

Mr. DUNNING: That is my hon. friend's whole argument.

Mr. BENNETT: Dear! oh, dear! We extended the class of subjects to which deportation was applicable. Let me put the matter clearly.

Mr. WOODSWORTH: May I ask the hon. member a question? As a specific example of what this matter involves, my colleague was born in England, had been ten years in Canada, was an alderman of Winnipeg, and was arrested under this act. Was he or was he not a Canadian citizen?

Mr. BENNETT: He was not deported; presumably he was a Canadian citizen.

Mr. WOODSWORTH: He was liable to deportation.

Mr. BENNETT: He could not have been, because presumably he was naturalized.

Mr. DUNNING: He was not naturalized; he was British-born.

Mr. BENNETT: Then, under the terms of this act, if to the satisfaction of a board of inquiry it was established that he had preached sedition, he stood in the same position as the man from Poland, say.

Mr. WOODSWORTH: Yes, and liable under this act to be deprived of all rights to trial.

Mr. BENNETT: But all these immigrants subject to deportation for causes named are subject to deportation without trial.

Mr. LAPOINTE: But if the Pole has become naturalized you cannot deport him.

Mr. THORSON: Under the previous law, after the British subject born outside of Canada had remained five years in Canada he would have acquired Canadian domicile, and by virtue of that domicile he would have become a Canadian citizen within the special meaning given that term in the Immigration Act. Thereafter, no matter what offence he might have committed, he could not have been deported.

Mr. BENNETT: That begs the question.

Mr. THORSON: Under the present act he can be deported.

Mr. BENNETT: That begs the question. The issue, which is a simple one, is this: The parliament of Canada in 1919, for reasons which it considered sound, and with the approval of the present Minister of Justice (Mr. Lapointe) and of the Liberal party, unanimously enacted this statute. The statute is now sought to be repealed. Has anyone been injured under it? Has any wrong been done? Is it desirable to remove from the statute book a provision which parliament in 1919 deemed desirable? Let us get down to that question. My hon. friend from Winnipeg South Centre suggested that in 1926 I dealt with the question in one way, and in 1927 in another. I turned up the record and this is the position I took: in both cases I declared that it was not desirable to repeal the statute. Although it might work a hardship there had been no cases under it, so far as I could see; and it was meant only for that class of immigrants who openly and notoriously preached sedition in this country. I went further. The statute of 1926 had substituted another section, and the discussion between the Minister of Justice and myself was a discussion as to what the meaning was if it should be passed in the form in which it was proposed. I held that it meant nothing if the contention he put forward was correct. But upon the question as to the desirability of repealing the statute, hon. members will find that my observations were practically the same in both cases, except for one circumstance. I happened to be on the train a few days previously, in one case, and I referred to certain articles that had appeared in the newspapers with reference to the preaching of sedition in one of our towns—naming the place—from which seditious literature was being disseminated. That fact I alluded to. But with respect to the question itself, my remarks were the same on both occasions. The committee will recall, however, that in 1926 an endeavour was made to substitute a new section for that which was being repealed; whereas in the present instance it is not proposed to make any substitution at all.

Now let me conclude; I was about to summarize my observations when the minister asked me a question. It is conceded to be the right of all free people to determine who shall come within their boundaries.

Mr. LAPOINTE: Hear, hear.

Mr. DUNNING: Hear, hear.

Mr. BENNETT: The Canadian people, in parliament assembled, have determined that certain classes may be deported without trial.

[Mr. Thorson.]

That has been so ever since the law was passed, and in 1910 Sir Wilfrid Laurier revised the whole Immigration Act, once more recognizing that principle. In 1919 parliament extended the law in its application to the number of persons who should come under it, including those who preached and taught sedition. That was the extension of the provision embracing those who could be deported without trial. That was all.

Mr. DUNNING: It was much more than that.

Mr. BENNETT: It merely extended the class.

Mr. DUNNING: It was much wider than my hon. friend suggests.

Mr. BENNETT: It extended the class to all persons who were not Canadians; it included the alien immigrant who had not become naturalized and who therefore had to go, if he came within the terms of the law. And the British subject, whether he came from Hong Kong, from New Zealand or from Great Britain, was also subject to deportation if he come within the terms of the statute. That is all; nothing more and nothing less.

Mr. BROWN: That is the thing we object to.

Mr. BENNETT: That is precisely what the statute says; provided that it shall not apply to two classes, the British subject who was born in this country and who was given a status at once, and the naturalized Canadian. These could not be deported, and that for the reasons given this afternoon by the minister.

Mr. DUNNING: You claim that people born in Great Britain never become Canadians.

Mr. BENNETT: Not at all. The minister has overlooked the fact that this parliament in 1919 unanimously asserted its sovereign right to determine that immigrants, regardless of where they came from, might be deported; and parliament declined, the Minister of Justice and many other members of the Liberal party within sound of my voice on the other side declined, to make a distinction for that purpose between immigrants, whether they came from a foreign country or from some other part of the British Empire.

Mr. DUNNING: Twenty minutes before the governor general came in.

Mr. BENNETT: That happens in all parliaments.

Mr. HEAPS: According to my hon. friend a person born in Great Britain is subject to deportation though he has been here forty years.

Mr. BENNETT: If there is no limitation in the act there should be one.

An hon. MEMBER: The old law stated that.

Mr. BENNETT: The old law did not in terms; it did only by inference with respect to the alien who becomes naturalized, because the term is five years. It was only three years before, and the definition of citizenship extended the term to five years. I have always been in favour of a limitation with respect to all these matters. There is a limitation in the criminal code, and there should be a limitation of the time within which people may be deported by order in council. I have no doubt as to that; it is one of the matters I was discussing with one of my friends the other day, and if there is no clear limitation in the statute it would be quite right to impose it. However, I desire to press upon the committee the fact that this was an extraordinary enactment to meet extraordinary conditions—which may or may not ever again arise in Canada. When you have a combination of people who wish to destroy government and constituted authority you must have upon the statute books laws which will enable you to meet such a situation. Those who live within the law never need be afraid of it; there have been laws on the statute books of England since 900, continuously in force since the time of Alfred, and laws only apply to those who come within them. Laws are made for the purpose of dealing with those who come within their terms, and when an extraordinary situation arises—

Mr. DUNNING: Mainly one English law which permits a man to be condemned for a criminal offence without trial.

Mr. BENNETT: They have the same law providing for deportation from their country that we have in Canada.

Mr. DUNNING: Quote it.

Mr. BENNETT: I saw men deported from England myself.

Mr. DUNNING: British subjects?

Mr. BENNETT: I am not talking about British subjects at the moment; I am talking about immigrants. My hon. friend is trying to draw a distinction between two classes of immigrants.

Mr. VALLANCE: Is a Canadian deportable from England?

Mr. BENNETT: I cannot answer that question; I simply stated that I knew of people being deported from England.

Mr. VALLANCE: The minister referred to British subjects.

Mr. BENNETT: Not until later. Let us have no misapprehension about this. The power of deportation belongs to every sovereign people and is exercised everywhere. Canadians have been sent back from Australia, and last year we sent back to China several people who came from Hong Kong. The difficulty is that some of the committee are thinking only of the British Isles instead of British subjects as a whole.

Mr. POULIOT: May I ask a question? What distinction does my hon. friend make between a British subject and a Canadian subject?

Mr. BENNETT: The distinction is that we are treating all immigrants alike regardless of where they came from. If they came from England they are British immigrants and if they came from the British Empire they are immigrants from the British Empire; they may be white or black, but as far as our power as a parliament is concerned they are on an equality and we have the same right to deport one as the other. Sir Wilfrid Laurier in 1910 provided that aliens could be deported without trial, and if it is sound to deport aliens without trial, then those who come into this country and enjoy citizenship because they were born somewhere else should be subject to the same provisions as those who are not naturalized. Otherwise you would encourage one class to preach sedition who could not be dealt with except through trial by jury, while the other class could be deported without trial.

Mr. DUNNING: That is what we are doing now.

Mr. BENNETT: That is what we are not doing now.

Mr. DUNNING: Oh, all right.

Mr. BENNETT: It is all right; I am satisfied that hon. gentlemen think it desirable to try to obtain favour from certain classes in the community by saying, "Look at this and that", but the real truth is that this country should treat alike all immigrants who have not become naturalized Canadians or who have not attained the status of Canadians. If we are to deal with the question properly we should define the conditions under which British subjects coming from other parts of the empire may attain the status of Canadians.

Mr. VALLANCE: That is what we want.

Mr. BENNETT: That is what we want.

Mr. DUNNING: I cannot be a member of this parliament without being a Canadian citizen.

Mr. BENNETT: I wonder if the hon. gentleman realizes that the oath he takes is taken as a British subject?

Mr. DUNNING: But how do I vote, if not by virtue of my Canadian citizenship.

Mr. LAPOINTE: I hold in my hand the statutes of 1910, to which my hon. friend has referred. Sections 40 and 41 of chapter 27 of that statute deal with the deportation of prohibited and undesirable classes. In section 40 it was enacted that whenever any person other than a Canadian citizen, within three years after landing in Canada, was convicted of a criminal offence—

Mr. DUNNING: Convicted!

Mr. LAPOINTE: Yes. It is the following section with which I wish to deal more particularly. Section 41 of the act of 1910 was replaced by the present section 41 which it is now sought to repeal, and it provided that whenever any person other than a Canadian citizen advocated in Canada the overthrow by force or violence of government or constituted authority, and so on, then the complaint must be laid against him and an investigation held, after which he might be deported. I desire to call the attention of the committee first to the words of section 40:

Whenever any person other than a Canadian citizen—

I would also point to the words of section 41:

Whenever any person other than a Canadian citizen—

Who was a Canadian citizen under the act of 1910? That act provides that a Canadian citizen is:

(1) A person born in Canada who has not become an alien;
(2) A British subject who has Canadian domicile;
(3) A person naturalized under the laws of Canada who has not subsequently become an alien or lost Canadian domicile;

So there were three classes of Canadian citizens, first those born in Canada, then those British subjects born outside of Canada who had acquired Canadian domicile, which at that time was three years and is now five years; and finally, persons naturalized under the laws of Canada. In 1919 this section 41 which it is now sought to repeal was replaced by a section which enacted that every person who by word or act in Canada sought to overthrow by force or violence government or constituted authority, or who belonged or was suspected of belonging to societies of a certain class, and so on, might be deported. But there was an exception, which provided that the section would not apply to any person who was a British subject either by reason of birth in Canada or by reason of naturalization in Canada. Under the old section 41 no Canadian citizen could be so deported; as my hon. friend said, this applied only to aliens. A Canadian citizen could not be deported and could not be treated as a person desiring to overthrow government by violence and so on unless he was convicted after a fair trial. As I have said, in 1919 this section was replaced, and under that amendment only two classes of Canadian citizens became exempt from that provision, those born in Canada and those aliens who became naturalized in Canada. The second class of Canadian citizens, namely British subjects born outside of Canada who had acquired Canadian domicile by a residence of five years in Canada, were placed in the same situation as aliens, as men who never had been naturalized and who could be deported by a board of investigation without any trial. That is why this section is so objectionable. I certainly agree with my hon. friend when he says that every country must be mistress of her own citizenship, and must determine who are the people who may become citizens of that particular country I certainly agree with my hon. friend, and that is why we have provisions in our Immigration Act which permit the government of Canada or the Department of Immigration to prevent the entry into Canada of people who are undesirable either by reason of bad health or otherwise. But a man who has been admitted to Canada and has become a Canadian citizen under the law—because the law states that after a domicile of five years he is a Canadian citizen in every respect—must be treated as any other Canadian citizen and must not be deported without being convicted of the offence with which he is charged. Certainly it seems so unfair that one class of Canadian citizen should be considered as inferior to another that merely to set forth the case should be sufficient to convince everybody of the existence of an anomaly. A country cannot be half slave and half free. Surely half of our Canadian citizenship cannot be enjoying certain privileges that are denied to the other half. Canadians are all equal, and that is why we are asking for the repeal of that

section—in order that those of our citizens who, being British subjects born outside of Canada, have acquired the full right of Canadian citizenship by domicile in this country, should not be made, under this exceptional class, subject to deportation without due form of law.

Mr. THORSON: I am sorry to take up more of the time of the committee, but I feel I cannot allow certain suggestions made by the hon. member for Vancouver Centre to go unchallenged.

I was a little surprised at the statement of the law given to the committee by the hon. leader of the opposition. The Minister of Justice has fully set forth the law as it is now and as it was prior to the enactment of this particular section. Prior to the enactment of the section which we are now discussing, no person could be deported at all, whether he had been convicted or not, after he had acquired Canadian citizenship. There has been a good deal of confusion in the discussion because of the different meanings in law of the expression "Canadian citizenship," "Canadian citizenship" is used in the Immigration Act in a special sense. It has nothing to do with conferring rights to vote or the right to take part in the nation's business. The Minister of Railways and Canals does not get his right to sit in this house by virtue of the Canadian citizenship which is referred to in the Immigration Act. In the Immigration Act, as the Minister of Justice has explained, "Canadian citizen" means a person born in Canada who has not become an alien, a British subject who has Canadian domicile—which he can get after five years' residence in Canada—or an alien naturalized under the law of Canada. Under the law as it existed prior to the enactment of this section which we are now considering, once a man had obtained Canadian citizenship within the meaning of the term in the Immigration Act, he could not be deported no matter what offence he commtted. Under the present section, however, a British subject born outside of Canada, no matter in what part of the British dominions, can never acquire Canadian citizenship within that special meaning of the term in order to exempt himself from the provisions of section 41; that was the important change that was made in this legislation that was rushed through the house in the speedy manner which I described this afternoon.

The hon. member for Vancouver Centre suggested that I had not placed all the facts before the house when I commented upon the speedy manner in which this legislation was put through. I made the statement that this legislation was railroaded through. I was met with the reply that the unanimous consent of the house was asked and given to the reading of this bill in the manner in which it was read. Consent cannot be said to be real unless made with knowledge of the facts. The Minister of Immigration, who introduced this bill, mentioned certain changes that had been made, certain differences between the bill that was being introduced and the bill which had previously passed both houses of parliament. I have indicated, I think, very clearly the main difference between the two bills; that difference was never indicated to the house; every other difference except this important one that we have been discussing for the past several hours was indicated to the house, but this material change was not made known to the house. The Minister of Immigration said, at page 3213 of Hansard under date of June 6, 1919:

> While there is some material difference between the two sections still the main purpose of the section is as it was expressed in the section as originally introduced to the house.

I think that I indicated previously that every person under the previous law who had acquired Canadian citizenship was exempt from deportation. Now, British subjects born outside of Canada can never obtain exemption from deportation. That was the essential difference made in the new section, and that difference was never revealed to the house. I challenge any member on the other side of the house to show where that difference was made clear. I do not believe that the house would have consented to the passing of that act into law if that important change had been brought to its attention. It was not, I say, brought to its attention, and therefore I think I am justified in the statement that this section was railroaded through the house. The house was misled as to the important and radical change that was being made. It was misled as to the purpose of the section. Anyone reading the short debate in the senate will readily see what was the real purpose of the change.

Mr. FORKE: Mr. Chairman, I wish to make a few remarks on the statements made by the hon. member for Vancouver Centre in regard to the difficulty he experienced on his return to Canada on the occasion to which he referred. Members of parliament who have not had some difficulties in this connection may not understand the tremendous pressure that comes from all sides on the part of undesirable people who want to get into Canada. Whatever trouble we may

have in getting the right people, those whom we want, there is no difficulty in getting the sort of people we do not want. This explains to some extent at least why difficulty is experienced by would-be immigrants when they are trying to get into Canada. I might mention the case of one who originally came to this country as an immigrant from Great Britain and who took a trip abroad last summer. On his return all he had to say to the immigration officials was that he was a returning Canadian and there was no further trouble. The hon. member for Vancouver Centre must have been more suspicious-looking than this man if they asked him so many questions before they would allow him to return.

Mr. STEVENS: What date was that?

Mr. FORKE: The hon. member for Battle River (Mr. Spencer) told me that that was his experience last summer.

Mr. STEVENS: These regulations were promulgated in January.

Mr. FORKE: I do not want to make any apology for the department in regard to these questions. They may be right or they may be wrong. It takes time to secure the best regulations. I mention that only to show that the regulations are framed to prevent so far as possible the necessity for deporting undesirables, because there is no greater tragedy than that of having to tell people, once they have come to the shores of Canada, that they cannot be allowed to enter. Unless our immigration officials put some questions to a person who is coming to Canada, how are they to know whether he is a returning Canadian or an immigrant? If any mistakes occur, if needless questions are being asked, I shall be only too glad to have them eliminated.

Mr. STEVENS: The questions are an insult.

Mr. FORKE: That may be. I looked over those questions, and perhaps the dramatic manner in which the hon. member for Vancouver Centre read them put a different appearance on them, because I could not see anything very serious in them. Only five of the questions had to be answered by the hon. member. He said that he had to answer nine.

Mr. STEVENS: There were twenty-six to be answered. The minister is not stating what is in accordance with the regulations.

Mr. FORKE: I have the document under my hand.

Mr. STEVENS: So have I.

[Mr. Forke.]

Mr. FORKE: The hon. member did not need to answer all the questions.

Mr. STEVENS: Yes, I did. I had to answer every one.

Mr. FORKE: The hon. member answered them but he did not need to.

Mr. STEVENS: Why?

Mr. FORKE: Because they were not necessary in his case.

Mr. STEVENS: Will the minister show me on this document where that is stated?

Mr. FORKE: I have not the hon. member's document, but I have under my hand the ship's document and there is no such thing as twenty-six questions on it. I will let any hon. member see it.

Mr. STEVENS: That is not the document I have. That is another document altogether.

Mr. FORKE: The hon. member has not the proper document.

Mr. STEVENS: I am talking about the document which I had to fill out.

Mr. ROSS (Kingston): Who gave it to the hon. member?

Mr. STEVENS: The Canadian National Railways.

Mr. FORKE: At that time the Canadian National were probably very glad to get the hon. member to fill out all those questions. I know something about the whole transaction and there was a determined effort on the part of certain interests to make the thing appear as ridiculous as possible. They were certainly anxious to get the people to fill out as many questions as possible. As a returning Canadian the hon. member was required to answer only five questions so far as the Immigration department is concerned. I say that to make the matter clear. I think the house will believe me when I say that as Minister of Immigration I want to make all the success I can of my department. Things may have happened that ought not to have happened. If there have been mistakes; if I were convinced that the hon. member had more questions to answer than were necessary, I would be anxious to have the matter remedied immediately and I should like to find out what really happened.

Mr. STEVENS: Let me tell the minister frankly that I protested against having to fill out this document. I had to fill it out both for my wife and for myself, although we came back on different dates.

Mr. FORKE: I cannot understand that, because no more questions are asked of a returning Canadian than of a Canadian going to Great Britain and the position with regard to the photograph is exactly the same. It is very difficult to know just what sort of questions should be asked. Immigration officials and transportation officials do not know the difference between one man and another, and consequently some questions which may seem ridiculous when asked of one man may be necessary in another case. The questions are framed with the intention of carrying out the regulations in the best possible way.

Regarding the argument that has been made by the leader of the opposition to-night, I agree with him in many respects, and I do not think we differ very much. If deportations could not take place after Canadian domicile had been secured, I do not think this debate would have been necessary. We all agree with that. His argument is all along the line of deporting immigrants and no one has ever contended that the Department of Immigration should not have the power to deport undesirable immigrants. I hope the house will take my remarks in the spirit in which they are uttered because I am anxious to have regulations that will be in the best interests of Canada and if any mistakes have been made I am only too anxious to have them remedied as quickly as possible.

Mr. WOODSWORTH: If I may ask the house to return for a few minutes to the matter under discussion I should like to make some remarks before the measure is proceeded with. As I listened to the involved and lengthy statement of the law as given by the leader of the opposition I was reminded of some words of Disraeli, who said:

> The legal mind chiefly displayed itself in illustrating the obvious, explaining the evident and expatiating on the commonplace.

I am inclined to think most of the members knew more about this before the discussion started than they do now. The leader of the opposition and the hon. member for Vancouver Centre both made a strong point the other night that the sedition act had received a great deal of consideration and therefore should remain on the statute books. I do not see that they have made out a very good case for legislation that was passed through both houses in about half an hour. That has not been over-emphasized to-day. In fact the other evening the leader of the opposition dealt most unmercifully with my colleague because he had suggested that the sedition act was passed in a hurry through the house. There is not the slightest doubt that he made a mistake; that he confused these two acts which have been very closely associated ever since they were given royal assent at the same time and while they have been discussed in this house year after year. My colleague unfortunately made a mistake in regard to the two acts, but personally I felt very sorry that the leader of the opposition gave the impression that he did so in order to mislead the house—

Mr. BENNETT: I did not say that.

Mr. WOODSWORTH: —and further that he went up and down the country claiming that this was the way in which legislation was dealt with in parliament. As a matter of fact the legislation that we are dealing with to-night was passed through this house in 1919 in twenty minutes.

Mr. DUNNING: And without explanation as to what it really meant.

Mr. BENNETT: And unanimously.

Mr. WOODSWORTH: I am suggesting half an hour for the two houses. There is no doubt that that is the way the legislation was passed through the house so that a great deal that the leader of the opposition said the other day goes by the board, does not apply. I do not think even he could contend that a matter which came up in the most incidental fashion, whether or not the house was fully cognizant of all the circumstances, and which was simply passed through as hurriedly as they could put through the three readings, received adequate attention at the hands of the house. We must admit that it was panicky legislation, and now after nine years have passed we might very well ask ourselves whether or not it is wise to let such legislation remain on the statute books. If we look back at the documents of those times we shall find that Sir Robert Borden, who was leading the house, was discussing some matter with regard to the war purchasing commission, and in the midst of a sentence he broke off to say this:

> My colleague the Minister of Immigration tells me that there is a very important bill to which the attention of the house should be directed at once with a view to its being assented to this afternoon. I would therefore ask that this debate be adjourned to be resumed again this day if the house will consent.

And the motion was agreed to, and the debate adjourned. The house went immediately into a discussion of this Immigration Act amendment, which, by the way, was not the minor amendment that I think the hon. member for Vancouver Centre would have us believe, but was a distinct bill.

Mr. STEVENS: An amendment to a previous bill in the same session which had been already considered.

Mr. WOODSWORTH: But a distinct bill, and this new bill was considered for only these few minutes.

The leaders of the opposition wanted to tell us that the reason for the passage of this bill was that we should not relinquish our rights to deport people who came here from South Africa or Australia or China or India. Well, the conversations which went on at the time clearly indicated that that was distinctly not the purpose of the introduction of this measure. Let me read a sentence or two:

It will be obvious that we could not deport a Canadian citizen, because there is no place to deport him to. We do not deport British subjects who are such by naturalization, but we propose—

Listen to this:

—but we propose to bring in an amendment to the Naturalization Act by which we shall denaturalize undesirables regardless of the country from which they come, thus permitting deportation within the limit of time prescribed by the statute.

That was said by an hon. gentleman in the other house, where the bill originated. I think we can understand the spirit that characterized the putting of this legislation on the statute book. It was found, as was very clearly shown by the correspondence between the Minister of Justice and the authorities in Winnipeg, that the desire was to deal with certain British-born subjects. As was then stated so clearly in the senate:

The truth is, if you look at the names of the persons who are leading in these demonstrations in Winnipeg, they are not foreign names; they are all British and American.

And the idea was to deal with these Britishers whom they could not deal with under the existing legislation. Further, in order that there should be no possibility of escape, this legislation was made retroactive. Mr. Lemieux noticed that at the time and said:

My hon. friend seems to be passing retroactive legislation. If a man has entertained the views which are to be condemned since 1910, he is presumed to come within the prohibited classes. A man might have entertained these views in 1910, and since that time his views might have undergone a change, and he might have become a new man.

Surely we cannot advocate retroactive legislation of that nature. But Mr. Calder merely brushed that aside with the remark, "That is only prima facie. He can prove the contrary."

I should like for a moment to call attention to one or two of the clauses of this act which

[Mr. Stevens.]

is to be repealed. Paragraph (b) of section 41 defiines as an undesirable one who:

(b) without lawful authority assumes any powers of government in Canada or in any part thereof.

The strikers at that time had undoubtedly considerable power in their hands. By a vote given by the trades and labour council, nearly all the workingmen in Winnipeg had laid down their tools, and nearly all the services of the city were at a standstill. It was said that because these men had assumed authority over their fellow strikers, therefore they had assumed governmental authority. That was the point at issue. The strikers were accused of having assumed governmental authority. Possibly their authority was a good deal greater than at ordinary time. It might be argued that it was greater than any ordinary body of citizens ought to have, but if it was, there was also an extra governmental authority in the board of trade rooms, where the business men of the city had undertaken to do just as far-reaching things as the workers had agreed to do in the trades and labour temple. In the meantime the civic authorities did not know what to do in that novel situation. The provincial government people were doing what they could to bring about a reconciliation between these two opposing forces in the industrial world, and in the very midst of that situation the federal authorities entered, and in my judgment blundered egregiously by passing legislation of this kind and threatening to deport those strike leaders. They were going to deport them on the ground that they were assuming governmental powers. You can understand what was the feeling among these men, ordinary workingmen of the city of Winnipeg, many of whom had been in the city for five, ten, fifteen or twenty years, when they were suddenly faced with the possibility of being thrust out of the country because they were said to be assuming more than ordinary authority, and this legislation undoubtedly was specially designed to meet that situation and to break that strike. That was its purpose. I think anyone who reads the telegrams which were put on the record two years ago by the present Minister of Labour will be fully convinced that that was the purpose of this legislation.

Further, this legislation has the same phrasing as the act dealing with sedition. Let me read this clause. Anyone is considered to be undesirable who:

(c) by common repute belongs to or is suspected of belonging to any secret society or organization,

and so on. That is my objection—"or is suspected of" belonging to any organization. Suspicion becomes the ground of action. Merely because the immigration authorities suspect that somebody belongs to an illegal society, they can have an investigation within their own rooms, and have the suspect shipped abroad.

The hon. member for Vancouver Centre said that no one had ever been deported under this act. No, but an effort was made to deport. An investigation was held concerning certain individuals, but the evidence was so flimsy, and the feeling throughout the country so strong, that the authorities dare not—I speak advisedly; I think the whole circumstances warrant me in saying this—that the authorities dare not proceed under this act. I hold in my hand a copy of the editorial page of the Manitoba Free Press of June 20, 1919, and it shows undoubtedly that the idea was to deport these men summarily under this act.

In an interjection I suggested the case of my colleague here, a man born in England, a workingman in the city of Winnipeg, an alderman of that city. He had the misfortune, shall I say, to have been born in England, and some of those in authority who were closely in touch with the employers in Winnipeg at that time had the right to ship him back to England without trial. That is what was intended to be done. In a telegram that I myself read in this house two years ago, and which some hon. members may remember, Mr. Meighen actually said that these men, although he had his doubts as to whether their arrest and detention at Stony Mountain was legal, now that the arrests had been made, should be immediately deported, and further that they could regularize that action afterwards. That was the attitude.

I will give another instance, the case of a man who is now the leader in the Labour group in the provincial house at Winnipeg, an alderman at that time, who was arrested and was to be deported with the others. Although he had been many years in the city and was well known he was to shipped out without trial. I will give another case. A minister in good standing at the time, in the Methodist church William Ivens, was editing the labour paper. His house was entered at midnight, and with others he was placed in a high-powered car and taken away to Stony Mountain penitentiary. He with these others was to be shipped out of the country without any trial whatever. Can any hon. gentleman justify that kind of thing? I fail to see on what grounds justification can be offered.

If it is possible to get away from some of these legal subtleties—I would say legal quibbles—I may be allowed to suggest one or two of the outstanding questions to be decided in connection with this legislation. I will admit that its ostensible purpose was to keep out undesirable immigrants, but its real purpose was to punish certain individuals who were already in the country. Many of them, had been here for five, ten and fifteen years, and in the opinion of those who sought the legislation they could not be punished in any other way. So a conspiracy—I think it was nothing less—was formed to take away the right of the British born to trial by jury and ship these men out without trial. I may say that there was such a protest from all over this country and from Great Britain as well that that purpose was not carried out.

Mr. BENNETT: "Conspiracy" is a little strong. The present Minister of Justice was one of the members of this house who acquiesced in the legislation.

Mr. WOODSWORTH: I am not defending the Minister of Justice.

Mr. BENNETT: I say conspiracy is not a parliamentary word.

Mr. WOODSWORTH: I think that is pretty much in the category of "bargain"; is it not? That is my inference.

Mr. BENNETT: Then I wish to resent the inference that the silence of the Liberal party on that occasion constituted a conspiracy.

Mr. WOODSWORTH: A conspiracy of silence.

Mr. THORSON: There can be no conspiracy without knowledge.

Mr. STEVENS: Then there must have been a unanimity of ignorance.

Mr. WOODSWORTH: Again let me say that we who for some years have urged the removal of this clause have had to suffer some very unjust imputations. Personally I have no objection to deporting undesirables. If we have undesirables in the Dominion, whether they are English or alien, I have no objection to deporting them; but I would insist that they be not deported without trial; which is another matter. I know perfectly well that there are certain classes of people who within a few days or weeks after their arrival are found to be undesirable. The leader of the opposition has read a long list of classes, such as the feeble-minded, prostitutes, and others of that type, obviously un-

desirable, members of which might be deported without trial. Well, if investigation made immediately after their arrival shows they are of that class, I presume we are all quite willing that they should be shipped out. But I submit that this kind of alleged crime is in a different category, this is a political crime, a crime that is committed after the people have attempted to become domiciled—although indeed they cannot establish domicile if they come within this class. Surely a curious arrangement! So I wish to make it very clear that in urging the repeal of this legislation we are not trying to prevent the deportation of undesirables. I would go further and say that if people guilty of the crimes enumerated in this section are given a fair trial, and found guilty, I would not object to their being deported; but we are insisting that they be given a fair trial, and surely not even my Conservative friends will deny that to be a reasonable position for us to take. We have been accused of trying to shelter criminals. We are not trying to shelter criminals, not even this class of people, but we are saying it must be clearly demonstrated that they are guilty of the crimes with which they are charged.

Now, who are these criminals? That brings us back to the whole Winnipeg situation, and before I sit down I should like to say a word with reference to it, because I am convinced that members on both sides of the house have been misled in regard to this strike and the labour movement. As is well known, in 1918 and 1919 there was a good deal of unrest all over the world. Nearly all of us immediately after the war were looking to reconstruction—that was the word in everybody's mouth—and labour as well as other classes of the community were discussing it. There had been the great turmoil in Russia, and while a good many Canadian workmen did not wish to see the Russian experiment repeated in this country, there is no doubt they were greatly interested in what had taken place over there and frequently discussed it at their meetings. That frightened a good many business men, and I know a report was presented by the commissioner of the mounted police to the government of the day outlining the situation amongst the labour people. From all I know of that report and of the people who made the investigation, I am quite convinced that it was entirely misleading. The investigators jumped at conclusions—they knew so little of what was really the mind of the labour people. Undoubtedly labour all over the world had been advocating a radical change in our economic structure. We all know that the great change when we passed from hand to machine work is referred to by historians as the industrial revolution. Most of the workers believe that before very long the tools of production must be owned in some way collectively in order that every man may have a better chance than he has to-day, and this change is commonly known in labour and socialist circles the world over as the coming "economic revolution." And so, as soon as these investigators—ignorant men—heard this term, "economic revolution," they immediately jumped to the conclusion that the workingmen wanted to have a violent political revolution here in Canada. I do not intend to discuss that in detail, but I would say this: in all the investigations which were made in 1919 there was not discovered a single gun in the hands of any workingman. Now, if the workers were going to overthrow the government of this country by force, surely they would have had three or four guns somewhere among them; but, I repeat, there was not one. And yet so hysterical were a good many of the officials at that time that they believed there was to be an overthrow of the government of Canada by force! At the very time despatches of that kind were going out from the city of Winnipeg—and from them you would imagine that the streets were running in blood—at that very time the provincial government officials were sitting down with the workingmen carefully negotiating schedules. I think my friend from Winnipeg South Centre, who spoke this afternoon, will bear out my statements. As a matter of fact he himself, as he intimated to-day, was engaged in the prosecution; that was part of his legal work at that time. He was in close touch with what took place, and hence I am very glad to find that he is among those who are moving for the repeal of this legislation.

What about the Winnipeg strike, which the leader of the opposition (Mr. Bennett) characterizes as an unprecedented situation that called forth this extraordinary act? What about it? We in the west—and even the hon. member for West Calgary will sympathize with me on this particular point—have always rather felt that the east was going a little more slowly than we wanted to go, and so back in 1918 the labour people met in convention in eastern Canada, and it was decided that the next year there would be a western convention of the western delegates of the Trades and Labour Congress. They held a meeting in Calgary to consider how they could evolve a more effective kind of labour organization. Some of them suggested that they

should have something in the form of what they called a One Big Union, so that instead of being divided into a great many little cliques and crafts they should get together in one effective body. The bankers had one bankers' association, and the manufacturers had one association, whether their members were engaged in boot or furniture manufacture or in milling.

Mr. STEVENS: Did I understand my hon. friend to say that the meeting in Calgary of the so-called O.B.U. was under the auspices of the Trades and Labour Congress of Canada?

Mr. WOODSWORTH: No; I want to make that clear. I said that the delegates who were present at Quebec in 1918—the delegates of the labour congress—decided that the western delegates of that organization should meet in conference at Calgary.

Mr. STEVENS: Was that with the consent of the Trades and Labour Congress of Canada?

Mr. WOODSWORTH: No. There is little done in the west that meets with the approval of the east; I am afraid this is true in some other matters as well. I do not want to give the impression that this convention had the approval of the congress, but the western representatives of the Trades and Labour Congress thought they wanted a more effective labour organization in the west than the east would stand for, and so they had this meeting in Calgary. They said: "We are divided into a great many little organizations. Let us get together into one effective organization." And they called it the One Big Union. I will not discuss the merits of the organization; the advocates may have been right or they may have been wrong, but that was their opinion at that time. They said, "We are not sure whether the rank and file of the labour people want to have this. We will therefore take a vote of the members of the unions throughout the west". Remember, there was at this time no one big union in existence; it was simply a proposal. The leaders said they would take a vote on this among the trade unionists throughout western Canada.

In the meantime there arose trouble in the city of Winnipeg between the ironmasters at the head of the contract shops and the men in their employ. The men wanted to join with the employees in similar trades in the railway shops. The ironmasters said, "We are willing to deal with our own men, but we refuse to deal with an organization that includes both mechanics in the contract shops and mechanics in the railway shops". There was a great deal of controversy over this, and the matter was referred to the Trades and Labour Council of Winnipeg, a body affiliated with and under the jurisdiction of the Trades and Labour Congress of Canada. The Trades and Labour Council of Winnipeg discussed the situation and voted that they would go out on a general sympathetic strike. That strike was called on May fifteenth. It was so complete that it surprised even the workers themselves. Actually it not only paralyzed the activities of the city of Winnipeg, but threw into hysterics the business and professional people of the city. They thought that it was a revolution. That is the situation that prevailed at that time; that, in brief, is how it came about. The statement was made the other day by the hon. member for Vancouver Centre (Mr. Stevens) that it was a One Big Union strike. As a matter of fact the vote had not yet been taken as to whether or not there was to be a One Big Union. There is no doubt that many of the leading spirits in the strike were in favour of that form of organization. I do not deny that at all. But the vote had not been taken and the organization known as the One Big Union did not come into existence until the strike was all over. The strike order, as a matter of fact, was signed by the president and the secretary of the Trades and Labour Council of Winnipeg. That is the background in outline of the Winnipeg strike.

I do not want to enter into the merits of the strike. A strike is a very serious thing, and this strike was a serious thing for Winnipeg. I would say this however: A great many of the citizens, because they did not understand anything about the labour movement, were altogether unfit to judge of the real factors that were at work. I myself have been accused of having been in the strike. I had nothing to do with it until it was half over. When I arrived in Winnipeg it was the third week of the strike and I did not take any very active interest in things until this legislation was passed and the leaders of the strike were summarily arrested, with the idea that they were to be deported. Then I took the attitude which I take now, that this was outrageous legislation and that these arrests were absolutely unjustifiable. The workers at that time were accused of being seditious; some of them were sent to gaol for a year as guilty of seditious conspiracy. Let me say, however, that three of these men were elected to the legislature of Manitoba while they were still in gaol. The day after they were released from gaol they walked over from the gaol to take their places in the provincial legislature. That was the verdict, not

of twelve men, but of the city of Winnipeg; and I think that I would rather take the verdict of the voting population than the verdict of twelve men, especially twelve men selected as those jurymen were. Another labour man who was then a member of the provincial house, Mr. F. J. Dixon, was tried and acquitted, and he was re-elected by the most overwhelming majority that any man has ever received at the hands of the city of Winnipeg.

I know there are two classes still in Winnipeg, one being the employers who believe that revolution was successfully checkmated, although I would say that the great majority of the citizens at this time are willing to forget all this trouble. They say that it belongs to the past and it should be allowed to remain there. Some of us would gladly forget it if you could have removed from our statute books those measures which may make it possible to arrest men under similar circumstances at some future time. That is why we have kept the matter alive. We do not want to resurrect the events of eight or nine years ago, but we do believe that it is in the interests of British justice in this country, in the interests of fair play to the labour men, that discriminatory legislation of this character should no longer remain on the statute books. I have gone into this matter because there has been so much misrepresentation with regard to the whole situation, and especially with regard to the part that some of us have tried to play in bringing about a repeal of this law.

One word more. A great many people are afraid of the menace of communism, and they are talking very wildly about it, even in the city of Ottawa. They are for example confusing the communist party and the One Big Union. If they would read the journals of those two branches of the labour movement they would find them bitterly attacking each other, and they would see that these two organizations consider themselves sworn enemies. Yet there are those in this parliament, who should know better, who will deliberately make statements that confuse the public mind by suggesting that these two organizations are identical. Such statements are grotesquely untrue, as anyone at all in touch with the labour movement knows very well.

I ventured to dissent the other night from what some of the hon. members said on the ground that I refused to admit that the labour people as a class were less loyal than other people; I believe that our labour people are just as good citizens as any other class in this country. I can quite understand that there are those who are getting along very well in this country and who are quite contented with the general status quo. I am not at all sure from what I see of things that the bankers want any great change; I do not know that those who have high tariffs at present desire any particular change; I am not sure that some of the railway companies want a change. Naturally the people who want changes are those who feel the ill effects of the present system. I do object that they should be declared disloyal because they want to bring about these changes. Personally I have never advocated force as a means of bringing about political changes, although others have done so. This government rests upon force; we were told during the war that the only way to overcome our enemies was by means of force. I quoted a passage from a newspaper the other evening in which a gentleman speaking before the St. George's Society in Winnipeg said that force was the only way in which all great reforms had come about in Great Britain. That is common talk, and you cannot wonder that the rank and file of the labour people have followed that teaching and are coming to believe that the only way in which they can gain their ends is by means of force. As I say, I have never taken that view. I do not believe in force to-day as the means of settling international disputes, and I do not believe in force as a means of settling our industrial disputes. I would rather make an appeal to reason, but I know some of our labour people do not hold this view, just as some members of this parliament do not have this view. That is my position, but holding that position I would still say that when there are organizations in this country which are trying to bring about changes to better their conditions, we should surround them with every safeguard in order that they might have the utmost freedom of expression and organization so that they may use what are considered legitimate ways to bring about the desired ends.

In closing, I would say that if you want to create rebellion, then bring in more repressive measures and grind down the people still further. I think none of us wants to do that. Since 1919 industrial commissions have urged time and again that certain changes should be brought about in Canada to better the conditions of the working class, but nothing has been done along the lines suggested; we are meeting in parliament after parliament, and are doing practically nothing. Is it any wonder that fiery spirits among the

labour people get disgusted with the slow constitutional means, and that occasionally a man gets upon the platform and says something which may be construed as being seditious? Let me say that if we are to preserve this country and all that is best in it we must see to it that the common people are given the very fullest opportunities possible. I am very glad that this house has at last come to the point where the majority are willing to remove a piece of legislation which has been a source of irritation and which the labour people feel has been a rank injustice.

Section agreed to.

Bill reported.

Mr. LAPOINTE moved the third reading of the bill.

Hon. H. H. STEVENS (Vancouver Centre): I would just like to point out to the house that in 1919 the amendment was first introduced on April 7. I have it under my hand at the moment, and it was discussed again on April 29; again on May 1; again on May 9, and again on May 12, when it was passed.

Mr. THORSON: That was not the bill which we are now discussing.

Mr. STEVENS: The amendment to the Immigration Act to which this bill was merely an amendment, passed in the same session.

Mr. THORSON: The section we are discussing was brought in as a separate bill on June 6.

Mr. STEVENS: I have it right here. The original bill amending the Immigration Act included the section which this bill amended later in the session, in June. It was introduced on April 7 and discussed on the dates which I have mentioned. Later the Minister of Immigration came to the house—.

Mr. THORSON: But, Mr. Speaker,—.

Mr. STEVENS: Just a moment; the hon. member has been on his feet a good many times this afternoon and evening.

Mr. THORSON: What was the number of the bill introduced on April 7? The bill introduced on June 6 was No. 132 and was a different bill from that introduced on April 7.

Mr. DEPUTY SPEAKER: Order. The hon. member for Vancouver Centre has the floor and should be heard.

Mr. STEVENS: The bill was discussed on the date I have mentioned and received its third reading on May 12. Then the Minister of Immigration found that section 41 did not quite meet the situation, and he introduced another bill on June 6 which passed through this house by unanimous consent and received third reading on the same day.

Mr. THORSON: A separate bill.

Motion agreed to, and bill read the third time and passed.

NATURALIZATION ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 19, to amend the Naturalization Act.

Hon. R. B. BENNETT (Leader of the Opposition): Explain.

Mr. RINFRET: The object of this bill is to repeal certain sections of the Naturalization Act whereby applicants for naturalization must appear before the courts of the country and go through a certain procedure before the Secretary of State can finally decide on their applications. This bill has been before the house on several occasions, but has not been very fully discussed, and I think it would be proper, in moving the second reading of the bill, that I should crave the indulgence of the house to bring forward certain facts, documents and arguments which will explain the situation. Perhaps as a preface to my explanation it might be of interest briefly to outline the beginnings of naturalization in this country in so far as the principle of recognition of attained British citizenship is concerned.

Under the French regime, nationality was acquired through individual letters of denization issued by the king. Under the British regime, royal letters patent were also necessary to confer British nationality; and that condition obtained for quite a time. But in Quebec, it seems, according to a letter from Murray, of 1765, that it was sufficient to secure the prerogatives of a British subject, to take the oaths of allegiance and have one's name written in the register kept for the purpose. Evidently this procedure, while conferring certain privileges, did not secure naturalization, which remained a matter reserved to the home government. In the instructions to Lord Dorchester as governor of Lower Canada, 16th September, 1791, clause 17, the king declares "that you do not upon any pretence whatsoever give your assent to any bill or bills that may hereafter be passed by the legislative council and assembly of the province under your government for the naturalization of aliens." This shows that the British government at the time was reserving such bills for the royal assent.

In 1793 an act was passed by the legislature of Lower Canada establishing regulations respecting aliens and obliging them to secure certificates for the time of their residence in Canada. It contained no regulation as to their naturalization. The above act expired in 1795, but was continued to the 7th of May, 1796. It was always necessary to get full naturalization to secure royal letters patent.

I do not think I need go into the matter so extensively as to mention the different acts that were passed in 1817, in 1826, and in 1828, either in Lower or Upper Canada; suffice it to say that during that time all these legislative enactments could not confer anything like naturalization as we understand it to-day, as this was strictly reserved to the British parliament.

In 1844 the British parliament had to deal with the question, a more modern interpretation of the rights and privileges of British subjects being necessary owing to the development of foreign travel, due to the rapid expansion of transportation facilities and the large number seeking British citizenship. Complications apparently arose, and in 1847 the British parliament took cognizance of the colonial measures as being repugnant to the legislation of the home authorities of 1844, especially in regard to the recognition of British citizenship abroad. The principle was definitely and clearly enunciated that any rights of citizenship conferred by the colonies were confined absolutely to the territorial domain of the colony concerned. From this on a certain degree of friction developed as discontent became general over the dual status of naturalized colonials. This dual citizenship did not bother those who remained in the colony, but once a man went abroad he was faced with the situation of being liable for the exactions and laws of his own native country and had no right to the protection of the British flag.

Considerable correspondence was conducted between the colonies and the home authorities, but the British parliament clung to its original position until about 1870, when an act was passed permitting conventions with the various countries arranging for mutual recognition of the right of their citizens to change their allegiance. A minute of council in 1880 reveals a request from the home authorities, suggesting a period of five years residence as a prelude to a treaty between the British parliament and the government of the British dominions. This was agreed to in so far as passports were concerned, the three year term being retained for civil rights within Canada.

The British authorities, I may explain, went part way in providing a palliative measure by arranging with the consular service to issue passports providing the term of residence abroad did not exceed one year. The principle was thus clearly defined that imperial legislation was supreme even after 1867, when, by the British North America Act Canada was given the right to legislate for the naturalization of aliens. This condition of affairs continued, and it was not until the imperial conference of 1911 that an agreement was reached to establish a citizenship recognizable everywhere. At this conference was urged the recognition of the principle: A British subject anywhere, a British subject everywhere. This view triumphed after a lengthy debate, the British authorities remaining firm in their adherence to the five year term, which was accepted by the dominions. Previously Canada had had a three year term only.

As a prelude to this new understanding, the British parliament passed an act which became the model for the dominions' legislation. The right was reserved at the conference for the dominions to retain full control of local regulations aside from the five years' résidence clause, which was made imperative. The British parliament endowed the Secretary of State for Home Affairs with power to grant naturalization, and this method of imposing responsibility on a minister was followed by all the other dominions, with the exception of Canada.

I thought, Mr. Speaker, it would be worth while for me to present these facts in concise form in order that the house may understand the evolution of the granting of naturalization certificates in this country. As I have said, before 1911 naturalization in this country obtained only for local territory and could not in any way confer British citizenship or recognition; and it was only after the conference of 1911 that the British government, in conference with representatives of the different dominions, agreed on certain regulations whereby every dominion would be placed in a position to confer naturalization that would obtain throughout the British Empire. And it was after that conference and in accordance with that principle that in 1914 the then Borden government, through the Hon. Mr. Doherty, presented to this house the bill which became the act under which we are at present working. The essential feature of that bill was, as I have said, to make it possible to confer in this country naturalization that would obtain throughout

the British Empire. Among the qualifications necessary to obtain such naturalization was included the residential clause of five years, which was a new feature in our Canadian legislation. It also contained that very important feature which was new: it granted, after the courts had passed upon the application, discretion to the Secretary of State to refuse naturalization notwithstanding their decision.

The act of 1914 gave to the Secretary of State, under a section which I will read in a moment, absolute discretion to grant or to refuse a certificate of naturalization, but it stipulated that the application could not reach the Secretary of State unless a court of this country had pronounced in favour of it. I contend that when we adopted that dual system in 1914, we were doing something different from what existed in the mother country at that time and from what existed in every other British dominion.

In 1919 certain amendments were proposed; but as they have no bearing on the question which is now before the house, I am merely mentioning the fact. In 1920 the Canadian parliament reverted to the bill of 1914 and we have now in the revised statutes of to-day an act embodying the conditions adopted in 1914 and revived in 1920. If an applicant now desires to obtain naturalization, the procedure is to apply to the department; but before the department of the Secretary of State can pass upon the application it must be submitted to a court, and only when the court has decided whether or not the applicant has the necessary requirements for naturalization can the Secretary of State exercise his discretion. What is proposed by this bill is to do away with the reference to the courts, to do away with the system which has been modelled more or less on the United States system, and to adopt the British system endowing the Secretary of State with full responsibility and discretion as is the case in every other dominion of the empire.

As I have said, this bill has already been before the house several times and I do not think it has yet received proper treatment. It has either been discarded or discussed very rapidly, and I think we owe it to the house and to the principle of the measure to consider it very thoroughly during the course of the present session. By this bill we are seeking to amend our regulations so as to conform to the statutes of the imperial parliament and the other dominions. I do not think it will be necessary for me to indicate the system followed in the other dominions, although I shall do so with pleasure in committee if hon. members so desire. I have the facts before me but I believe it would only prolong my explanation if I placed them on Hansard now.

Mr. MANION: What was the system in Canada before 1914?

Mr. RINFRET: I have just said that then the courts were dealing altogether with the matter but they could not confer anything but local citizenship. It was not in their power nor in the power of the government or parliament at that time to confer imperial citizenship in Canada. It was only after the conference of 1911 that the British government and representatives of the different dominions agreed as to certain qualifications that would make it possible for every dominion to confer citizenship and naturalization that would obtain throughout the empire and that would be recognized throughout the world as British citizenship.

Mr. CAMPBELL: Is any time limit prescribed in this measure? I notice that all the provisions are repealed. Is there any provision for posting applications in the office of the clerk of the court or anywhere else?

Mr. RINFRET: Perhaps my hon. friend will bear with me and I will gradually come to all these matters. I am now endeavouring to explain why we are repealing these sections and in due course I will explain what will take place if the house consents to their repeal.

Mr. KAISER: In what way would we differ from Australia? I can see the great difference between naturalization in England and in Canada. We are a country receiving vast numbers of immigrants whereas in the older countries such a condition does not exist, and we might therefore have to resort to different methods from those employed in the older countries.

Mr. RINFRET: It had been my desire that we should go into committee at once. This would have permitted replies to all these specific questions, but I understand the leader of the opposition because he objects to the principle of the bill or for some other reason, insisted that we should have a discussion on the second reading. Of course my hon. friends will understand that, speaking on the second reading of the bill, I am not in a position to deal with all these points which can be elucidated when we reach the committee stage. But I may tell my hon. friend, as regards the point which he has just raised, that the situation is this. Every dominion retains the control of its local regulations, but

there are certain requirements for British citizenship which are being recognized everywhere. As regards the discretion of the Secretary of State in granting certificates, I have just said that this Dominion is the only one where this is prefaced by a reference to the court. In all the other dominions the Secretary of State has the fullest discretion as to granting certificates. That is the case in Australia, South Africa, and so on.

Mr. LADNER: Is it not true that the authority still remains with the Secretary of State? All the courts do is to inquire into the fitness of the candidate for citizenship. They hear the evidence in order to find out whether the man is a fit and proper person to receive the citizenship of this country. Having established the proof in that regard, the judge makes a finding and then the Secretary of State still exercises his right to grant or to refuse a certificate. I think that is the practice.

Mr. RINFRET: That is the very point I am going to argue. At present if the court refuses to recommend a certificate, the Secretary of State may not, and according to the interpretation of the act, shall not grant a certificate. He has no discretion when the court refuses to recommend the granting of a certificate.

Mr. LADNER: Does the hon. member think the Secretary of State, who has not seen nor heard the applicant, should have power to grant the certificate?

Mr. RINFRET: If my hon. friend will bear with me, that is the whole purpose of the bill, I will endeavour to explain why that discretion should be given to the Secretary of State. The purpose of these amendments is to make it easier for applicants to obtain naturalization papers. I want to explain what I mean by the word "easier". By that I do not mean for one moment that the requirements will be any less exacting, or that the qualifications will be lowered in any way, but we want to establish a procedure whereby every applicant can more easily show to the satisfaction of the Secretary of State and of the government that he possesses the necessary qualifications. It is represented that the present system places difficulties of every kind in the way of applicants. Courts sit at very infrequent intervals, and sometimes at long distances from where the applicants reside, and it makes it very hard for some of them to appear personally before the court, or to be properly represented, which can only be the case under certain circumstances. It discourages applications for naturalization in a great many instances. I know that every western member of this parliament, and even some members from the province of Quebec, in parts remote from the big centres, will vouch for what I am saying. That is one of the objections that was raised when this bill was before this house on a previous occasion. I wish to repeat that it is not for one moment intended to make it any easier to obtain a naturalization certificate in the sense that the applicant will not be required to have as firm and strong qualifications, but rather we want to make it easier for every desirable applicant properly to establish his right to a naturalization certificate, which is a very different thing.

We also want to simplify the legal processes; we want to bring about uniformity in administration. At present the requirements for obtaining a certificate, which are to be found in section 4 of the revised statute, are as follows:

> The minister may grant a certificate of naturalization to an alien who makes an application for the purpose, and satisfies the minister
> (a) that he has either resided in His Majesty's dominions for a period of not less than five years in the manner required by this section, or been in the service of the crown for not less than five years, within the last eight years before the application; and
> (b) that he is of good character and has an adequate knowledge of either the English or French languages, and,
> (c) that he intends if his application is granted either to reside in His Majesty's dominions or to enter or continue in the service of the crown.

I point out at once that certain of these qualifications are of such a nature that they may easily be established, provided that the applicant is acting in good faith. As to whether the applicant has resided for five years within the British Empire, or has resided one year in Canada as required by the act, it is quite immaterial whether that be established before a tribunal or before the department, but when it comes to paragraph (b), to ascertaining whether he is of good character and has an adequate knowledge of either the English or the French language, that is very much a matter of appreciation, a matter of policy, I should say, rather than a matter of law. I submit that there is nothing in the act to help any judge to decide what is the exact meaning of that provision, "that he is of good character," and is a fit subject for naturalization, and it is therefore very much a matter of policy either for this parliament to pronounce upon, or for this government to take the responsibility for, just as in the same manner it belongs to parliament and to the government to decide whether or not an

alien is a fit subject to be accepted as an immigrant. That is exactly why we desire to repeal these clauses under which it is provided that an applicant must refer his case to the courts. We have had ample proof during the experimental working of this act that there are not, perhaps, two judges in this country who interpret the act in the same way. They have their own opinion as to naturalization; they have their own feeling as to what constitutes a fit subject for naturalization; they have their own appreciation of what constitutes an adequate knowledge of either the English or the French language. So that we have a system under which you may be granted a certificate of naturalization in a certain part of the country, and be met with a very different reception if you apply for it somewhere else. That, I submit is a most undesirable situation.

Mr. KAISER: What steps would the Secretary of State take in order to satisfy himself that the applicant was a fit subject for naturalization? Would he set up a tribune of his own?

Mr. RINFRET: That is exactly what I am trying to explain. Rather than leave it to the different judges of the country to give to this act an interpretation which is not uniform, but which is flexible and varies according to the temperament and judgment of the judge, it is desirable that the process of naturalization in this country should issue from one source, that source being the Secretary of State, representing the government of Canada, and responsible to the parliament of Canada. My argument is that the determination of the qualifications for British citizenship in this country is not a matter that should be scattered to the four winds, but rather that it should issue from the one source.

If the house will turn to subsection 3 of section 4, they will find that in 1914 it had been intended to give to the Secretary of State the absolute discretion which we now ask for. Subsection 3, which in my opinion and in the opinion of the department and of a number of legal authorities contains the basic principle of the Naturalization Act as we have it today, reads as follows:

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

Such was the clause which was proposed in 1914, and which was adopted by this house after a considerable discussion. But is it not evident, and is it not according to what took place in other parts of the empire, that it was the purpose of the bill and the intention of the government of the day, and of parliament which approved the bill, to grant to the Secretary of State the fullest discretion in the matter of naturalization? Look again at the section, which says that it "shall be in the absolute discretion of the minister, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision." That is the clause to which this parliament assented in 1914.

It is true that the same bill did retain the reference to the courts which had existed previously, but if you turn to the explanation of the bill which was given by the Hon. Mr. Doherty, then Minister of Justice, which you will find at page 3250 of volume IV of Hansard of the session of 1914, you will find that he explained it thus:

> Perhaps it will be well to point out some of the material differences between the requirements of our existing law and the requirements of this bill. The period of residence differs in term, and differs also with regard to the place in which it must have been passed. The requirement as regards the period of time is that it shall be five years, but that it is sufficient that the last of the five years shall have been passed within the Dominion of Canada, provided the other four years were passed within the British posessions. There are requirements of adequate knowledge of the languages official in the country; in Canada the French and the English languages. The certificates under this legislation are to be issued by the Secretary of State. They are not to emanate directly from the court, but under the sections, which deal with the procedure there, the courts are to be resorted to for the purpose of establishing before them compliance with the essential conditions.

Is it not plain from this explanation that the government was under the impression, and so advised parliament, that the only course the courts could take after the passing of the bill would be to ascertain as to whether there had been essential compliance with those specific requirements, which were mere facts and could be just as well established before the courts as before the department? But as I pointed out a moment ago, that is not what has happened, and the practice of submitting the matter to the courts has not resulted in that unanimity of procedure which should prevail in so important a matter; in short, applicants for naturalization are not treated alike, the practice varying in the different courts. This in my opinion is the main reason why we should amend the act as I have suggested.

I have touched also on the point of simplifying the procedure and making it easier for people to submit their applications for naturalization. Every hon. member conversant with conditions obtaining in large sections of the country knows very well that it is difficult, if not almost impossible, for many applicants either to reach the court or to submit their applications, with the result that undue and undesirable delays occur. In the time at my disposal it would be impossible for me to give in detail the variety of rules obtaining in the courts to which I have just referred, but, as I have said, anyone may go to the department and peruse the files, which reveal the most astounding discrepancies, discrepancies which in some instances confer citizenship on those not qualified to receive it, and in other cases impose very unfair restrictions on deserving applicants.

One of the most serious grievances in so far as the courts are concerned is that the applicant is compelled to travel long distances, entailing absence from home for one or two days at considerable expense, and quite frequently after going to all this expense and trouble he finds that the court has been postponed or that the naturalization cases have been traversed to the next sitting. This may seem unimportant, but it has the undesirable effect of discouraging applicants to take out naturalization papers. I think it will be generally agreed that when a man has passed the various immigration tests and has fulfilled the requirements of the act as to residence, character and knowledge of one of the official languages, we should make the certificate of naturalization available to him at the least expense and with the least difficulty.

Perhaps I may give a few examples from the extensive file that I have under my hand in order that hon. members may be advised of the discrepancies which I have mentioned. It is represented to the department that many applicants residing at great distances from courts complain of having to go several times to these courts, thus being put to considerable expense. This complaint is very general from all parts of the country, and I have already referred to it. It is also pointed out that owing to the rare visits of the judge in some districts applications have to wait many months before being heard, and on that account applicants are often called to appear at very inopportune times when they are busy at home with the harvest, trapping, or other occupations. Frequently their applications are rejected when they are unable to attend for these reasons, and they are obliged to begin anew their application at additional expense. This discourages them and some do not proceed further. It is also pointed out that if a judge cannot attend as expected or advertised at the place where application is to be made, applicants are required to travel long distances with their witnesses to meet the judge and have their applications heard at another point rather than wait a year. Through the incompetence of some clerks applications which should not be received are accepted, and finally rejected by the courts or the Secretary of State. Applicants thereby incur expense which would have been avoided had they been properly advised in the first instance. In a number of cases applications are lost and considerable delay results.

As regards the interpretation of the act, I could quote a number of cases, but perhaps it will suffice if I read a memorandum received from the Hon. R. M. Meredith, Chief Justice of the high court division of the supreme court of Ontario, which presents the case in a very convincing way. This document in itself has much intrinsic value, but it has also behind it the very great prestige and authority of a judge who has on very many occasions pronounced himself in regard to naturalization cases, and who is a perfectly competent authority to speak about the present system. Even if so far my speech had failed to convince the house, I have no doubt this memorandum will do better than I have been able to do myself. Here is what he says:

In the matter of five applications for naturalization under the provisions of the Naturalization Act, 1914.

That which seems to me to be a very unsatisfactory state of the law and practice respecting the naturalization, in Canada, of aliens, impels me to say these things in dealing with and disposing of these applications, which were made at the last Halton autumn assizes;

The act, which is now chapter 138 of the revised statutes of Canada, confers on the Secretary of State the powers and the duty to grant or refuse a certificate of naturalization, upon an application to him—section 4—and after an application to the judge, court, authority or person mentioned in section 22—section 27.

On application to the secretary, naturalization may be granted on proof of the statutory requirements set out in section 4; namely five years' residence, good character and "an adequate knowledge of either the English or French languages"—the plural number of this word being obviously a clerical mistake for the singular—and intention "to reside in His Majesty's dominions or enter or continue in the service of the crown".

The judges, courts and authorities or persons mentioned in section 22 have now no power to grant naturalization. They have the power and duty to hear and adjudicate upon applications for naturalization conferred on them; but their decision in favour of applicants may in

the "absolute discretion" of the Secretary of State be in effect overruled in a refusal to issue a certificate of naturalization.

Whilst, on the other hand there does not appear to be anything in the way of an overruling in effect by him of a judge's or court's decision against an applicant by the simple process of granting another application to him directly under section 4. Nor does there seem to be anything to prevent an applicant, whose application has failed when made to a judge or court or authority or person, applying again and again to other judges, courts, authorities or persons; subsection 2 of section 2 of the act does not seem, directly or indirectly, to create a local jurisdiction.

One of the first substantial difficulties met with in the administration of the act is this: judges, courts, etc. must decide "that the alien is a fit and proper person to be naturalized and possesses the proper qualifications" before they can find in favour of applicants: sections 22 and 26: whilst upon an application to the secretary under section 4 all that is required is that the application satisfy him that he has the statutory qualifications which I have before mentioned. But the "absolute discretion" of the secretary under section 4 subsection 3 gives him the fullest power to refuse any application to him.

So that it is manifest that on every application, such as those I am dealing with, I must find that the applicant not only possesses the required qualification—which I take to mean those set out in section 4—but also is a fit and proper person to be naturalized.

Who is a fit and proper person to be naturalized? Nothing in the act gives any answer to this question. It is not a question of law, nor one of mere commonsense; it is really a question of policy of the country in which naturalization is sought: and as this Dominion has put the matter so completely in the discretion of its secretary of state; sections 4 and 27 of the act, it seemed to me both natural and proper to look to him for knowledge: but so far that looking by me has been in vain. Nor can I find anything that has been said or done by any other judge or any court, authority or person throwing light on the subject, helpful to me. Then unaided in those ways, what am I to decide on the question whether these applicants are "fit and proper persons" to be naturalized under the act, assuming that they possess, as they may, "the required qualifications" expressed in the act? They are all illiterate, illiterate in the language of their native land, and much more in the language of this province or either of the languages of the Dominion. Nearly all of them work in gangs of men, of their own native language, in brick yards or in other similar employments and generally live in buildings of their employer used in connection with and near to the work in which they are employed; but nothing has been said or discovered against their characters as men in such a condition in life. In early days in this country they would gladly have been naturalized here; as also in the United States of America doubtless, the paramount desire, if not the only one, being, then, to increase the population. But changed times have greatly changed needs and desires in this respect in the United States of America, and here too in a lesser degree, but yet a great change and one much affected too by the experiences and the effect of the most recent great war.

To reach a right conclusion upon this question, it is necessary to bear in mind always the effect of naturalization such as that sought: beside making, as far as this Dominion can, the alien a British subject with all that that means, these things may be mentioned, not all but some of the more important: it gives to the person one of the qualifications to become lawmakers in this Dominion, in the senate, the House of Commons, the provincial legislatures, and the lesser law making councils; a right to vote; a qualification as juror, so that the man may adjudge among his fellow men even in questions of life or death; and a right to fill some public offices; and it prevents expulsion from Canada—deportation, as it is called. It may be said that "deportation" after-five years residence in Canada, or its equivalent, could not be effected; but cases of which I have knowledge show that even fourteen years is not considered a bar by some who exercise the power to deport.

If I acted upon my own views as to what aliens are fit and proper persons to be made British subjects, I should decide against all of the applicants, deeming that the least illiterate of them is not yet qualified.

But for two reasons my decision is to be the other way:

1. Because I have no doubt that a great majority of the hundreds of persons, clothed with the same authority which I am exercising, would so decide in like cases that come before them. As far as I have been able to discover, the general practice seems to be to decide in favour of the applicant when his papers show compliance with the expressed qualifications provided for in the act. And it is of the utmost importance that the law should be administered evenly: that the country should not be open to the reproach: Your laws are uneven.

2. And because, if the decision were against the applicants, that would probably end the matter, though it should not, for they might make another application, to the secretary direct or to some other judge or court or authority or person having power under the act.

Deciding, as I do, and giving, as I am, my reason for such decision, and making it, in so far as I can, part of that decision, it puts upon the secretary the necessity of either issuing, or refusing to issue, certificates of naturalization, and to that extent disclosing a policy applicable to such applications; and so it may prove to be a step at least towards uniformity in the administration of the law of naturalization in Canada.

This is a long document, Mr. Speaker, but I consider it most interesting and convincing. Chief Justice Meredith, in this statement, is practically recommending himself the very thing we want to achieve by amending the act as we now propose. He has seen the situation very clearly; if the idea which prevailed in 1914 were followed out, it should rest with the court merely to see that the applicant complies with requirements of the law which are facts. As Mr. Justice Meredith puts it, at present the judges also decide as to who is a fit person for naturalization, as to what degree a man seeking naturalization should possess a knowledge of either French,

or English, and as to the character of the applicant. As the learned judge points out, this is not a matter of law; the judge cannot find in the law any enlightenment upon these points; and he cannot receive any help even by applying to the department. He must resort to his own opinions and feelings, and desiring uniformity in the interpretation of the act the judge has decided, without regard to what he thinks about it as an individual, to leave the decisions to the Secretary of State.

That is the decision at which this most learned judge of a very high court in Ontario has arrived. He has not waited for parliament to amend the law as we propose to do; he has done his own amending as to his pronouncements in the granting of naturalization. He has taken the stand that it is not a matter of law so much as a matter of policy, realizing that judges all over the country will decide these points according to their own inclinations. He has declared that so far as he is concerned he is not going to resist any more applications of that kind, in order that they may reach the Secretary of State for decision. I think this is a most important document, and I am quite willing to stand by it in presenting this bill to the house

My hon. friends have put questions as to what will take place if these sections are repealed. I may say that inasmuch as after the court has rendered its decision the Secretary of State still has the discretion to either refuse or grant the certificate, right along we have been conducting our own inquiries in each of the cases presented to the courts. Every one of these cases is now investigated by the department by various methods, either through inquiries made by the mounted police, through arrangements which we have made with homestead inspectors, the records of the immigration department or in other ways at our disposal. This is done in order that we may satisfy ourselves as to the qualifications of the applicants. If this act passed it would simply mean that the applicant would fill out a form, which is quite extensive and covers the whole field of investigation. This form, which is made under oath, is sent to the department, but at present we cannot act upon that application for at least three months, waiting for the decision of the court. If this bill passes the Department of State will be in a position to deal with every case as it comes along and to give every case that degree of attention which it does require in order to make sure of the requirements of the different applicants.

Then there is another feature of the bill, although perhaps this is not quite so important: if this amendment carries it will give the state quite an important revenue. At present every applicant must pay $5 before filing his papers, but that is paid to the clerk of the court and only in important centres such as Toronto and Montreal, where the revenues of the clerk exceed $2,000, is any return made to the Department of State. In other cases the amount paid goes to the clerk of the court as a fee for the performance of his work, and this branch of the public service, although it exacts quite a substantial sum of money from such applicants, brings practically no revenue at all to the department. We estimate that if the applications were sent direct, the revenues of the branch probably would cover the cost of the administration and would amount to over $50,000 a year.

I do not know that I should deal with the matter at greater length now. I realize that I have spoken at considerable length. However, I should like to sum up my remarks thus: I claim that the absolute power of granting these certificates should rest with the government through the Secretary of State, and that this is the basic principle of our own act. This is the system followed in Great Britain and in every British dominion. When an immigrant has entered this country according to the regulations of the Department of Immigration and has resided in Canada legally and peacefully for five years, or for one year in Canada and four years in the British Empire, he should be granted a certificate. Uniformity in decision and a greater facility in procedure should be allowed to any such person desiring to become a British citizen. Naturalization is primarily a matter of policy which should rest with the government, and the department would derive an important revenue from the change.

For all these reasons, Mr. Speaker, I commend this bill to the attention of the house and feel assured that it will receive the approval of parliament.

Mr. MANION: Just before the minister closes I should like to ask him a question. Under the new system how long would it take for naturalization papers to go through?

Mr. RINFRET: There would be no definite time; that would rest with the department.

Mr. MANION: It could be done immediately?

Mr. RINFRET: Yes. I thank my hon. friend for this question, because in a certain number of cases it has proven a great incon-

venience that the department has been unable to grant a certificate to qualified persons simply because of the delay of three months which is provided in the present act, and because of the necessity of referring the matter to the courts.

Sir GEORGE PERLEY (Argenteuil): The minister has made a long explanation of this bill, but I regret to say that he has not brought conviction to my mind. For years this question of naturalization has been a difficult one in this country. Before this last act of 1914, naturalization as granted in Canada carried force in Canada only. Any person naturalized in Canada was no longer a British subject legally when he left this country. That was a condition of affairs that was not satisfactory to anybody, and there was a great deal of agitation about it for a long term of years, as the hon. gentleman will remember. I heard it discussed in this house a good many times. At the imperial conference the matter was brought up from time to time when all the representatives of the dominions were there with those of the mother country, and finally, after a great deal of discussion, they all agreed on a bill of this kind, which if passed by the different dominions and accepted by them would enable the dominions to grant British naturalization which would carry the world over. That was accepted by Canada, and this act of 1914 was passed for that purpose.

To my mind this British naturalization is a very valuable privilege for anybody to have. It carries with it the right to protection all over the world as a British citizen, and it is something that ought not to be lightly given. It is true that the minister has the final say in regard to granting these certificates, but he has stated that he wants to follow the practice in Britain. How can anybody compare the situation in Great Britain in this regard with the situation in Canada? Great Britain is a small country, comparatively easy of access in all its parts; distances are not great. Canada is spread over this whole continent from the Atlantic to the Pacific. Somebody in authority must see these applicants individually and personally, in order to determine whether they are fit and proper persons to become naturalized British subjects. It cannot be done by correspondence. It cannot be done by writing to homestead inspectors. It has to be done by someone of real authority, a person who is used to judging character, to judging men; before them these applicants must appear in order that we may be sure that they are fit and proper persons to be naturalized. I quite admit what the minister says about differences of opinion, perhaps, as to exactly what is necessary in order that a person may be regarded as a fit and proper person to be naturalized, but he cannot possibly administer this question in the way that he proposes unless he surrounds himself with a bodyguard of men who can go out into the country and see these applicants; and the men he would have to use for that purpose must be well educated men, men who would command large salaries.

The minister when he was speaking seemed to have it in his mind that perhaps these sections regarding the necessity of going before a judge were not in the act of 1914, and then he said that some of them were. As a matter of fact, if my memory serves me correctly, in the act of 1914 it was provided that the applicant should go to a judge or to a court.

Mr. RINFRET: If the hon. member will allow me, I did not intend to give the impression that these clauses were not in the act of 1914. What I tried to express was the fact that these clauses were not fully appreciated, as experience has shown.

Sir GEORGE PERLEY: Quite so, but they have been in there since we had the power to give complete British naturalization; they were not put in afterwards. In the original act, under which we had the power to naturalize British subjects all over the world, these clauses appeared and they have been there ever since. I take the point most strongly that every applicant must appear personally before someone in authority, otherwise it is utterly impossible to say whether or not an applicant should be naturalized. I would ask the minister, before whom should an applicant more properly come than before a judge? True, there may be cases in which it is difficult for the man personally to appear before the judge, but section 25 gives the judge discretion. It says that the applicant shall personally appear before the court for examination unless it is established to the satisfaction of the court that he is prevented from so appearing by some good and sufficient cause. In other words, if the judge has evidence from reputable people which satisfies him that this man is for some good reason unable to attend, the judge may go through the evidence and make his report without the man personally appearing. But I feel sure that except in cases of that kind where the judge thinks it is not necessary, it is absolutely imperative that the applicant should appear personally before someone in authority.

The minister has said that the department carry on investigation themselves. He does

not mean, I take it, that they do that in all cases. I should be very much astonished to hear that the Department of the Secretary of State did not accept, in almost all cases, the report made by the judge. The judge sees the man personally and talks to him; in the first place he finds out whether the applicant has an adequate knowledge of either the English or the French language. That is of course a basic necessity; no man can become a naturalized British subject unless he has a knowledge of either English or French. That is in the statute, and even if the minister persuades parliament to repeal these other sections, that one will remain. I would ask the minister, is it possible for him to obtain this information by correspondence? The minister says that in some cases he takes the matter up through a member of the mounted police or one of the homestead inspectors. Now, as far as I am concerned, I object most decidedly to an important question of this kind being settled by homestead inspectors. Some of whom would be all right, but many of them are not fitted to decide the questions involved in the granting to these people of British citizenship which is available to them all over the world.

Mr. RINFRET: I suppose my hon. friend realizes that the very basis of the application is the affidavit of the applicant himself.

Sir GEORGE PERLEY: He has to appear in person. We have known cases where a false affidavit has been made.

Mr. RINFRET: Then we can revoke the certificate.

Sir GEORGE PERLEY: Quite so, but in that case it is far better that it should never have been granted. If the applicant appears in person before the judge, nothing of that kind will happen. The personal equation cannot be overlooked. We all know a judge can readily decide about a man's character and fitness to become a British subject by meeting him, talking with him face to face and asking him all the questions he desires. The judges all approach this matter with the feeling that they will grant the certificate if at all possible.

Mr. DUNNING: I wish they did.

Sir GEORGE PERLEY: They all approach it with the idea that if the application is in order they will send in a favourable report to the Secretary of State. It is impossible to imagine that any of our judges would deal with any of these applications in any other way, and the minister still retains authority to refuse them.

[Sir George Perley.]

Mr. MACKENZIE KING: Did the hon. member not hear the memorandum from Mr. Justice Meredith that was just read? He said he thought they should all be disfranchised.

Mr. BENNETT: Because they did not understand either English or French, and the statute says that they should.

Sir GEORGE PERLEY: The statute states that no man can be naturalized unless he has an adequate knowledge of either the English or the French language.

Mr. DUNNING: What does that mean?

Sir GEORGE PERLEY: If I were sitting as a judge to listen to these men I would very quickly make up my mind as to what I thought was an adequate knowledge of French or English for that purpose.

Mr. RINFRET: Could my hon. friend make up his mind as Secretary of State? He has filled that position.

Sir GEORGE PERLEY: Assuredly.

Mr. RINFRET: That would be only one mind, not a thousand.

Sir GEORGE PERLEY: Unfortunately the Secretary of State is not the man who will make up his mind in regard to it, even if this measure passes. Has he so little to do that he can go and see all these applicants himself? If he does that, we shall not object to the measure; but he is going to allow his mind to be made up for him by somebody else. As I said before he will have to have a large staff and he must have somebody who will go out and interview each one of these men separately. So that when the minister asks me if, as secretary of state, I could make up my mind on the point better than anybody else, I would say to him: Yes, if the man were here and I were talking to him I should be quite willing to deal with the question myself. But the minister cannot do that; the minister will have placed before him a pile of papers with the name of the applicant, and some of his officials will have recommended the application or said that the certificate should not be granted. How many times will the Secretary of State delve into the whole question himself independently of his officials? I question very much whether he will find time to deal with any of them in that way.

The minister has said that one of the weighty reasons why these sections should be repealed is because applications go astray and that delay is occasioned in consequence. May I ask the minister whether it is not just as

likely that an application sent to Ottawa would go astray as an application sent to one of the judges? I cannot see that the Postmaster General would not take the same precautions to have mail delivered to judges as he would to have mail delivered to the Secretary of State. I admit there will be cases where there is delay, with consequent disappointment to the applicant; but that cannot happen very often now, and even if these sections are repealed it will still happen occasionally.

The Prime Minister has asked me about the memorandum from Mr. Justice Meredith. I am not a lawyer, and I am going to leave it to one of the lawyers in the house to comment on the memorandum and to answer it. It seems to me it is just as much in favour of the present act as it is in favour of the intention of my hon. friend But I will not go into the question myself. There are some things about the present act that I like very much. In the first place section 23 reads:

> The application shall be delivered at the office of the clerk or other proper officer of the court during office hours, and such application shall be posted by such clerk or other proper officer in a conspicuous place in his office, continuously for a period of at least three months before the application is heard by the court.

The delay is very necessary in order that everybody may know that the man has made an application for naturalization. I remember a case where people objected to a man being naturalized, and unless a notice was posted up and an opportunity given to people interested to object, how is it possible to put into effect section 24, which reads:

> At any time after the filing of any such application and previous to the hearing of the application, any person objecting to the naturalization of the alien may file in court an opposition in which shall be stated the grounds of his objection.

Does the minister think that is not a salutary clause? Surely the neighbours, the people who know the man well, are able to judge whether he should properly be naturalized or not, and if there is any feeling amongst the people in the community who know him that he should not be naturalized, an opportunity should be given to them to appear before the judge and to state their reasons.

The minister says that if these sections are repealed the department will make a good deal of revenue. I fancy that the clerks of the courts need the revenue they get for this service more than my hon. friend's department. Moreover, I take issue with him as to the revenue being sufficient to provide the expenses of administration; if his proposed bill becomes law. I predict that he will have to insert in the estimates an item to carry on this work. That is to say—and I come back to what I started with—he will have to increase his staff; there will have to be provision in the estimates for more assistance and more expenses for people going about this country to interview these men, unless he intends to act on the correspondence he receives and not to have anybody interview them personally. If he does not have them interviewed personally he will make many mistakes and many people will be naturalized in this country who ought not to be.

I feel strongly that British naturalization, good throughout the world, is a most valuable privilege and should be hedged around with all reasonable precautions to ensure that certificates are not granted to undesirable people. The minister says: Oh, we have the power to revoke them. I know that, and occasionally one has to be revoked, but to revoke a certificate is a very serious step to take. It is far better that the investigation be made beforehand so that certificates will not be granted to people who will make undesirable citizens. Therefore I urge the minister to reconsider the matter. So far as I know the present act, on the whole, has worked well. There may have been a few cases where some hardship has resulted, but it is a great deal better to have delayed the naturalization papers of a few who perhaps are not entitled to naturalization than to have a lot of people naturalized who ought never to be naturalized.

Motion agreed to, on division; bill read the second time, and the house went into committee thereon. Mr. Johnston in the chair.

On section 1—Application to court and issue of certificate.

Mr. BENNETT: It certainly was my intention to speak on the second reading of this measure. The objection to it is an objection in principle, and, particularly in view of the fact that the bill contains only one section, it should have been far better to divide the house on the second reading. It is true that the opportunity will be afforded to us on the third reading; we can move the six months' hoist then as readily as we could have moved an amendment on the second reading. There was no such urgent necessity as seemed to be apparent of declaring the second reading carried, when some of us had made up our minds to speak on the motion for the second reading; however, that is not a matter of very great importance.

Naturalization with some people in Canada has been treated as a joke. I can recall my early days in western Canada, before the

statute was amended, when it was only necessary to made a declaration before a justice of the peace or a commissioner for taking affidavits, and a long line of people would gather before the court. Sometimes only the certificate would be read, and then naturalization would be granted upon the payment of a fee of $2. Under these conditions naturalization became a sort of by-word and reproach. Men were gotten together in a political hall on a given night, they took the declaration and signed the papers; the papers were put before a judge, and times without number it has been discovered that the affidavits were false and the declarations wholly erroneous.

In 1914, following the imperial conference of 1911, the British parliament passed a statute with respect to naturalization. It was a matter that had engaged the attention of Sir Wilfrid Laurier for many years, and if those who are anxious to pursue the history of the subject will read what was said by Sir Wilfrid Laurier on many occasions, they will ascertain why. Up until 1914, when this parliament passed the present Naturalization Act, it was possible to confer Canadian citizenship only upon those who were naturalized. That Canadian citizenship ceased when the person to whom it was granted passed beyond the three mile limit and was no longer within the territorial jurisdiction of the parliament of Canada. It was that objection, of course, that was urged by the Americans who came to settle here. It was said that they had lost their own citizenship; they passed out of the three mile limit, and then the question was, what citizenship did they possess? It was contended by some that their American citizenship was renewed.

Then you had the immigrant that came to us from Europe. He came from communities where they had compulsory military service, and I recall many of the difficulties that arose, after the war broke out, in connection with that particular matter. Under the laws of some of the kingdoms of Europe it is provided that notwithstanding the fact that its nationals may obtain naturalization under such conditions as it was granted in this country prior to 1914, they still were within the reach of the army of the country whence they came. The result was that some who went from this country the possessors of Canadian naturalization certificates found themselves, as soon as they arrived in the land whence they originally came, subject to compulsory military service and compelled to undergo training as required by the law of that country.

This matter, of course, engaged the attention of our statesmen for a number of years. It was the subject of much discussion at many imperial conferences, and finally in 1911 it was decided at the conference that the subject matter should be dealt with in a manner that would permit any person who was naturalized in any one of the king's dominions to obtain thereby naturalization throughout the British Empire; in other words, he became a British subject throughout the world. He was no longer a Canadian citizen. He obtained all the rights, all the privileges, all the claims, if he were naturalized in Canada, as though he were born within the sound of Bow Bells. There was no distinction between the two. That was a very, very great advance. It carried with it enormous obligations on the part of the British government; for while we were obtaining all the benefits, we were at the time providing no machinery for the protection of the citizen. Our flag did not carry protection upon the high seas. Nothing of that sort, so far as we were concerned, was being put forward. It therefore became essential that an agreement be arrived at whereby the mother statute—if I might use a term which, while not very elegant, adequately expresses the meaning—should be passed by the British parliament, and that the parliaments of the self-governing dominions would pass a statute practically similar in terms, so far as essentials were concerned, but varying in the regulations by which naturaliazation was made effective. The parliament of Great Britain therefore passed in 1914 the statute which I have under my hand.

Progress reported.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

On motion of Mr. Young (Saskatoon), seconded by Mr. McLean (Melfort), the following bills were read the first and second times, on division:

Bill No. 260, for the relief of Annie Pearl Appel.—Mr. Garland (Carleton).

Bill No. 261, for the relief of Dorothy Catalina Day Armstrong.—Mr. McPhee.

Bill No. 262, for the relief of Louise Morris Hays Grier.

Bill No. 263, for the relief of Thelma Katherine Halliday.—Mr. Thorson.

Bill No. 264, for the relief of Marion Jarvis Lewis.—Mr. Church.

Bill No. 265, for the relief of Annie Moore.—Mr. Casselman.

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

Tuesday, May 1, 1928

The house met at three o'clock.

BUSINESS OF THE HOUSE

PRIVATE BILLS—ORDER OF PRECEDENCE

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): I notice that the government have decided to give a particular private bill precedence over the others to-night. This is contrary to the rules of the house. I desire to ask what they propose to do in regard to order No. 28 with reference to Bill No. 63, which deals with telephone and telegraph companies. This is one of the most important public bills on the order paper. There is also another important bill respecting lapsed policies under the Insurance Act. These are bills involving public policy and should have precedence. They have been on the order paper for some considerable time and have not been advanced. They affect the body politic of the whole Dominion and should be given some consideration.

Hon. ERNEST LAPOINTE (Minister of Justice): I do not think any bill can have precedence over others unless by unanimous consent. All that was said yesterday with respect to the bill in which the hon. member for Peace River (Mr. Kennedy) is interested was that owing to the special circumstances surrounding it the government would not oppose a request from him that the bill be proceeded with first to-night. That, however, is as far as we can go.

INQUIRY FOR RETURN

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): About five or six weeks ago I placed on the order paper a question relating to the alienation of lands in the west and the authority therefor. I desire to know from the Minister of the Interior when I may expect an answer. I may say that the question was passed as an order for return.

Hon. CHARLES STEWART (Minister of the Interior): I will inquire and give my hon. friend an answer to-morrow.

ASBESTOS CORPORATION

THREATENED LEGAL PROCEEDINGS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I was going to ask whether the attention of the Secretary of State for External Affairs (Mr. Mackenzie King) has been directed to threatened proceedings against the Asbestos Corporation of Canada and the United States, whether there was any correspondence, and what action it is proposed to take. I see the right hon. gentleman is not present. I merely mention the matter and will let it stand until he is in his place.

Hon. ERNEST LAPOINTE (Minister of Justice): I will call my right hon. friend's attention to the question.

NATURALIZATION ACT AMENDMENT

The house resumed from April 30 consideration in committee of Bill No. 19, to amend the Naturalization Act—Mr. Rinfret—Mr. Johnston in the chair.

On section 1—Application to court and issue of certificate.

Mr. BENNETT: Last evening I was discussing this measure and I had briefly referred to the circumstances that led up to the passing of the legislation in 1914. Possibly I should have pointed out that in 1914 we enacted a statute which was drafted by the draftsman of the British parliament. During the progress of the discussion at that time the matter was considered in detail and certain observations were made as to the drafting of the measure, whereupon Mr. Borden, now Sir Robert Borden, directed the attention of the house to the fact to which I have just alluded, namely, that the measure had been drafted in Great Britain. The reason was obvious. This is a very serious obligation imposed upon the British Empire, and as the taxpayer in Great Britain is so much concerned, inasmuch as he largely makes possible the maintenance of the fleet that insures the safety of our citizens on the high seas, the drafting of the bill became a matter of paramount importance. When the measure was introduced in the legislature of each of the various self-governing communities composing the empire it was the same in terms, except for such variations only as might be essential in view of the conditions under which these respective communities live.

The Naturalization Act divides itself into two branches: first there is the question of principle under which naturalization may be granted; and secondly the act relates to procedure. Those who are interested in the matter will find in our revised statutes the act set out as it now exists. In 1919 we made some amendments to the statute. It is unnecessary to do more than point out that we have set up conditions under which naturalization may be granted. These conditions I will refer to for the reason that it becomes important to consider them

in the light of what was done by the other communities of the empire, and in view also of the observations made by the Secretary of State (Mr. Rinfret), which I regret to say he must have made inadvertently, because a mere casual observation of the legislation of other portions of the empire will show that the hon. gentleman is wholly wrong.

The statute in question is now chapter 138 of the Act respecting British Nationality, Naturalization and Aliens. The section relating to the question of principle is section 4:

> The minister may grant a certificate of naturalization to an alien who makes an application for the purpose, and satisfies the minister—
>
> (a) That he has either resided in His Majesty's dominions for a period of not less than five years in the manner required by this section, or been in the service of the crown for not less than five years, within the last eight years before the application; and
>
> (b) that he is of good character and has an adequate knowledge of either the English or French languages; and
>
> (c) that he intends if his application is granted either to reside in His Majesty's dominions or to enter or continue in the service of the crown.

Then follows the provision respecting residence required. It is residence in Canada for not less than one year immediately preceding the application, and previous residence, either in Canada or in some other part of His Majesty's dominions, for a period of four years within the last eight years before the application.

> The grant of a certificate of naturalization to any such alien shall be in the absolute discretion of the minister, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.
>
> (4) A certificate of naturalization shall not take effect until the applicant has taken the oath of allegiance.
>
> (5) In the case of a woman who was a British subject previously to her marriage to an alien and whose husband has died, or whose marriage has been dissolved, the requirements of this section as to residence shall not apply, and the minister may, in any other special case, if he thinks fit, grant a certificate of naturalization, although the four years' residence or five years' service has not been within the last eight years before the application.
>
> (6) For the purposes of this section a period spent in the service of the crown may, if the minister thinks fit, be treated as equivalent to a period of residence in Canada.

This embodies the amendments of 1914, enacted after the outbreak of the war, and also those of 1920, which I think many hon members will recall. It is the principle upon which naturalization is granted to an alien in this country, conferring upon him the status of a British subject throughout the world, with all the immunities, the rights and the powers that belong to such a subject. Now comes the next question—the conditions under which this privilege may be granted. There is a provision dealing with procedure and evidence, commencing at section 22 and including the following sections down to section 28. The section, I have read having settled the principle, we now apply procedure and evidence and these matters are dealt with as follows:

> 22. An alien desiring to be naturalized shall apply for a decision establishing that he is qualified and fit to be naturalized under the provisions of this act to any judge of any superior court or to any judge of any circuit, district or county court, and in the province of Ontario the court of general sessions of the peace, and in the Northwest Territories to such authorities or persons as the governor in council may prescribe.
>
> 23. The application shall be delivered at the office of the clerk or other proper officer of the court during office hours, and such application shall be posted by such clerk or other proper officer in a conspicuous place in his office, continuously for a period of at least three months before the application is heard by the court.

That is the second provision, with respect to procedure. To continue:

> 24. At any time after the filing of such application and previous to the hearing of the application, any person objecting to the naturalization of the alien may file in court an opposition in which shall be stated the grounds of his objection.
>
> 25. The applicant shall produce to the court such evidence, that he is qualified and fit to be naturalized under the provisions of this act, as the court may require, and shall also personally appear before the court for examination unless it is established to the satisfaction of the court that he is prevented from so appearing by some good and sufficient cause.
>
> 26. If the court decides that the alien is a fit and proper person to be naturalized and possesses the required qualifications, a certified copy of such decision shall be transmitted by the clerk of the court to the minister together with the application and such other papers, documents and reports as may be required by any regulation made hereunder.
>
> 27. The minister may thereupon in his absolute discretion issue a certificate of naturalization and shall send the same to the clerk of the court to whom the application for naturalization was made.
>
> (2) Upon the applicant taking and subscribing the oath of allegiance, which may be so taken and subscribed by any person duly authorized to administer judicial oaths by the laws of the province in which the applicant resides, the clerk shall deliver the certificate to the applicant.

Those are the conditions as to procedure under which the principles to which I have referred are made applicable. It was suggested that this appearing in court was a

difficult matter. I dealt with that in 1914, and if any hon. gentlemen are curious and desire to see what is the law in the United States, if they are not bored by reading my observations at that time they will find that applicants must appear in open court, supported by two witnesses in open court, who must give evidence as to their character and their fitness to become American citizens, and the applicant must publicly renounce his allegiance to his former sovereign and former country. Further than that, in open court he must take an oath that he does believe in organized government and that he is not a member of any organization or society which has in mind the destruction of governments. Those are parts of the conditions which are imposed in the United States.

We have imposed less onerous conditions in Canada, under the sections which I have just read and which it is now proposed to repeal. There is not another word substituted; there is not another suggestion made to take the place of these sections. We are just leaving it in the hands of the Secretary of State with the power to make regulations, and I say to him if he had taken the trouble to read the laws of the other parts of the British Empire he would not have said what he did last evening. Canada is not the only country which has made these provisions with respect to procedure, and first we will consider the nearby country of Newfoundland. They passed the same statute; they had to deal with the same matter, and what action did they take? In 1915, having enacted the substantial provisions with respect to principle to which I have just alluded, we find them further providing for these cases. The first sections only deal with the manner in which they may be dealt with, and I will not read them again. Section 19 of chapter 11 of the statutes of 1915 of Newfoundland reads as follows:

> The governor in council may make regulations generally for carrying into effect the objects of this act, and in particular with respect to the following matters:
>
> (a) The form and registration of certificates of naturalization granted by the Colonial Secretary;
>
> (b) The form and registration of declarations of alienage and declarations of resumption or retention of British nationality;
>
> (c) The time within which the oath of allegiance is to be taken. . . .

And so on. Then there is a provision with respect to proof of certificates and with respect to the evidence of declarations. In other words, the colony of Newfoundland dealt with the matter of procedure through the regulations which might be made by the colonial secretary or the governor in council.

Mr. RINFRET: Will my hon. friend allow me to interrupt? That will be exactly the situation in Canada if this bill passes.

Mr. BENNETT: Yes, in part; I am coming to that. Now let us consider New Zealand. That country passed a statute in 1923, after the war, to amend and consolidate the former legislation, and that statute embodies certain provisions now found in our revised statutes. They have the same provisions with respect to the principle which we now have in Canada, and then comes section 4 of their act:

> When any alien friend—

That is different from our statute.

> —residing in New Zealand desires to be naturalized as a British subject in New Zealand, he may present to the minister an application in writing signed by him, setting forth—
>
> (a) His name, age, birthplace, residence, occupation, and nationality:
>
> (b) The length of his residence in New Zealand and his desire to settle therein either permanently or for a limited period, stating such limited period (if any):
>
> (c) A request that a certificate of naturalization may be granted to him.
>
> (2) Every such application shall be verified by a statutory declaration subscribed by the applicant.

Then section 5 continues:

> (1) If the minister is satisfied—
>
> (a) That the applicant has either resided within New Zealand for a period not less than the prescribed time or has been in the service of the crown in any part of His Majesty's dominions for not less than five years within the last eight years; and
>
> (b) That the applicant is of good character and has an adequate knowledge of the English language; and
>
> (c) That the applicant intends, if his application is granted, to continue to reside in His Majesty's dominions, or to enter, or continue in, the service of the crown; and
>
> (d) That in all other respects the applicant is a person fit to hold and exercise the rights of a British subject in New Zealand—the minister may grant a certificate of naturalization to the applicant.
>
> (2) The grant of a certificate of naturalization to any such alien shall be in the absolute discretion of the minister, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.

Mr. RINFRET: If my hon. friend will allow me, all these dispositions will remain in the law when we have repealed the sections referring the cases to the courts.

Mr. BENNETT: I am coming to just what my hon. friend is leaving out; I am

pointing out that we are leaving to regulation what is now a matter of statute in part in the other British communities. Further, we are doing what is not being done in any other part of this empire. It is true that there is a broad power in our section 28 which I mentioned with respect to regulations; that section was drafted in Great Britain and sent to Canada and all the other self-governing communities throughout the world where our empire extends. That is the position, and with the reason for the absolute discretion resting with the minister I shall presently deal, but it is not a political discretion. To that I shall also refer.

Mr. DUNNING: It is not so intended.

Mr. BENNETT: It should not be, but it will be; we have had some experience in these things.

Mr. DUNNING: I do not think any Secretary of State from either side of the house would so act.

Mr. BENNETT: I did not mention the Secretary of State. While I am on the subject of New Zealand and Australia, I would mention that a representative of New Zealand was here the other day, and he explained to us that the population of New Zealand is between 95 per cent and 100 per cent British, and that in Australia the population is over 90 per cent of British origin. That is the reason why I dealt with those two countries first, because they are exactly similar to Great Britain; they have a solid British population with only one language to consider, and the conditions under which naturalization certificates are to be granted are vastly different from those which obtain in this country, to which we have invited hundreds of thousands of people of practically every race in the world.

Now let me go to the Union of South Africa. I was very curious about that country, because there they have two languages also. I have in my hand a copy of the statutes of South Africa, which are printed in English on one page and in Dutch on the other page.. I now read from the act of 1910, the first act with respect to aliens, because as you will remember they passed their act before we passed ours. This act was to consolidate and amend the laws with respect to naturalization, and I would like the Secretary of State to listen to section 4 of that act:

> Every applicant for naturalization shall:—
> (a) publish in the Gazette a notice, in the prescribed form, of his intention to apply for a certificate of naturalization in the union; and
> (b) produce, in support of his application, proof that he has so published such a notice, together with a certificate signed by a magistrate, justice of the peace, or field cornet, stating that the applicant is personally known to the person so signing and that to the best of that person's knowledge and belief the applicant is of good character and repute and possesses the qualifications for naturalization prescribed by this act;
> (c) furnish such further evidence as the minister may require of his service under the crown or (as the case may be) of the period of residence prescribed in the last preceding section as a qualification for naturalization, and of his intention to reside in the union; and
> (d) furnish such evidence as the minister may require as to the name, sex, age, and place of birth of each of his minor children (if any) who, at the time of his application, are—
> (i) resident with him in the union;
> (ii) not resident in the union.
> 5. The minister, upon receipt of the particulars prescribed in the last preceding section, shall take the applicant's case into consideration and may, with or without assigning any reason, grant or refuse his application as he thinks most conducive to the public good, and no appeal shall lie from his decision.

I read that because it is one of the standard sections that appeared in all the naturalization acts as drafted by the parliamentary draftsman. Then follow the usual sections with respect to the certifying of the necessary documents.

Mr. DUNNING: What is the langugae qualification there?

Mr. BENNETT: It is any langugage which is the official language in the state, I think.

Mr. RINFRET: I am sure my hon. friend will admit that this is subject to regulations. The principle of the bill now is that the Secretary of State shall have the discretion of granting or refusing a certificate; and I am sure that obtains in every dominion in the British Empire.

Mr. BENNETT: I have mentioned that, and I say that is the understanding under which this arrangement was arrived at; but I am now stating what are the provisions of the statute in South Africa with respect to the matter, and how proceedings are regulated. There are two questions, one of principle, with which I submit we may not deal without breaking our bargain with Great Britain; and the other the question of procedure, and I am pointing out the requirement of procedure in South Africa which I have just read to the house.

My hon. friend the Minister of Railways has asked me with respect to the language question.

Mr. DUNNING: I am asking you that because it raises another very interesting question with regard to naturalization. My impression is that in South Africa the Dutch language as well as the English language would qualify.

Mr. BENNETT: The statutes themselves are printed, one page in Dutch and the other in English; I have made that clear.

Mr. DUNNING: I am pointing out that a worldwide British naturalization would be granted to a man who could speak only Dutch, in South Africa, but he could not be naturalized in Canada, while in Canada a gentleman who could speak only French may be naturalized but could not be naturalized in South Africa.

Mr. BENNETT: Any more senseless remark I have never heard.

Mr. DUNNING: If my hon. friend would only have patience, instead of getting out of temper and describing an hon. gentleman in the terms that he has used, he would have seen in a moment the point which I was trying to make. What we are dealing with after all is British Empire naturalization, and the man who cannot speak—

Mr. BENNETT: Will the hon. gentleman possess his soul in patience?

Mr. DUNNING: Then, Mr. Chairman, I rise to a point of order on the use of the word "senseless."

Mr. BENNETT: There is no question of order, Mr. Chairman. This hon. gentleman has a habit of butting into discussions.

The CHAIRMAN: The hon. leader of the opposition has the floor, but the hon. Minister of Railways raises a point—

Mr. DUNNING: I am awaiting your ruling, Mr. Chairman, as to the use of the word "senseless." Is it in order?

The CHAIRMAN: If the word is applied to the hon. gentleman—

Mr. BENNETT: I said his observations.

Mr. DUNNING: All right, my time will come.

Mr. McPHEE: Mr. Chairman, I have followed the hon. gentleman very carefully and may I ask a question: In Australia, New Zealand, Newfoundland and South Africa are applications for naturalization referred to the courts?

Mr. BENNETT: No.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: There is not much sense of humour in that.

Mr. BENNETT: Apparently, Mr. Chairman, there are a number of gentlemen who do not desire to follow this question. This is beyond all odds the most important domestic question with which this parliament will deal. I invite gentlemen who are interested in it and will take the history of western Canada as an example, to look at the observations which I made in 1914, which were unchallenged and which were regarded at that time by both parties as being sound on a question which engaged the attention of Canadian clubs and other organizations; when all that had to be done was to sign a document before a commissioner or a justice of the peace and post it up; and I saw one member of a legislature who was elected by sixteen men, none of whom was able to understand practically a single word in the English or the French language, who could only speak Italian and had to do it through an interpreter. I am only mentioning that to show the seriousness of the matter with which we are dealing.

Now I will deal further with the South African statute. The South African statute to which I refer was that of 1910, which was amended after the war, in 1926; and the South African statute has at least some analogy to the conditions we have here, because they have at least two official languages there, and we have two here. The first section provides that the named persons shall be deemed natural born British subjects. Then follow the provisions for the naturalization of aliens, and subsection (b) of section 2 reads as follows:

> That he is of good character and able to read and write—

I hope the hon. gentleman will follow this:

> —either of the official languages of the union, to the satisfaction of the minister.

That is the position and it is contained in the last of the South African acts, namely, that of 1926.

The next question which arises in regard to South Africa is: How does the minister satisfy himself upon that point? I find that section 19 of the act deals with the matter in the following terms:

> Every applicant for naturalization shall—
> (a) not less than one month before he makes application for naturalization to the minister, publish in the Gazette in both the official languages and in one English and one Dutch newspaper circulating in the district in which he resides, a notice, in the prescribed form, of his intention to apply under this act for a certificate of naturalization; and
> (b) produce, in support of his application, proof that he has so published such notices together with a certificate signed by a magistrate, or justice of the peace, stating that the person so signing has satisfied himself by in-

quiries instituted by him that the applicant is of good character and repute and possesses the qualifications for naturalization prescribed by this act;

(c) furnish such further evidence as the minister may require of his service under the crown or (as the case may be) the period of his residence prescribed in section two as a qualification for naturalization and of his intention to reside in the union; and

(d) furnish such evidence as the minister may require as to the name, sex, age, and place of birth of each of his minor children (if any) who, at the time of his application, are—

(i) resident with him in the union;

(ii) not resident in the union.

(2) Any person may on payment of the prescribed fee inspect any document produced under subsection 1 of this section.

Then follows section 20, which states:

Any person may make representations to the minister with regard to any person who has applied or has advertised his intention to apply for naturalization.

(2) The representations shall be in the form of an affidavit.

(3) The contents of any affidavit filed with the minister in pursuance of this section shall not be disclosed to any person other than for the purpose of legal proceedings for any false statement made in the affidavit.

Then follow sections 21 and 22, dealing with the evidence of declarations and certificates of naturalization. Then there follows this further provision in section 27:

(1) The minister shall—

(a) enrol as of record the issue of all certificates of naturalization granted under this act;

(b) cancel all certificates of naturalization which have been revoked and publish in the Gazette a list of such revocations with such details as may be prescribed;

(c) cause to be made indices of all the certificates of naturalization (whether granted under this act or any prior law) and permit any person at all reasonable times to inspect the indices and to make copies of such certificates, on payment of the prescribed fee;

(d) In the months of January and July in every year, publish in the Gazette a return of all persons to whom certificates of naturalization have been granted during the preceding half-year, and in that return show, in respect of each person—

(i) his name in full;

(ii) his birthplace;

(iii) his nationality prior to the grant of the certificate of naturalization;

(iv) his occupation;

(v) the date of the issue of the certificate of naturalization.

I point these out because they are the provisions in the statute of South Africa where they have two official languages, the Dutch and the English, and where the minister may not grant an applicant a certificate of naturalization unless and until the formalities which I have cited have been observed. They are not regulations that may be changed by order in council but regulations that are part of the statutory law of the country and that are not left to either the whim or the caprice of ministers or governments. That is the position with respect to South Africa.

In the commonwealth of Australia there are with respect to naturalization provisions much the same in terms as those which exist in New Zealand except that, the law having been consolidated in 1920, they are somewhat more ample than they are in this country, or, in fact, than in some others. Division 3 relates to procedure and evidence and this is the way in which they deal with the matter in Australia under section 25 of the act and not by regulations. Section 25 reads:

(1) An applicant for a certificate of naturalization shall produce in support of his application his own statutory declaration stating his name, age, birthplace, occupation and residence, the length of his residence in the British Empire or the period within the eight years preceding the date of his application during which he has been in the service of the crown, and such other particulars as are prescribed and that he intends to settle in the British Empire or to enter or continue in the service of the crown.

(2) In addition to compliance with the preceding provisions of this section an applicant shall—

(a) advertise in the manner prescribed his intention to seek naturalization and produce to the minister newspapers containing copies of the prescribed advertisement; and

(b) produce certificates of character from three natural-born British subjects, two of whom are householders and one of whom is a justice of the peace, a postmaster, a teacher of a state school or an officer of the police force of the commonwealth or a state.

(3) Any person may on payment of the prescribed fee, inspect any certificate produced in pursuance of the last preceding subsection.

Then there are the same provisions as in South Africa with respect to the right of any person to make declarations in opposition to the application for naturalization. The statute was amended later by striking out the words "justice of the peace", but I do not concede that to be of importance to the discussion that we are now having. In 1922 there were certain other amendments that do not touch this point.

What have we? We have first of all an agreement by Great Britain as to naturalization and we were to pass a standard bill throughout the British Empire with respect to principle, the procedure being left largely, if not entirely, to the local authorities except that the several bills seem to have been drafted by the parliamentary draftsman in Great Britain. I have read to the committee the provisions in South Africa, Australia, New Zealand and Newfoundland. When we in Canada came to consider this matter we did

not do so in a hurry nor without careful consideration of what was involved. When Mr. Doherty, the then Minister of Justice, moved the first reading of his bill in the House of Commons on the 22nd May, 1914, he explained the circumstances with great fullness to the house. The then leader of the Liberal party, Sir Wilfrid Laurier, made some observations, and during the course of the debate I thought it desirable to mention what had been going on in western Canada with respect to naturalization and the pressure that was being brought to bear upon public men to ensure a better law and a more wholesome observance of the law as it then stood. For instance, I then placed upon Hansard the circumstances under which naturalization was granted in the United States and the words of the statute are worth while considering. They are these:

> That every final hearing upon such petitions shall be had in open court before a judge or judges thereof, and every final order which may be made upon such petition shall be under the hand of the court and entered in full upon a record kept for that purpose, and upon such final hearing of such petition the applicant and witnesses shall be examined under oath before the court and in the presence of the court.

Not only the applicant but the witnesses have to be examined under oath. In the United States the provision with respect to language deals only with the English language, they having but one official language. The provision is this:

> That no alien shall hereafter be naturalized or admitted as a citizen of the United States who cannot speak the English language: Provided, that this requirement shall not apply to aliens—

—under certain circumstances that have no bearing on this discussion. The bill passed its second reading, was considered in committee and then came up for third reading in the house. When it came up for third reading on June 4 —and I direct the attention of the Secretary of State to the words of the great leader of the Liberal party in connection with this matter—Sir Wilfrid Laurier moved the following amendment:

> That this bill be not now read the third time, but that it be referred back to the committee of the whole house with instructions that they have power to amend it by striking out subsections 3 and 5 of section 2.

He argued that they should be struck out because they gave too wide powers to the Secretary of State and these are his words which I commend to the minister at this time:

> We have given the courts of law the power to determine that question, and we have provided that the applicant must come before the court and give evidence of his character; that the judge may, if not satisfied with the proof placed before him, ask for further evidence, and that there may be a trial before the judge as to whether or not the applicant is a fit and proper person to be a British subject.

Further he said:

> The judge determines the question, and then the matter is not finally disposed of, but is referred to the Secretary of State, who, purely arbitrarily, without giving any reasons, but simply of his own will, may or may not grant a certificate. Such a disposition is absolutely repugnant to the spirit of our institutions.

Those are the words of Sir Wilfrid Laurier.

Mr. RINFRET: Did that speech convince my hon. friend at the time and did he vote for Sir Wilfrid Laurier's amendment?

Mr. BENNETT: He certainly did not for reasons I can explain to the minister so easily that there will be no difficulty in his understanding this, that the bill in that regard was a standard bill and at the conference that took place in England Mr. Churchill and Sir John Simon stated the position in these words. Mr. Churchill said:

> The grant of nationality is in every case discretionary and this discretion should be exercised by those responsible in the area in which the applicant has spent the last twelve months.

This is what Sir John Simon said:

> It is essential to the scheme which the Home Secretary has referred to, that the grant of an imperial certificate should be a matter of discretion, and that that discretion should be exercised, not in all cases by the home government, of course, but by the authority which has the local opportunity of judging of the man's personal qualities and credentials during the last year of his five years. That seems to me to be essential to the scheme.

Therefore the scheme went by the board unless it were adopted as a whole, and Sir Wilfrid Laurier was so taken with the explanation that was given that the amendment of Sir Wilfrid Laurier was negatived on division without any vote being recorded. The point to which I direct attention is that the Liberal party of that day set its face steadily against bureaucracy and centralization, against the usurpation of power by a minister in regard to matters that concern the whole body politic of this country, and where the exercise of that power improperly would involve very serious consequences to the country. I could have read further, but I have read just that to show what the leader of the opposition at that time said.

But let us go further. Let us look into this matter from the other angle. I have stated the principle and I have stated the procedure of the various countries, but let us

ask what we are now doing, because that is the important thing. What we are now doing is at variance with what has been done in communities similarly situated to ours. But we go further than that. This entrusts to the minister, by any machinery that he at his whim may set up, the determination of the fitness of a man to become a British subject. That is what is does in terms. Why abolish the judicial proceedings? Why abolish the judges? It is said that it means great cost and expense, but what is that compared with the cost and expense in the United States, or in South Africa? What is the cost compared with the priceless boon that is being conferred upon these people by giving them British ctizenship? We have courts in this country, and I would like hon. gentlemen opposite to know that in all the western country, about which they are so solicitous, the county court judges hold their courts in practically every small community of western Canada.

Some hon. MEMBERS: Oh no.

Mr. BENNETT: The local government can easily provide that. They do in Alberta. It is only the local government that has authority in that matter, and it has been a Liberal local government in Saskatchewan ever since 1905. If they have not these facilities there it is the fault of the local government, not of this parliament. The hon. member for Yorkton (Mr. McPhee) shakes his head. He knows perfectly well that the only authority that may determine the place of the sittings of the court is the provincial government, and if they have not these facilities in his part of the country, it is because they have not been given to the people by the local government. But in Alberta, in every small community, the district courts meet from time to time for the purpose of enabling litigants to dispose of small suits up to $600, and will any man in this house say that you can travel a considerable distance to deal with a $100 suit, and not regard it important enough to travel that distance to become a British subject? That is the question.

Let me go further. Think what it means to Great Britain. We are not paying the piper. We are not maintaining a fleet on the high seas that polices the world. The hon. member for Melfort (Mr. McLean) is not interested in that. They are paying it over yonder, and we owe to them a duty to see to it that we protect this naturalization of ours in every way and manner in which it is possible to do so, in order that the responsibility upon Great Britain may not be greater than it is.

[Mr. Bennett.]

I will tell hon. gentlemen of something I have seen with my own eyes and heard with my own ears. My hon. friend from Marquette (Mr. Glen) and my hon. friend from Yorkton are both members of the same profession to which I belong, and I ask them if during the last ten years they have not been in courts of law in this country in which cases were being carried on in which neither party could give his story in either the English or the French language.

Some hon. MEMBERS: What has that got to do with it?

Mr. BENNETT: I thought they would say that. Do they realize that this statute says that a certificate of naturalization shall not be granted to any alien unless he possesses an adequate knowledge of either the English or French language? What has that got to do with it? Simply this, that wherever you see in this country British subjects who have no adequate knowledge of either the English or the French language, you know perfectly well that naturalization has been granted in some wrong and improper manner.

Mr. McLEAN (Melfort): Would they necessarily have to be British subjects if they appeared in a suit in a court of law?

Mr. BENNETT: I am unable to understand the question.

Mr. McLEAN (Melfort): I will explain it. The leader of the opposition appealed to two hon. gentlemen on this side belonging to the bar and cited cases in court where the principals could not state their case in either English or French at least leaving us to assume that they must be Canadian citizens, and that somebody had been derelict in his duty in granting naturalization to these people without their possessing an adequate knowledge of either the English or the French language.

Mr. BENNETT: We will add to it that they were British subjects.

Mr. McLEAN (Melfort): That is different.

Mr. BENNETT: That is the point I am making, and if there is any misunderstanding about that, I will remove it at once.

Mr. THORSON: For information, may I ask if the term "Canadian citizen" is used anywhere in the Naturalization Act?

Mr. BENNETT: My hon. friend from Winnipeg South Centre has more time to go over the act than I have, and can find that out for himself.

Let us go a step further. What are you doing in this statute? Perhaps to the hon.

gentleman it means nothing, it is perhaps a huge joke that you naturalize by the hundred people who have no adequate knowledge of either the English or French language. I have been in communities where people had citizenship papers and could not speak either the English or the French language.

Mr. RINFRET: If my hon. friend will allow me, is not that evident proof that in such cases the courts did not act properly? That is just what we claim.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: If hon. gentlemen will just wait a moment, they will not cheer. They were cases under the old act which made no provision for a knowledge of either the English or French language.

Mr. McLEAN (Melfort): Why cite those cases at all, then?

Mr. BENNETT: To show what this act means to this country. Great Britain and ourselves made the agreement we did to bring about a uniform law, and in those countries where there was only one official language, the language was to be English, and in those countries where there were two official languages, it could be either English or another official language; but prior to 1914 there were no provisions with respect to any tongue whatsoever, and my hon. friends know that it was a crying scandal in Saskatchewan and Alberta, and partly in Manitoba, where thousands of men were naturalized by being huddled together in a group, and someone going in to them with a paper and asking them to sign their names—

Mr. THORSON: That was under the Roblin government.

Mr. BENNETT: That shows the type of mind of the hon. member for Winnipeg South Centre. He says it was under the Roblin government. What did they have to do with naturalization? Surely he knows better than that.

Mr. McLEAN (Melfort): Their friends, the government of the day in Ottawa, had something to do with it.

Mr. BENNETT: From 1911 to 1914 the old statute prevailed, but in 1914 the new act was enacted. Fourteen years have elapsed since then, and wherever you find a naturalization certificate in the possession of a man under the age of thirty-five in this country—they had to be twenty-one years old to be naturalized, and fourteen years have elapsed since—someone has failed in his duty if that man does not possess an adequate knowledge of either the English or the French language. What have we seen prior to that time? Prior to 1914 we have seen men huddled together in a group, names signed, a person, usually some heeler, appointed a notary public, a commissioner of oaths or justice of the peace for the purpose, and going in and signing a certificate that these men were of good character, although he had never seen them before, they having been just rushed up to sign the necessary documents, and then certificates were granted—they called them citizenship papers. I have seen these papers with my own eyes in the possession of men in court who were unable to speak either the English or the French language, and who could only communicate through an interpreter. It was to stop that sort of thing that this statute was passed, to compel them to have an adequate knowledge of either the English or the French language before they could receive a certificate of naturalization, a certificate, mark you, that gave them British citizenship not merely in Canada, not merely within the three-mile limit, but within every part of the world.

What did we witness during the war? I wonder if hon. gentlemen recall in their own communities what I have seen in mine? I received a letter from a soldier at the front who had seen as a prisoner of war, one who had been a German barber in the city of Calgary a few months before. This man was a naturalized Canadian. Does that mean anything? That is the very sort of thing we want to prevent. He was a German citizen. The moment he got outside the three-mile limit he was no longer a British subject.

Mr. JACOBS: It shows that the hon. member for West Calgary must have had a very close shave.

Mr. BENNETT: It may be as amusing as that to the hon. gentleman; it is not to me. I believe it strikes at the very foundation of the life of this country. I ventured to say so in 1914, and I have a stronger view now than I had then, for I have watched the administration of this law. Let me go one step further. There was a well-known citizen of one of our communities who was naturalized, and yet he was captured within the German lines. On the bodies of some of those who unfortunately met their death in the war there was found evidence of their having been in Canada not very long before.

In 1914 we endeavoured to meet a new situation by this legislation, and we provided the machinery which Sir Wilfrid Laurier said

had been in use in this country from the very inception of our form of naturalization. He put it in this way:

When we adopted the law of naturalization, we did not copy the British precedent. We did not provide that the Secretary of State should arbitrarily have the power which is given to the Home Office in Great Britain; but we provided that the decision of the judge should be final and should not be revised by anyone. I have not heard that any complication has arisen; or that it has ever been felt that there was in Canada any necessity, as there appears to be in Great Britain, for the Secretary of State to be given such power as this.

But he added:

If there is reason for such legislation, it must be that the government of Great Britain have found it necessary, in order to avoid diplomatic complications, to reserve that power.

And after the explanation of Mr. Doherty, the third reading of the bill was given on division, Sir Wilfrid being satisfied by the statement made with respect to the diplomatic obligations that were involved in connection with this imperial citizenship.

Now I ask the minister this question. We have passed principle, we have passed procedure as it is in other countries. What does he propose? He proposes to do one of two things. His amendment provides that the minister must be satisfied. Therefore the minister himself must go and find out personally, or he must delegate the power to someone else; there is no alternative. He is not going to wander over this country and examine each applicant for naturalization to see if he has an adequate knowledge of English or French; he cannot do it personally; therefore he is going to delegate that power to someone. Who is this to be? That is the problem. In times past that power has been delegated to our judges, and to them only, for this reason: there is the machinery—the clerks, the place where notices can be given, the boards on which they can be displayed. In South Africa and other countries these notices are published in the official gazette; here they are posted on a board in the clerk's office. Again I ask, to whom is he going to delegate that power. Yesterday he said: to homestead inspectors or the mounted police. They are already used by the minister for certain work. But to whom is he going to delegate the power to determine whether these applicants for naturalization have an adequate knowledge of English or French? He read from a letter written by Chief Justice Meredith, who points out that the Secretary of State has given no lead as to how these matters should be determined, and each judge must determine them for himself. That is so. There is no uniformity decision in matters of judicial discretion. It has been laid down by all the great law lords that while judicial discretion is hedged around by certain rules, and there is no such thing as a casual or whimsical expression of discretion, yet the judicial discretion of one judge may not be the judicial discretion of another. In this case, for instance, one judge might regard a sufficient knowledge of English or French as being indicated by a casual conversation, while another might say: I want you to answer certain questions.

Do hon. gentlemen realize the implications of this measure? We have provided that the Secretary of State shall be satisfied, and up to this moment we have said that the power is judicial and not political. But a homestead inspector is a political appointee. There was a day in the province of Alberta when homestead inspectors went out to alien settlements holding in the one hand a recommendation for a patent for 160 acres of land and in the other an application for naturalization. That day is not so long past, and I speak of what I know; it ended in 1911. Then the war came on and now homestead inspectors are appointed under the Civil Service Commission; but everyone knows that the condition to which I have referred did prevail prior to 1911. There were communities of new immigrants in those days, they had been here some three years, and that is the condtion that prevailed. The two things went side by side.

Mr. McLEAN (Melfort): Did that condition cease in 1911?

Mr. BENNETT: I cannot say very much about that except in my own community.

Mr. DUNNING: It operated in 1926.

Mr. McLEAN (Melfort): Absolutely.

Mr. BENNETT: The Minister of Railways says it operated in 1926.

Mr. DUNNING: My hon. friend put on special homestead inspectors in 1926 and paid them for two months.

Mr. BENNETT: I am glad that has been mentioned. I was Acting Minister of the Interior at the time, and found that a number of special homestead inspectors had been appointed by the minister. I continued them.

Mr. DUNNING: By what minister?

Mr. BENNETT: By the Hon. Charles Stewart, Minister of the Interior. What is more, I can give the names if the hon. gentleman will allow me sufficient time. The superintendent, was a man named Cuttle, I think.

Mr. ROSS (Moose Jaw): May I ask the hon. member a question?

Mr. BENNETT: One of them went down to Moose Jaw, I suppose that is what the hon. member for Moose Jaw (Mr. Ross) wishes to ask about.

Mr. ROSS (Moose Jaw): No, I am going to ask about six, not one.

Mr. BENNETT: It may be there were six. If my memory serves me right, three had been appointed by the minister, and they were continued because they said there were arrears of work that had to be overtaken in connection with homestead patents. But they could not carry naturalization certificates in one pocket and recommendations for patents in the other. That is the point. When the Minister of Railways says the same thing happened in 1926 he is stating what is incorrect, and he must know it to be incorrect.

Mr. DUNNING: No.

Mr. BENNETT: I challenge him to name any case where a homestead inspector went into any community with certificates of naturalization in one hand and recommendations for patents in the other.

Mr. DUNNING: My hon. friend a moment before was speaking about a homestead inspector having it in his power to make a recommendation as to whether or not an individual should get 160 acres of land. I say that men were put on specially in 1926, when my hon. friends were in power, in order to exercise that power to the full for political purposes.

Mr. BENNETT: Once more the Minister of Railways does the same old trick. He heard my statement perfectly well, that prior to 1911 homestead inspectors went into settlements of aliens with applications for naturalization in one hand and in the other recommendations for patents for homesteads, and he said the same thing prevailed in 1926. I say no; they had no power after 1914 to do that.

Mr. McLEAN (Melfort): I asked if that condition continued after 1911 till 1914, and the hon. leader of the opposition was dealing with my question in relation to his own district. It was then that the Minister of Railways got into the discussion.

Mr. BENNETT: Exactly.

Mr. DUNNING: That is right.

Mr. ROSS (Moose Jaw): My hon. friend spoke of the condition in Moose Jaw. The three men who were temporarily appointed in Moose Jaw were dismissed, and six new men were put on in their place. One of them never made a report on any homestead entry throughout the whole time he was supposed to be engaged on such work; instead, he used the money to travel around constituencies in southern Saskatchewan for political purposes.

Mr. BENNETT: All right. Now having heard the question of the hon. member for Moose Jaw, it reminds me of the mounted police brought from Toronto to Regina in 1925 to vote for the government.

Mr. McLEAN (Melfort): What about the mounted police sent from Regina to the Klondike?

Mr. BENNETT: An officer was sent from Regina to the Klondike upon the recommendation of Commissioner Starnes. It is there in black and white and I saw it with my own eyes.

Mr. ROSS (Moose Jaw): Were there any others?

Mr. BENNETT: I cannot say; I do not know. Let us get down to the Naturalization Act again. I confess to having a great interest in this matter. Prior to 1911 I travelled considerably throughout western Canada to ascertain what had been done under our Naturalization Act. I did not confine myself to the province of Alberta; I went to Saskatchewan. I went into districts that had been settled by men who came from lands outside the British Empire and I found that these men had been naturalized. I found also that they had no knowledge of either English or French. I was quite anxious about the act of 1914, and I am free to say that I discussed the matter not only with my own party leaders but with other gentlemen who were vastly more interested in the welfare of Canada and of the British Empire than they were in the political fortunes of their own party. And there are, strange as it may sound, such gentlemen on the Liberal side in this country. They were vastly more interested, I say, in this matter than they were in their own political welfare, and so when the question came before the House of Commons embodying this legislation that had been decided upon, Sir Wilfrid Laurier congratulated the then Minister of Justice. Mark you, Sir Wilfrid Laurier who was dealing with the matter, after the Right Hon. Mr. Doherty had made his speech, following that gentleman immediately, pointed out that the matter had been engaging the attention of successive governments and that he was very glad that they had been able to get the legislation

through. Mr. Martin—later Chief Justice Martin—also spoke after Mr. Macdonald of Pictou had addressed the house. Let me quote the words of Sir Wilfrid Laurier:

> I am sorry that I was called away during the very interesting address of my hon. friend the Minister of Justice, and that, therefore, I missed part of what he said. The chief object of this bill is to deal with the effect of the certificate of naturalization which is given in any one of the dominions of the empire. At present we have the power to grant naturalization letters to an alien, but the effect of them is limited to our own country. This has always been considered to be a very serious objection to the law. A very obvious illustration, one which has been quoted more than once in this house—

Here he discussed the case of a man who gets married, and proceeds:

> That is very important legislation, which has been in contemplation for many years, and I am very glad that my hon. friend has at last achieved the making of these provisions.

These were the views of the great Liberal leader of that time in connection with this legislation. Again, I was going to ask the one question which I think must appeal to the Secretary of State: How is he to be informed in order to exercise his discretion? It is admitted that he can do it only in one of two ways, either directly by going himself, or indirectly by sending someone else. And whom have we sent heretofore? The judges of the country.

Mr. McPHEE: How is the Secretary of State in South Africa or New Zealand or Australia informed?

Mr. BENNETT: I am suggesting that there is another way of doing it, namely, by the production of evidence from two witnesses, naming and describing them in terms. But we thought it easier and simpler, as Sir Wilfrid Laurier recognized, that the judges should determine whether or not the conditions imposed by the statute had been observed. What are these qualifications? They are these three—let hon. members bear them in mind: residence, character, language. Residence of five years, good character, and, lastly, an adequate knowledge of either English or French.

Mr. McPHEE: These remain in the act.

Mr. BENNETT: But how does the Secretary of State satisfy himself in the matter? Can any homestead inspector or any member of the mounted police satisfy himself, as well as a judge can, of the question of residence?

Mr. McPHEE: An affidavit does it.

Mr. BENNETT: No; the man must appear in person before the judge.

[Mr. Bennett.]

Mr. JACOBS: Sometimes they say that truth can be found even in an affidavit.

Mr. BENNETT: I have not practised among the class of persons to whom that remark applies. The man, I say, appears in person; that is the essential thing. In South Africa, my hon. friend from Yorkton says, he does not apear in person; in the gazette notice is given to the world, and two persons by affidavit give their evidence, and in addition to that there is another certificate required. Thereafter the minister may act. At the present time in Canada what happens? The judge makes his report. If hon. gentlemen have ever attended a court in this country and witnessed naturalization proceedings they will appreciate the importance of the question. Hon. gentlemen of the legal profession have no doubt done so.

Mr. JACOBS: It is a most perfunctory thing. The evidence is supplied by the mounted police, and it can be supplied under the new legislation. The party can go before a mounted police officer and make affidavit, and the officer can find out whether he can speak English or French. The whole thing is sent to the Secretary of State, avoiding the cost of appearance before the court.

Mr. BENNETT: My hon. friend says that the applicant goes before the mounted police. Is it any more difficult to go before a judge?

Mr. JACOBS: The mounted police officer visits him at his house.

Mr. BENNETT: Then it is a peripatetic court that visits the applicant?

Mr. JACOBS: Precisely. That is what is done, in Montreal at any rate.

Mr. BENNETT: I cannot think that in Montreal the Secretary of State is issuing certificates in regard to which there is no judicial recommendation.

Mr. JACOBS: Not at all. But I say that the information which the judge obtains is obtained largely from the mounted police.

Mr. BENNETT: That is, as to character.

Mr. JACOBS: The man appears before the judge, who looks at him. How can the judge tell what kind of character he has by merely looking at him?

Mr. BENNETT: If this is to be an experience meeting I will give my experience. Within the last eighteen months I have witnessed the proceedings with respect to an application. The man appeared in court, having given his notice. It took place in the supreme court. The judge tested his ability to speak in either English or French, putting

various questions to him. He admitted that he knew no French, stating where he had come from. The judge then tested his knowledge of English. He went further. He inquired as to the man's attitude towards government: he asked him whether he knew anything of the Bolshevik movement, the man having come from Russia. Certain other questions were also asked as to what the man read, his literature, the documents he had been receiving, what people had visited him, and so forth. The judge took a great deal of pains in the matter. He then had evidence given, by affidavits, it is true, although the parties were there to be called, if necessary, as to character. Then the question of residence was considered, evidence being given not only by the man himself but, as well, by others. The judge made his report. It was quite apparent that the applicant in one case—there were several of them—had no knowledge of English or French and the judge declined to make the recommendation. That is my recollection of what occurred.

Mr. JACOBS: How could the judge converse with him?

Mr. BENNETT: The court interpreter was there.

Mr. JACOBS: That gave the thing away at once.

Mr. BENNETT: Now, this idea of railroading British citizens through—using the term railroading in the sense in which it was employed by an hon. gentleman in this house yesterday—is something to be deprecated. Hon. gentlemen may regard this matter lightly as something to be treated casually. For my part it is the most serious question we have considered this session or shall have considered for years to come. That at any rate is my personal view. The hon. member (Mr. Jacobs) may be fortunate in coming from a city, but I put this to him: If British citizenship is worth anything why should not the man in Montreal be prepared to go to the court?

Mr. JACOBS: Why have two forums? Either go before a judge and get naturalized or obtain naturalization from the Secretary of State. But why two jurisdictions?

Mr. BENNETT: The Secretary of State can grant it only if he refers the matter to a judge. But at his discretion, in extraordinary cases, he may grant it without such a reference. And it may be that cases which so eminent a lawyer as my hon. friend urges the Secretary of State to treat as extraordinary are so treated. But that comes back to the point I am making, that the matter becomes a political question, which it ought not to be. The hon. member has proved it now, in his own experience.

Mr. JACOBS: I may tell my hon. friend that when I sat on the other side of the house I used practically the same arguments as he is now advancing, though not so volubly. I pointed out that I had no confidence in the Secretary of State under any Conservative government, and consequently I would vote against the legislation. Since that time I have changed my mind.

Mr. BENNETT: Well, I must say that since the hon. gentleman is so frank I am satisfied when the people of this country read his observations they will be a unit in opposition to this present legislation.

Mr. JACOBS: I think I owe it to my hon. friend to say that.

Mr. BENNETT: I cannot think my hon. friend owes it to himself or to the Secretary of State to say it, because I cannot think it highly creditable to either. But let us go a step further. The hon. gentleman has said that he is going to substitute homestead inspectors or mounted police or some other source of information for the courts. If he is not going to do it himself who is going to do it for him?

Mr. RINFRET: Since my hon. friend did not speak on the second reading, I was endeavouring to let him present his argument as much as possible in an orderly manner and without interruption. If it is so desired, later on I will explain fully the machinery of the department, but I would remind my hon. friend that now in every case the Secretary of State makes inquiry, and it has often happened that, although the courts have recommended a certificate, or in the language of Chief Justice Meredith have not thought it their duty to oppose an application, on our own information we have refused to grant the certificate. In many cases we have proved harder to satisfy than the courts as to the qualifications of applicants, and my hon. friend from Cartier (Mr. Jacobs) made a good point a moment ago when he said that when the court desires to have a naturalization case heard, it appeals to us for evidence. We produce our own evidence before the court, which is a rather extraordinary proceeding, but I would point out that in a number of cases the courts have railroaded through twenty-five or fifty naturalization cases in a few moments, simply disregarding the hearing of them because they take it for granted that we will inquire into them and do our own work.

Mr. BENNETT: The judges of the community where I live do not treat these cases in that way, but it is possible that my hon. friend is right, so I must accept his statement.

My position is simply this, and I have concluded: You have your principle, which is universal throughout the empire, varied only by the offijcial languages of the country in which the application is made. You have your procedure, which varies from declarations and affidavits to notices in gazettes and newspapers supported by witnesses in courts or by declarations, but in any event evidence which satisfies the minister and upon which he acts. Heretofore in this country we have said that the evidence upon which the minister must act is the judicial report plus independent inquiries. We are now abrogating the provisions with respect to judicial inquiries; we are wiping them out entirely and making it unnecessary for the applicant to attend in court. We are doing away with the publicity which attaches to that appearance in court, and I would remind hon. gentlemen that in the United States a great deal of importance is attached to that appearance. If any hon. members have seen an application for naturalization in an United States court they will remember the ceremony which is gone through, the reverence and love for the flag, teaching Americanism right on the threshold of the application. The way in which this is done is most astounding; the flag is sometimes produced and an explanation is given by the judge; there is the appearance of the applicant and of the two witnesses. Then in the morning papers there will be a heading, "New citizens made", with a full announcement of the proceedings.

As the bill now before us stands, practically all the safeguards which exist in other countries are done away with, because in most the procedure is provided by statute as distinguished from the mere whim of the minister. My friend the Secretary of State has commanded the confidence of the hon. member for Cartier, but it is not the individual of whom we are speaking; it is the office as such. With the pressure of business and with the other difficulties in the way, how is the minister able to review these matters? Very often it gets down to being done by some clerk, who produces the file and says, "It is all ready to sign" and the minister signs it. I ask the minister here and now how many of these files he has read through since assuming office; if he has read them through, he is the only minister to have done so within my knowledge. What happens at present is that the testimony is placed on file together with the judicial report, but as it is intended to amend the act that will be the case no longer. Some clerk will determine the question of naturalization in this country by reading those reports. What usually happens is that the judge may recommend that a man should not become naturalized, in which case the application is not granted. Or perhaps the judge recommends that a man should become naturalized; this recommendation is supported by testimony from the police and other officials stating that his character is all right, and that ends the whole matter. The second essential, a knowledge of French or English, is where most applications fall down; there has been no adequate inquiry with respect to that matter. Hon. members will remember the letter from Chief Justice Meredith, in which he said these men were illiterate and had no knowledge of our language at all. He is an eminent judge and his duty was clear; he should have said, "No, I cannot recommend this application because there has not been compliance with one of the three conditions." Each of these requirements is equally important; it must be remembered that there is no distinction between them. Whenever anyone meets a man or woman—not so much in the case of women, who do not become naturalized so frequently—under thirty-five years of age, or for the sake of argument we will say thirty-seven or forty years of age, who has become naturalized but who cannot speak either English or French, then the law has been disregarded. You cannot get away from that fact; the law has been disregarded, and because of that fact I have ventured to bring this matter so strongly before the committee. I say this is not the time to relax the safeguards which we have had set up as matters of procedure ever since, as Sir Wilfrid Laurier said, we have dealt with naturalization at all, in order that each one of these requirements should be dealt with in accordance with the demand made by Chief Justice Meredith when he said, "I sought for guidance from the Secretary of State, but I did not get it." That is the way he put it, as the minister will remember. Chief Justice Meredith asked for some ruling as to what principle should govern in settling these matters, and the ruling is so simple; the Secretary of State should send a circular to all judges stating that under the provisions of the act they are called upon to determine whether or not the applicant has complied with the three conditions by which he may obtain British citizenship: First, has he resided five years in Canada, as provided by the statute; second, has he an adequate knowl-

edge of the English or French language, and third, has he a good character? If the judge cannot report upon these questions it is his duty to sit until he is able to secure such evidence as may be necessary to enable him to make a proper recommendation.

Mr. DUNNING: I would like to say a word at this stage with reference to the point of order which I raised some time ago, and in so doing I would refer to rule 297. In explanation I would say that my request to my hon. friend for information while he was reading was made courteously and was not intended to embarrass him in any way. I simply put the question as a matter of information for myself. As usual, my hon. friend was posing as a great authority on the subject under discussion, and on this subject I accept him as an authority although I do not take him at his own valuation very often. When he was reading with reference to the law of South Africa I asked him as to what were the language qualifications there demanded, and I assumed that he would inform me that a knowledge of the Dutch language would be a qualification. As I said a moment later, my mind was running upon the peculiar anomaly which arises there in connection with British citizenship.

Mr. McGIBBON: I rise to a point of order. My hon. friend is referring to a point which he raised and which has been settled by the chairman.

The CHAIRMAN (Mr. Power): I assume that the Minister of Railways is not really discussing the point of order but is taking part in the debate on the bill before the committee.

Mr. DUNNING: I intend to refer to the rule which I quoted, but I am now making an explanation of the circumstances which caused the point of order to be raised, and I think I am entitled to do so.

The CHAIRMAN: If the hon. gentleman wishes me to give a decision on the point of order I would direct his attention to the fact that I was not in the chair at the time the incident occurred and have no knowledge of it.

Mr. DUNNING: I assure you I shall not embarrass you, Mr. Chairman. I asked the hon. leader of the opposition if he would please explain the language qualifications in the South African law, because that does raise one factor in connection with British citizenship, or rather the status of a British subject, that in South Africa a man who can speak only Dutch may become a British subject, but the same man could not become a British subject in Canada under our law; and conversely a man who in Canada could speak only the French language can, under our law, become a British subject with citizenship throughout the empire, but the same man could not be naturalized in South Africa. That is what my hon. friend described as a senseless observation on my part. I just call that to the attention of the committee, Mr. Chairman, and then refer you to rule 297 in which the following words appear:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

Mr. Chairman, you were not in the chair; I shall not press the point of order. If my hon. friend the leader of the opposition regards his treatment of me in that instance as courteous, I leave it entirely with him; only I do point this out, that he may, if he wishes, adopt the bullying tactics of a prosecuting counsel toward those on his own side, but we on our side intend to stand up for ourselves and take advantage of all the rights we have as members of this house.

Mr. McQUARRIE: I would like to say a few words in regard to this bill. It seems to me that it will not appeal to the people of British Columbia, neither will it appeal to the government of British Columbia which of course is of Liberal character at the present time.

Mr. McLEAN (Melfort): Does the hon. member pretend to speak for the British Columbia government?

Mr. McQUARRIE: Well, I think I have grounds for saying what I have already stated.

Mr. McLEAN (Melfort): Does the hon. gentleman mean the McBride government?

Mr. McQUARRIE: As I see it now, this bill will place in the hands of the Secretary of State, or perhaps in the hands of some deputy of his, the right to give naturalizations which are at present being refused on the recommendation of the judges of the courts of British Columbia. I do not care to go into details, but I make this general statement that certain judges of the courts of British Columbia have refused to recommend the naturalization of certain Japanese applicants, on the grounds stated by them in their reports to the Secretary of State.

I have here a return which was brought down the other day by the Prime Minister.

sessional paper No. 219, a return to an address to the House of Commons dated the 12th March, 1928; and in this return I find a letter from the Attorney General of the province of British Columbia to the Secretary of State, in which he discusses at some length problems relating to Japanese in Canada, and among other things he says this:

> Some of the judges of this province have in the case of applications of Japanese subjects for naturalization refused to recommend such applications. This attitude on the part of these judges has the approval of the government of this province and for the reasons, inter alia, stated by this province at the recent Dominion-provincial conference, I understood from you that your judgment was not favourably considering the applications of Japanese for naturalization and had not been doing so for some time. I would like to have an official statement on this point.

Now, as I understand it, the Under Secretary of State has taken the very opposite stand, and has stated in no uncertain manner his objection to the course followed by certain of the county court judges in British Columbia on this subject. The attorney general goes on to say:

> It has been stated, and I am inclined to think correctly, that Japanese are still surreptitiously coming into this province, in particular I have been advised that they come into the province at out-of-the-way points on the coastline from small Japanese vessels coming to our coast. You will understand the difficulty of detecting any such silent invasion. It is extremely hard for the white man to distinguish one Japanese from another. There is to the white man a very great similarity in their individual appearance.
>
> I have good reason for belief that there has been a traffic among Japanese in naturalization certificates; in fact it is openly stated that a Japanese who has been naturalized in this country never dies. What is meant is that his certificate is simpy handed on and it is wellnigh impossible under the present system to detect the illicit use of such certificates. I have long been of the opinion that your department should give serious consideration to a new system in the issuing of naturalization certificates. I cannot see why any applicant for citizenship in our country should refuse, for instance, to attach his finger print to a copy of the naturalization certificate to be filed with your department at Ottawa and to the original certificate to be delivered to him. It would be necessary that the finger print should be attached to a filed copy, as otherwise the print on the copy given to the person naturalized could be blurred or smudged so as to render it difficult to use it for identification purposes. I am of the opinion too that no applicant for naturalization in this province should object to the attaching of the photograph of himself in a non-detachable way to the original certificate and to the copy on file with your department. It is true that finger prints and photographs are frequently thought of together in connection with police identification work, but in so important a matter as the naturalization of an alien why should the adopting country hesitate for a moment to take the most careful precautions to ensure that the privileges which it is extending will not be violated? Mere sensitiveness is not a sufficient excuse for the adopting country to open the door to fraud. Not alone that, but the safeguards I have suggested are obviously in the interest of the new naturalized persons. In what I have said in this connection I would like it clearly understood that I am not derogating from the position of this province with respect to the naturalization of Japanese. The safeguards that I urge should in my opinion be made applicable in every case of naturalization.

[Mr. McQuarrie.]

Now I think that it is clear from the contents of that letter that the government of the province of British Columbia will not be very well satisfied if any of the safeguards surrounding the granting of naturalization, particularly to the oriental, are removed.

The judges in British Columbia, so far as I am aware, are very careful in hearing applications for naturalization. They insist on seeing the individual, and I think it is very necessary that the applicant should appear in person before someone who is going to recommend or decline to recommend his naturalization. What will happen if this bill goes through? The Under Secretary of State will issue the naturalization certificate; it will no doubt be signed by the Secretary of State or some higher authority, but to all intents and purposes the certificates will be issued by the Under Secretary of State who is in Ottawa. What does he know about an applicant who resides in British Columbia or in any of the other provinces, or anywhere not close to Ottawa? He knows nothing about him and apparently no provision is made which, in my opinion, will take the place of the investigation which is now made by county court judges in connection with these applications.

The matter of identification is important and that subject has been discussed in this house on previous occasions. It was recommended by several members on this side that there should be some method of positively identifying holders of naturalization certificates. That is important in all cases, but more particularly is it so in the case of orientals, because the ordinary white man cannot tell one Chinese from another or one Japanese from another.

Mr. JACOBS: How can the judges tell? Have they taken a special course in that regard?

Mr. McQUARRIE: I do not say that they can always tell, but my hon. friend will remember that the judges are hearing original applications. Why my hon. friend should raise that point in connection with the judges is

more than I can understand. The Attorney General of British Columbia suggested finger prints and photographs. A photograph is not a positive identification in every instance, but a finger print is, and if these naturalization certificates had the finger prints of the applicants on them there would never be any chance of dispute, when a man was found with that certificate in his possession, whether he was the man to whom the certificate had been granted or not. I know the objection raised to that course, I think in particular by the Chinese consul general. He said: Why, you will place us in the criminal class; finger prints are taken when a man is arrested and if you insist on having finger prints on naturalization certificates, that is a reflection upon the orientals. That is not our stand at all. We say: Let the finger prints be put on the naturalization certificate in every case, whether oriental or otherwise, and then you will always have such a positive identification there will be no opportunity for dispute. The finger print system has become a science and once you have a man's finger print you may be sure of his identity. It would be a great mistake to do away with the application and hearing before a county court judge, because if that were done the whole thing would become a mere matter of form; certificates of naturalization would go through as a matter of course unless some reason was urged against the issuance of them, and in most cases there would be no opportunity at all for filing objections. It would therefore be a great mistake to pass this bill and I entirely agree with the views which have been expressed by my honourable leader.

Mr. JACOBS: I am in favour of the legislation as proposed by the Secretary of State. I cannot say that even the eloquent remarks of the leader of the opposition have convinced me that he is correct. My chief objection to the act as it now stands is that there are two jurisdictions to which an applicant must resort, that is to say, the court and the Secretary of State as a sort of court of appeal. That does not seem to me to be good sense. The Secretary of State as representing the government declares what their policy is with regard to naturalization. That must always be a matter of governmental policy. As I understand it the purpose of having a judge pass upon the application is purely that of identification. I assume that if this bill is enacted into law we are not going to abolish identification altogether and that there will be someone who will take the place of the judge on this question of identification.

Mr. BOYS: Why does my hon. friend suggest that appearance before a judge is just for identification?

Mr. JACOBS: What else is it for?

Mr. BOYS: The judge examines the applicant most carefully. I have been present over and over again at sessions in my constituency and have heard the examinations.

Mr. JACOBS: What does he pass upon—character, ability to talk either of the two languages, and residence? Any official of the government can pass upon that as well as a judge and he will do it in exactly the same way.

Mr. BOYS: I asked my hon. friend why he confined the matter to identification? In my constituency a judge puts an applicant through an examination lasting from ten to fifteen minutes and at the end of that time the judge will certainly know whether he has an adequate knowledge of English or French as the case may be. He also questions him most carefully as to residence, how long he has been in a certain place, his business and so on. I do not recall a single case—and I have seen more than a hundred—where the questioning of the judge has taken less than ten to fifteen minutes and with the applicant appear two persons resident in his town who also give evidence as to his character, his sojourn in the place he is supposed to come from, his knowledge of language and so forth.

Mr. JACOBS: Is it necessary to have a knowledge of law and to be on the bench in order to ascertain those facts?

Mr. BOYS: I am not suggesting that. I am merely saying that the judge is an impartial tribunal who ought to be able to do and who, I think, practically always does justice to the case.

Mr. JACOBS: No person is suggesting that the judge is not impartial in these cases, but I think the procedure is quite unnecessary. At present, as my hon. friend perhaps knows—I do not know whether it applies in his constituency—in the city from which I come practically all the information is handed in by the mounted police who are in charge of that department.

Mr. BOYS: We have nothing of the kind.

Mr. JACOBS: Probably because in a small town every person knows every person else, but in a large city of more than a million people the situation is quite different. The party appears before a judge and produces some proof as to his residence, if that is necessary. Then there is some proof as to character. I do not care how despicable a man may be he will always get a couple of people, if it be only his wife and son, to testify that his character is good. Then there is the final question about his ability to speak

English or French. I know the leader of the opposition insisted strongly upon knowledge of one of the languages being a sine que non, that without it no person could become a British citizen.

Mr. BENNETT: I said that the statute so states.

Mr. JACOBS: I agree with my hon. friend, that is the statute. On the other hand, I suppose it is quite apparent to my hon. friend and the members of this house, that probably four-fifths of the population of the British Empire can speak neither English nor French. I merely mention this to illustrate the unwisdom of a provision of this kind.

Mr. McLEAN (Melfort): And yet they all full British subjects?

Mr. JACOBS: Yes, they are British subjects in every part of the world.

Mr. MANION: We are dealing with Canada, not with India.

Mr. JACOBS: We are not dealing with Canada because when we give a man a certificate of naturalization it applies throughout the whole British Empire. He can say, "Civis Britannicus sum," which perhaps means more and carries more weight to-day than the old Roman, "Civis Romanus sum." As I said before, the whole thing is a question of procedure. We are even with this contemplated change within the four corners of our agreement with the British government with regard to conferring British citizenship throughout the world upon any person to whom we grant naturalization. Our citizenship applies to all parts of the British Empire. We are not changing that in any way; that is to say, the British government, the home government, is not objecting to the change which is suggested here.

As my hon. friend the leader of the opposition was forced to admit, it is not necessary in all the other countries of the British Empire that the applicant must appear before a judge. He cites the case of Newfoundland, New Zealand, and other outposts of the empire, and suggested that we should govern ourselves by the law of Newfoundland or that of New Zealand. I think that we are intelligent enough, and have astuteness enough, to make our own laws for our own people. This particular law which we enacted seven or eight years ago has not been working as well as it should, according to the report of the Secretary of State, and he has been asking for a change. I would be one of the first to rush to the rescue of the British Empire, as my hon. friend the leader of the opposition has done to-day, if I felt that the British Empire was in danger through our making this change in the law, and it is because I do not feel that it is in danger that I willingly support this bill.

As I interjected when the leader of the opposition was speaking at one time, when I was on the other side of the house I objected to the Secretary of State having anything at all to do with the granting or refusal to grant a certificate of British citizenship. I said that that power could be used as a political instrument, and that before an election the Secretary of State might have piled before him hundreds and perhaps thousands of applications, to which he would refuse to affix his signature if he felt that they came from people in certain districts who would be likely to vote against the government of which he was a member, and I said at the time that I had no confidence in the hybrid government which was then in power. But, Mr. Chairman, I have travelled farther and seen more since that time, and I have now reason to believe that no Secretary of State would undertake to do anything of that kind, whether Liberal, Conservative or Unionist, or even Progressive.

Mr. MANION: There is no greater faith, no not in Israel.

Mr. JACOBS: There is some little faith left in Israel. It shows that sometimes association with the Gentile makes you have a little more confidence in him than you had before. For all these reasons, Mr. Chairman, I think we ought to give this law a trial. If it is going to work the terrible havoc which the leader of the opposition predicts it will, we can amend the law. Parliament which creates a law can amend it. We are here for that purpose. If we were not amending laws here year after year, we would only need to come here once every four years to do the work of parliament, but by coming every year and amending the laws we passed the year before, we do something to earn our indemnity. I have no fear at all for the safety of this country if this law is passed, and I think we ought to give it a trial. If we find next year or the year after that it is not working out as it should, I am sufficiently candid to get up and admit my mistake, as I do now with regard to my action eight or nine years ago, and be ready to vote for the restoration of our present law, which my hon. friend the leader of the opposition thinks is the palladium of our liberty.

Mr. CHAPLIN: Then you will be able to make your old speech over again.

Mr. JACOBS: Yes, and embellish it a little, so that my hon. friend will be able to appreciate its literary value.

Mr. CHAPLIN: You can change every week.

Mr. GEARY: The hon. member for Cartier has just cited the laws of the outposts of the empire, as he called them, of Newfoundland and New Zealand, to strengthen his argument that it is not really necessary for the applicant to go before a judge, and yet in the same breath he said that we should make laws for ourselves and not concern ourselves with what was done in the other dominions. That is precisely what we did when this act was passed in 1914. We expressly put upon that statute the procedure which should be followed before the application came to the minister for his certificate of naturalization.

The Secretary of State seems to hold the view that he may grant a certificate of naturalization directly under section 4, but that contention, I think, cannot possibly hold. Section 4 gives the qualifications which one must have before he can be granted naturalization papers, and sections 22 to 28, which are now sought to be repealed, say that the minister may grant naturalization only after a certain procedure has been followed. So no application can be made direct to the minister under section 4; it must go through the procedure authorized by the statute, that is, through the court, and from the court to the minister himself. The hon. Secretary of State says that he does not like that double jurisdiction. I should think that in an important matter of this kind, the double or checking jurisdiction of the minister, super-imposed upon the court order, is a very good thing; in fact, the minister has told us already that he has had occasion to apply that provision with very good results, and it is a very useful provision that the minister have the final say as to whether a naturalization certificate shall be granted, no matter what the court has said.

The Secretary of State has said that the intention was to give him this power, but that parliament by putting in this procedure had taken away the power from him. That cannot be. This procedure is too explicit; these provisions mean exactly what they say. The provision that the minister may grant the naturalization certificate in his own discretion is contained in section 4, it is true, but when you come to section 27, you will find that that same provision as to the minister's absolute discretion is contained in the procedure sections. So it was never intended by our statute to do otherwise than to say, in conformity with the general agreement between the dominions of the empire and the mother country, the Secretary of State in each dominion shall actually issue the certificate of naturalization, thus standing by our bargain with the other dominions. But this parliament in 1914 said: That is not to be the sole test, but the procedure that we are now outlining in the statute is to be carried through, and carried through expressly. The Secretary of State may issue a certificate only when an application therefor has gone through the prescribed channel.

The question arises, what are we going to substitute for that, and there I think the Secretary of State is in difficulty. He has nebulous ideas about how the matter is to be carried out, but I judge that he will issue a questionnaire or have agents of some sort, scattered all over this dominion who will collect the information and give a certificate, the information being returned to the Secretary of State. Now can that be as good as having that information gathered and adjudicated upon by the judiciary of the country? We have a judiciary which is held in respect from east to west, and we have placed this particular question in their hands; but now the Secretary of State seeks to substitute local people, homestead inspectors, for instance, and I do not know what other classes, to deal with naturalization. I do not see how that can possibly be a change for the better.

I think there is some merit in the point mentioned by the minister, that there is a certain amount of inconvenience, particularly in the west, on the part of applicants for naturalization getting in touch with the proper officials, but surely those who have charge of the administration of the act, can facilitate applicants getting to the judge or the judge to them. It is a matter of detail and, to my mind, not of sufficient importance to offset the obligation that is upon us so to legislate that the right of British citizenship shall mean something to the person to whom it is granted, and shall be safeguarded most carefully. It entails a responsibility on him to whom it is granted, but particularly on ourselves and on Great Britain, for we have to look to Great Britain for the protection of our citizens abroad. Therefore we should not load this obligation on to the mother country without exercising the greatest possible care.

In the city from which I come many persons apply for naturalization. So far we have had no difficulty, and I think the law has worked out pretty well. By far the majority of those who seek naturalization are of the

Jewish faith. Many thousands are settled in Toronto and form no small part of our citizenship. They are shrewd, industrious, careful people. They have an instinct for commercial life, and they make their money and spend it in this country. They are never a charge upon our public institutions. That the Naturalization Act has worked out very satisfactorily can be proved by this one fact, I think. When in 1914 the call came for volunteers to fight for the country of their adoption, a very large proportion of young Jewish men, whose parents came originally from the central parts of Europe, rallied to the colours, and the troops sent out from Toronto and other Canadian points contained a very fair proportion of these young men. They went over and did their bit for the country of which they had become citizens under this law.

Mr. JACOBS: Does that surprise my hon. friend?

Mr. GEARY: Not a bit. Equally with my hon. friend from Cartier (Mr. Jacobs) I have had the advantage of knowing those citizens very well, and being aware of their sentiments I was not a bit surprised by their patriotic stand. As the naturalization law has worked quite satisfactorily since its enactment fourteen years ago, and evidently has not resulted in the exclusion of any who are worthy to become citizens of this country, I see no reason for changing it now, especially by substituting for the judiciary men possessed of no judicial attainments, and upon whose judgment the Secretary of State must in the end rely, to some extent at least.

I do not hesitate for a moment to disagree with the Chief Justice of the Common Pleas. I have disagreed with him—not always successfully—before this. I do not think any difficulty confronts a judge in deciding who is fit to be given naturalization papers. This simply means that the applicant must be a fit subject for naturalization, according to the regulations laid down in section four of the act. These require the judge to satisfy himself as to the applicant's length of residence in the country, his good character and his ability to express himself in one of the two official languages. So I think the Chief Justice was rather looking for trouble when he laid emphasis on this point.

On the whole, Mr. Chairman, I think the statute was drawn deliberately, with full knowledge of the procedure in the other dominions. It was the sense of the parliament of the day, it has worked well, and I cannot see that the proposed change is necessary; for there is always a danger in placing any such power in the hands of a minister

[Mr. Geary.]

of the government. If any other concrete difficulty had been raised, than that of distance, that is, the difficulty of an applicant appearing before a judge with his papers, I should not have given my views on the proposed amendment without a good deal more consideration. But the minister with his facility in the English language has given us a very lucid expression of his views, and the difficulty which he has pointed out fails to convince me as a sufficient reason for altering the statute. It is a difficulty that arises more particularly in the western provinces, and, in my opinion, can be overcome quite readily without any such drastic amendments as those now before us. The present procedure has worked out satisfactorily, and it does not seem to me that what the minister proposes to substitute will effect any improvement.

Mr. ADSHEAD: Mr. Chairman, I am rather in favour of the idea of giving people greater opportunity to become naturalized; I am not altogether in favour of applicants having to appear before the judiciary; but there is a phase of the speech of the hon. Secretary of State (Mr. Rinfret) in which I cannot concur. Last night he said, as reported at page 2538 of Hansard:

> —at present we cannot act upon the application for at least three months.

When the hon. member for Fort William (Mr. Manion) asked whether under the proposed change naturalization could take place immediately, the Secretary of State answered yes, and that it had proven rather awkward for the department when they were unable to naturalize applicants immediately. I take the ground, Mr. Chairman, that at least three months ought to elapse between the application for naturalization and its being granted. When the Secretary of State assumes that he ought to be able to grant naturalization immediately in certain circumstances, that to my mind at once opens the door for a repetition of what has happened on previous occasions just before an election. We have had officers of the different parties seek out settlers and induce them to become naturalized in order to get their votes at pending elections. I do not wish to imply that the present Secretary of State would resort to such practices, but when election time comes around no doubt pressure would be brought to bear, and he would probably have to yield and think that under the circumstances he might exercise the power to grant naturalization papers immediately.

In the main I would be inclined to support this bill, but I cannot do so unless it is provided that naturalization shall not take place

until after a certain specified time. Furthermore, when it is essential that naturalization be granted immediately, I think it ought to be done by order of the governor in council, and not by the Secretary of State, for the reasons I have already stated. I hope he will take this into consideration. I think I am not alone in the view that there ought to be a time limit within which naturalization shall not be granted, and unless such a provision is incorporated in this bill, I am afraid I cannot support it.

Mr. MANION: The hon. gentleman who has just taken his seat (Mr. Adshead) has to my mind touched upon what is perhaps the weakest point in the whole legislation as proposed to-day. The Secretary of State (Mr. Rinfret), in bringing in the proposed amendment to the act, emphasized the fact that we are basing this law upon the naturalization laws as they exist in other parts of the British Empire. I do not think that we need necessarily copy other portions of the empire, particularly when conditions differ, as they do differ so radically, in different sections of the British Empire. For example, England at the present time is a free trade, or practically, a free trade country; and even the Liberal party in Canada does not advocate free trade on the ground that England has adopted that policy. Similarly, in different parts of the British Empire to-day, conditions are so radically different in regard to the constituent elements of population that, in my opinion, it is unnecessary that our various laws should be identical in the various parts of the commonwealth.

I made it my business this morning to look up some facts touching the subject under discussion, particularly with reference to persons, in the different parts of the empire, who speak neither English nor French—taking English and French in Canada, or English and Dutch in the case of South Africa, although I did not get any details with respect to the latter country. It will illustrate my point better than any words of mine can do, and disclose the situation exactly as it is, if I submit certain figures I have been able to obtain. I take the figures with regard to Australia and Canada. In New South Wales the population in 1921 numbered 2,101,000. Of that population the English speaking proportion totalled 2,082,000, or 98 per cent. The whole population of Australia, including New South Wales, for the same year, is given as 5,435,000; and to my surprise the proportion of non-British—persons born neither in Australia nor in any other part of the empire—is given as 50,000—in fact, to be precise, 45,000 odd. In other words, the population of Australia, taken as a whole, is given as 99 per cent British and only about 1 per cent speaking other languages.

Mr. McLEAN (Melfort): Would those two sets of figures agree? The 2 per cent in the case of New South Wales would be 40,000, and the total for Australia is only 50,000, including the 40,000 non-British in New South Wales.

Mr. MANION: In New South Wales the number of non-British is 19,000, and for all Australia—I am not giving the figures to the last decimal—50,000 including the 19,000.

Mr. McLEAN (Melfort): I understood you to say 98 per cent.

Mr. MANION: I gave that figure, though I think it is higher than that. It probably works out at 99 per cent. I took their own figures from the Statesmen's Year Book, which is a good enough authority for most of us. The total for all Australia, of British born, is 99 per cent. Taking Canada on the other hand we find that the population in this country in 1921 was 8,788,000, and of these the English, Scotch, Irish and French numbered 7,279,000. This I figured out to be, roundly, 83 per cent of the total. The others are largely Europeans, with a few Japanese and Chinese included, numbering 1,508,000, or 17 per cent. In other words, while only 1 per cent of the population of Australia is non-British we have in Canada a non-British element to the extent of 17 per cent—quite a marked difference. Because of this difference, and the difference in conditions, I say again that we need not of necessity frame our law to conform exactly to the law of Australia, for example. I might have taken similar figures in regard to Great Britain, but unfortunately I had not the opportunity to do so. I may say, however, that the non-British population there is also very low.

To illustrate the point further. In Canada in 1926 we gave naturalization papers to 16,917 persons, according to the report of the Secretary of State for 1927, which would cover the previous year. That is to say, naturalization was granted in Canada in the year mentioned to practically 17,000 persons. In Australia in that same year, in place of 16,917, we find that only 1,123 naturalization papers were granted, and this for the natural reason that there is a very much smaller percentage in that country of those requiring naturalization. Perhaps I had better give the figures for Australia, to show how few get naturalization there. The figures are:

Year	Number
1922	1,353
1923	920
1924	964
1925	868
1926	1,123

Let me give some more figures to illustrate the difference in conditions as between Australia and this country. Immigration to Australia in the year 1926 totalled 105,918, and of that number 90,562, or 87 per cent, were British. Unfortunately I had not time enough to look up the figures in regard to Canada, but my recollection is that our immigration in that year would include only about 35 per cent British. There is a very small immigration into this country from France and that would be included in the 35 per cent. I fancy I am close enough, for the purpose of my illustration, when I say that about one-third of our immigration—taking the 35 per cent as a rough estimate—comprises people of British origin.

I do not wish to be misquoted or misunderstood in this matter. I have great respect—indeed, if I may say so, even affection—for these new Canadians who are coming to our country. I have lived all my life in a section where there are thousands of these "new" Canadians. This is an expression which a friend of mine uses and I rather like it. These people who come from different parts of Europe to live amongst us are admirable and in most cases their children have become very good Canadians. I have practised for upwards of twenty years among them in my profession, and many of them are friends of mine. In fact, I have a large number of friends of all nationalities—Italians, Slovaks, Greeks, Finlanders, Ukrainians, Jews, Hungarians and others from continental Europe. I repeat, they are people for whom I have a very great respect and a real friendship. And, I may add, most of them when they become naturalized vote for me. So that I am not complaining—

Mr. JACOBS: Does that account for your affection?

Mr. MANION: Partly, I admit. Possibly I might not respect them quite so much if they did not. They have demonstrated a good brand of intelligence in voting as they do. But there is this to be remembered—and I say it after emphasizing my genuine friendship for these people; for this is not a political subject, as I have said on many occasions on different platforms. It is essential in this country of ours, that if people are to know our customs, to understand our laws and to vote intelligently they should be able to speak either English or French, one of the two official languages of Canada. I submit, therefore, that it is unwise to make naturalization so easy—as this proposed legislation would undoubtedly tend to do—as to remove the incentive for strangers from Europe and elsewhere to endeavour to acquire a knowledge of either English or French, which is imperative before they can become really good citizens. It is only common sense to expect that people coming to Canada should, before they are given the right to take part in the election of representatives, know something of one of the official languages of the country. They should at least have gained some facility in either English or French in order to understand our laws and to judge intelligently of the questions upon which they are to vote.

I also feel that it is a great privilege and even a blessing to be a Canadian citizen; I sometimes point out to my boys that one of the things for which they can feel grateful, although they had no control over it, is that they were born on the northern half of this continent. I believe it is a real blessing to any young man to know that he was born in Canada. I say this with no disrespect to those great cultured, classical countries of Europe, but I do feel that our opportunities, our broad-minded citizenship, our great advantages in every way, our resources and so on, with all the chances for a young man to go ahead, should make him grateful for having been born in Canada. In the same way I think those who receive naturalization papers in this country have something for which they should be grateful, and they should not raise any particular objection if they have to go tc some little trouble to secure those papers. As a matter of fact, I do not find that they raise objections. I have thousands of people from continenal Europe in my city, and although once in a while I have received a complaint from someone who applied a long time ago for naturalization and has not received his papers, generally speaking when I have taken it up with this government or with previous governments I have found that if a man has a right to become naturalized he generally gets his papers without much troube; he makes his application before a judge and usually it is granted.

The Secretary of State pointed out that this act gives him absolute discretion in the issuing of these certificates, but I would suggest that he also had that absolute discretion under the present act. I will just read three lines of section 27 of the present act:

> The minister may thereupon in his absolute discretion issue a certificate of naturalization and shall send the same to the clerk of the court to whom the application for naturalization was made.

So I submit that this will not give the Secretary of State any greater discretion, but

it will give him more power. I think his discretion remains the same, but in my opinion his power becomes too absolute.

Mr. RINFRET: There might be a doubt in interpreting the section which my hon. friend has just read, but the interpretation of the Department of Justice and the rule uniformly followed in the department since 1914 is that the word "thereupon" means that the Secretary of State can exercise his discretion only if he has received a favourable report from the court. In other words, he has not discretion to consider an application when a favourable report has not been made by the court.

Mr. MANION: I do not think he should be given that discretion. If the judges of our land are not dependable in a matter of this kind they are not dependable at all, because after all they have very serious matters with which to deal in the courts, and this is a question with which they should deal conscientiously. I do not believe the Secretary of State, either the Secretary of State of to-day or a secretary of state of the future from this side of the house, should be given discretion to lay aside the ruling of a judge who has had the case before him, who has met this man and discussed with him in one of the two languages of our country matters which would prove the ability of the man to speak or read intelligently of the affairs of our country.

Mr. CAHAN: Has my hon. friend noticed subsection 3 of section 4?

Mr. MANION: I will read this subsection, to which my attention has been drawn:

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

That simply emphasizes the point I was making. However, to carry on with my argument, I do not know of any reason why there should not be a reasonable delay in granting naturalization to any new citizen of our country. I looked up the United States law to-day, and I found that in that country an alien must declare under oath, before the courts, his intention to become a United States citizen two years before he is permitted to become a citizen. If the United States are so particular that they place a man on probation for two years, surely we should be reasonably careful.

Mr. JACOBS: The applicant must apply within three years of his entering the country, and at the end of five years he gets his papers.

Mr. MANION: But if, during those two years, he should turn out to be a criminal or unsuitable for citizenship for one reason or another, the opportunity to lay that fact before the proper officials in the United States is much greater than in Canada, particularly under this proposed amendment.

Mr. JACOBS: Supposing he committed a crime after the three year period; how could you safeguard against that?

Mr. MANION: I do not follow my hon. friend. Does he mean if the applicant committed a crime during the two years of probation?

Mr. JACOBS: Yes.

Mr. MANION: Then they would probably refuse him citizenship, and quite rightly so. The hon. gentleman who preceded me emphasized what I think is the weak point in the whole proposition, and that is the point to which I object: We are putting in the hands of the Secretary of State, whether of this government or of some future government, powers which would permit him to go very far. I am going to speak quite frankly; these powers would give him the opportunity, before an election for example, to enfranchise for political purposes, thousands of voters in this country who probably should not be enfranchised, if he were unscrupulous enough to do so, and he could probably decide a number of seats in that way. That is the danger of the whole proposition, and personally I do not want to put that power in the hands of my friend the present Secretary of State, nor do I want to put it in the hands of a Secretary of State from the Conservative party or from the Progressive party, with all due respect to their probity. I wanted to make this clear, because this is the weakness I see in the whole thing. Last night, when the minister sat down, I asked him a question, and the following remarks were made:

> Mr. Manion: Just before the minister closes I should like to ask him a question. Under the new system how long would it take for naturalization papers to go through?
> Mr. Rinfret: There would be no definite time; that would rest with the department.
> Mr. Manion: It could be done immediately?
> Mr. Rinfret: Yes. I thank my hon. friend for this question, because in a certain number of cases it has proven a great inconvenience that the department has been unable to grant a certificate to qualified persons simply because of the delay of three months which is provided in the present act, and because of the necessity of referring the matter to the courts.

The minister made that very clear, and it is just what I thought he would say. By the proposed amendment, upon receiving a

hurried application from any constituency in this country—from the constituency of my hon. friend from Jacques Cartier, for example, although knowing him as well as I do and having such a high respect for him I am sure he would not do anything of the kind—the Secretary of State could immediately issue a certificate. I submit that he should not have that right.

Mr. JACOBS: My hon. friend has singled me out, but I would point out to him that by speaking of the hon. member for Jacques Cartier he might very well mean his friend Mr. Patenaude, who was candidate in the constituency of Jacques Cartier.

Mr. MANION: He is not the member for Jacques Cartier, unfortunately. However, I did refer in a jocular way to my hon. friend—

Mr. JACOBS: I can quite understand how that rankles in the mind of my hon. friend.

Mr. MANION: I apologize to my hon. friend, as he is the member for Cartier not Jacques Cartier. But I think there will be no mistake as to who was meant. At any rate, I repeat that any member of this house or any candidate for membership in this house might apply for the naturalization of a group of new arrivals in this country just before election time, and I do not believe the power to immediately grant those certificates should be put in the hands of any Secretary of State, whether he is a Conservative, a Liberal or a Progressive. I do not believe human nature is so perfect that, on many occasions under the pressure of candidates running in a tight constituency, the secretary of state of one party or another would not, to put it mildly, stretch a point to grant naturalization. I well remember evil conditions in a certain district in this country, which I do not wish to name because I have no desire to reflect on someone who is gone. In that district there existed the condition described by my hon. leader this afternoon. Years ago when I was a boy I saw hundreds of men who could not speak the English language being naturalized just before an election and given a vote—for no other purpose than that of voting for the gentleman who was a candidate of the government then in power, and who counted upon getting a majority from them to take him back into office.

I do not think it is just to any secretary of state to give him this power. I warn the minister that if this act goes through and he is Secretary of State when the next election comes round he will be driven absolutely crazy by the demands of candidates in various sections of this country to naturalize large numbers of people who cannot speak the English language, or the French language, people who at the time should not get naturalization papers. Suppose, for example, in a certain constituency, say in my own—and I do not pretend to be any better than anybody else—I am running in a tight election, and there are thousands in that constituency who have come from continental Europe. The larger number of them, we will say, cannot when they first come here speak the English language. Suppose I am unscrupulous enough to have my agent go to them and say: There is a large number of your people here; if you will vote right I will see that you get your naturalization papers at once and it will cost you nothing. Suppose that proposition is put up to a few hundred of them. We get a lot of people in our country who do not understand the language, and the proposition may be explained to them by an interpreter who gives it whatever colouring he pleases. Does my hon. friend think many of them would not accept the suggestion and do that without being dishonest? They have got away from war-ridden Europe, and most of them—those who have not gone across to the states—do want to become Canadians. There are advantages in having Canadian citizenship, and they would largely accept, with no ill feeling; and the only thing that they would be taught by my agent, in all probability, if I were unscrupulous enough to do such a thing, would be where they were to put the cross on the ballot. I repeat that I do not believe that power should be given to any secretary of state. We should leave the law as it is, so that the applicant for naturalization must go through the courts as he has to do now, without any great trouble. He pays, of course, a small fee.

I may add that I have had no complaints among the thousands of Europeans whom I have in my constituency. I looked, while listening to my leader, through the list of the nearly 17,000 who according to this report were granted naturalization in the last year, and I find on nearly every page someone from my own city of Fort William. I did not even know that they were getting it. In an odd case I have been approached to help them through, because for some reason they had been held up by the courts. Generally I have told them to go and see a lawyer and he would help to get it through. Perhaps a couple of hundred or possibly twice that number in this list were from my own city of Fort William. I repeat that I wish to protest as strongly as I can against changing this law and putting it in the hands of a secretary

of state, whether this secretary of state or another, to grant just before an election naturalization to hundreds of thousands of people who perhaps should not be enfranchised. I submit that if that is done, if the law is changed, then within a few years, perhaps in the lifetime of the present Secretary of State or of myself, we will have a scandal which will equal that of the customs scandal of a few years ago. I hope that the Secretary of State and his government will reconsider the whole matter and leave in the courts the duty of handling it, as the courts are a fair and non-political forum.

Mr. CAMPBELL: I have frequently complained to the house and to the minister about the difficulty, the trouble and expense to which my constituents have been put in order to get naturalization. Perhaps I might explain that my district is a new one; the northern part of it is poorly served with railway facilities. These people going to the judicial centres must travel on a train which runs only three times a week. If they remain over one day at the judicial centre, they will miss the train back, and in most cases that means five days away from home and a good deal of trouble and expense.

It may be asserted that a Canadian certificate of naturalization is something which should be prized so highly that it is well worth all this trouble and expense, but the outlay of $25, $30 or $40, which it means to these people, is a great deal more than most of us here would consider. The class of whom I refer are people from the continent of Europe who have come in there without a dollar and have settled on the poorer bush homesteads, they are not people who handle very much money, and the expenditure of $25 or $30 means as much to them as perhaps a thousand dollars would to the average man within the sound of my voice. Most of them have not sufficient food or clothing in their houses, and nothing in the way of comfort, and this expenditure is something which they cannot well afford. My objection is not particularly to the fact that they must appear before a judge. In all these years, with all the complaints I have heard from these people, I have never heard one of them complain of the fact that they have been obliged to appear before a judge. I think they are satisfied so far as that is concerned, but the difficulty is in getting to the judge; and frequently, in addition to what I have already said, when they get there they find the court is postponed or their own case is set back for another hearing, and they must repeat their journey two or three times in succession until their application is finally passed or rejected, as the case may be.

Mr. LADNER: May I ask the hon. gentleman if there would not be the same procedure and delays if it were being done through the Department of the Secretary of State? Somebody has to be there to meet them and ask them questions, and they have to meet somewhere.

Mr. CAMPBELL: I do not know what the Secretary of State has in mind, but I think the suggestion of the mounted police going out and meeting these people would do away with a good deal of trouble. If my hon. friend will allow me to proceed, I think I can make my meaning clear in a moment. I have discussed this at intervals with the Secretary of State, who is making an honest endeavour to get around the difficulty. The fact has been referred to that the judges meet at various local points, and that is true; and in many of the parts where most of my people live the judge will come probably one day a year. In the village in which I reside, the judge comes but one day a year. If we could have these outstanding applications examined at that point, or at these different points on the day on which the judge is there, there would be no difficulty at all, and I would have no objection to the present law. That is what I have tried to secure and what I have discussed frequently with the Secretary of State and with the Under Secretary of State. Indeed I discussed the matter with a member of the bench and I was told that no provision is made for the extra expenses of judges and that in most cases this would necessitate a judge remaining over another day. In my particular village the judge comes in on one train which gets there in the evening, holds court at night, finishes up his cases and goes back to the judicial centre the next morning. He will not remain over the next day because that would mean two days on account of the train service and ordinarily he refuses to examine these parties in the list of cases on his docket. I suggested to the minister that the department should provide the necessary expenses to enable the judge to remain over another day, but it was pointed out to me again that the judges are under the control of the provincial authorities and that this was something over which the Department of Secretary of State had no jurisdiction whatever.

Those are many of the difficulties that I have met in trying to get some arrangement that would be satisfactory to the people of my

district. Perhaps the grievance is more a question of administration than one of legislation and I think it can easily be remedied. An hon. member suggests to me that the difficulty might be met by a change in the law in regard to rural districts; that is, to provide some other machinery than the court for examinations in the rural districts and to leave the law as it stands in regard to the cities. Naturally there is no expense or no difficulty for anyone applying for Canadian naturalization to appear before a judge in a city. The difficulty is, as I stated, in these remote rural districts where a trip of five or six days, perhaps repated two or three and sometimes four times, is involved. What happens very frequently when an outsider finds himself up against so many difficulties is that he simply drops the matter altogether and does not bother about it further, and it is desirable for us to induce these people to become naturalized Canadian citizens.

A constituent of mine pointed out to me the difficulty that he was up against. I think I read his letter in the house four or five years ago. He said: "I am making an honest attempt to become a naturalized Canadian citizen. I realize at the same time that the moment I take out papers of naturalization I am taking the resposibility on myself and putting the responsibility on my children, because if another war breaks out my boys are liable to be conscripted but my neighbours"—and he mentioned several—"have not bothered about the matter." In the last war these people, although they have been resident in Canada for many years, were not subject to the conscription law simply because they had not bothered to take out naturalization certificates. I am just pointing out what one of these aliens thought about the matter. He was only endeavouring to do his duty in taking out Canadian papers and it appeared to him that we were putting many stumbling blocks and difficulties in his way.

Further, I am not in favour of the present measure that we are discussing. I agree almost entirely with what the hon. member for Fort William (Mr. Manion) has said; I can see the same objection, but I ask the committee to give some sympathetic consideration to those people who live in remote districts, who handle only a matter of a few dollars in a year and to whom twenty-five or thirty dollars of an expenditure means a great deal when they are short of the very necessities of life in their own homes. If some extension of funds can be made to the judges to enable them to stop over another day at these local points throughout the judicial district, the objection will be met. Those people, as I say, have no objection to the present system so far as going before a judge is concerned. I have not heard a single complaint about that. Any man who goes to the trouble of making an application for naturalization is naturally prepared to go to some further trouble. He knows that the must comply with certain conditions in order to secure Canadian citizenship; but as I pointed out, the difficulties are frequently so great that he gives up in disgust.

Another source of a good deal of grievance is that applicants are frequently called upon to attend court in judicial centres during the threshing season. I have found that in dozens and dozens of cases men have been summoned to appear before a judge right in the middle of threshing when they cannot possibly go. The result is that the application is cancelled, the five dollar fee is lost, and they must make out a new set of papers, pay a new fee, and go through all routine again. Therefore there are many difficulties that we ought to relieve them of so far as possible.

I agree with what the hon. member for Cartier (Mr. Jacobs) has said about the political influence to which the minister will be subjected if we allow this bill to go through in its present form. There should be some time limit during which notices should be filed in the office of the county court clerk, the post office, the provincial gazette, the local paper or somewhere else before the application can be considered; otherwise, as hon. members have said, you will simply leave the door open and subject the minister to all kinds of political influences on the eve of an election. While I have every confidence in the integrity and honesty of the present minister, if he will not give in to that sort of pressure he is more than human, he is a different type of man from the rest of us. It is not fair to the house to leave any minister subject to that pressure; it is not fair to the minister to leave the door open to subject himself or any succeeding minister to that kind of pressure, and I appeal to him to make some changes in the legislation to meet the objections which I have stated and to provide that the application shall be left on file for some reasonable time before it can be dealt with. I think the suggestion that was made by the leader of the opposition, copied from the system in use in South Africa, was a very

good one, namely, that the application should be advertised in a local paper for a matter of three or four or six months and that copies of that paper must be produced before a certificate of naturalization is granted. I appeal to the minister to take some of these matters into consideration and to alter the present legislation to meet these objections without making it as drastic in its application as the proposed amendment now before the committee.

Mr. CHURCH: I fail to see where the government has any mandate to bring in this particular legislation. I come from a district where there are six county court judges who administer the Naturalization Act well. The judges are making an application as a body for an increase in salary and in the special committee dealing with the matter further the county court judges who come from the west speak in high terms of the present statute and its administration. For instance, Judge Jackson says that it is one of the most important parts of the judicial duties to examine applicants who come before him for naturalization and to find out if they have proper ideals of citizenship. A person may become a British subject in two ways: first, by birth, and second, by naturalization. Ever since confederation the question of naturalization has caused a great deal of trouble in parliament. As I say the government has no mandate on this particular question and no complaints have been made that the act is not working out satisfactorily. It seems to me that this is a nice little gesture to certain interests in the west and that the present change is more a matter of politics and political expediency than of policy or laws. The present act as a matter of policy is an essential.' The Anglican church and the Presbyterian church represent a large body of opinion in this country. I cannot speak for them but I wish to refer to what has been said by them at their various synods and assembles. The Anglicans at the general synod at Kingston were alarmed at the aggression of foreigners in Canada and the catering to them by governments. They are beginning to doubt in view of the alarming immigration figures, whether Canada is going to continue to be a British country. Look at the situation in the United States. When President Harding found by the last census that the United States had only about 53 or 54 per cent of American-born citizens, they decided to close their doors to immigration from continental Europe, and they established their quota system, and that is what Canada will come to sooner or later. This country is at the parting of the ways to-day, with the repeal of the sedition clause in the criminal code and this repeal now.

This is a political bill, Mr. Chairman, and it was never intended to be anything else. It is a nice gesture to the foreign element who go to the west and vote there. The government is not concerned over our citizenship; it may be good, bad or indifferent. What the government is interested in is how many votes they will get out of this particular bill. We have a great many foreigners in the city from which I come, and the number is continually growing through new arrivals. The two great railways are bringing foreigners into Toronto under no known law of immigration and under the new anti-immigration law. There are a large number of applications for naturalization in the county of York every time the court of sessions meets. They have five or six county court judges, and the applicants appear before them, witnesses can be heard, and the applicants examined, if necessary, to find out whether they appreciate our citizenship and would make good citizens, and after the judge has determined upon the fitness of the applicant, a certificate is issued, and naturalization papers are granted by the government. That system has worked well, but now it is proposed in the twinkling of an eye to change all that, and to centralize all this work in the city of Ottawa in the Secretary of State's office where no doubt the minister will gather around him a large number of government officials appointed by the Liberal party, who will see that these certificates are issued at so much per head. We know that in order to get a job to-day, even though you are a returned soldier, you have to join the Liberal ward association and pay a dollar. Is that going to be the process here, and also to obtain naturalization papers under the proposed act?

I do not wish to criticize a young minister but I fear that his department will become a huge political machine, especially around election time, for coining out these certificates of naturalization irrespective of the fitness of the applicant. The minister last night read the history of naturalization the world over from time immemorial, referring to the French system, the English system, the system in the United States and in Australia. Let me tell him that the position he gave last night as that of the United States is not the position in the United States to-day at all. The United States are tightening up their restrictions all along the line, in immigration, naturalization and colonization. They have their quota

system of immigration, and they are tightening up their naturalization system, putting the brakes on and stiffening the regulations all along the line. No matter what country you come from, once you enter the United States, you have to become an American citizen. There is only one flag and only one school there. We have to admire the American people for knowing how to make people become American citizens and respect the law and flag and their institutions. There is no catering there to the foreign way of things.

The minister also referred to Australia. I should like to refer to a speech made by the Prime Minister of Australia, in which he said that Australia is going to be kept a white man's country, that their conditions are different from those in the United States and Canada, and that they are not going to open the flood gates to European immigration. As a result of that policy on the part of Australia, Canada is losing the British immigrant. They are going to Australia and New Zealand, which are doing all the window-dressing in the old country to-day and getting the vast bulk of all immigration from the land.

Naturalization is a very live question, Mr. Chairman, and it is closely allied to the question of immigration, and the question of sedition which we were discussing the other night in this house. I am very sorry that parliament saw fit to remove the provision we had on the statute book with regard to sedition. There is a large body of public opinion in this country that is opposed to any changes being made in that act, and I know that many Liberals as well were opposed to repealing that provision.

This bill we have before us will mean that all the work of naturalization will be centered in the city of Ottawa, and the Secretary of State will have power to decide who shall become naturalized and who shall not. It will simply mean the building up of a huge political machine for the issuing of certificates of naturalization, just as the customs service was a political machine in the old days. Agents of the government in all the large centres from Vancouver to the Atlantic seaboard will be issuing certificates of naturalization in a haphazard way just before election time, with no regard for maintaining our citizenship at its present standard, and we will have instead of county court administration as now, a political administration. I should like to refer to an article that was written to the Toronto Globe yesterday by a great bishop of the Anglican church, who would no doubt be criticized here because he stands four-square for the British Empire. I refer to Bishop Lloyd, of Saskatoon. He protests against any change being made in this act. Then, in addition, we have the opinion of the county court judges that the present act is working admirably and should not be removed from the statute books, especially at this time owing to the unrest in the country, and with so many foreigners entering Canada. If Canada is going to remain a British country, we want a British immigration policy, and we should not be wiping off the statute book acts that are for the preservation and protection of our citizenship. If Canada is not going to continue to be a British country, let us know. I wish to protest against the repeal of the provision regarding sedition, and protest also against repealing these sections of the Naturalization Act which have worked out admirably.

Furthermore, it will cost hundreds and thousands of dollars to enforce this act, and in the end it will be a mere farce, because certificates will be handed out just as they used to hand out script years ago, and the result will be that the quality of our citizenship will be lowered. Coming from a city in which there is a large number of foreigners, applying for naturalization at the general sessions for York where the Naturalization Act is working out very well, according to the opinion of the county court judges, I protest against the changes that are being made in this bill.

Mr. LADNER: This measure is so important and so far-reaching in its effects, not only upon the present population of Canada, but upon the many thousands who are coming and will come into this country, that it warrants the close scrutiny and study of every member of this house. Not only that, the measure is of such a nature that I think it warrants the condemnation of every member of this house. I have a very considerable respect and regard for the ability and sincerity of the hon. minister who introduced this measure, but in considering a measure of this kind we must have regard to its effect upon the community as a whole. After all, the real point of contention in the bill is the elimination of the courts from deciding upon the qualifications of an applicant for citizenship, and replacing that authority with agents appointed by the Secretary of State, who will be empowered to determine the qualifications of the applicants for citizenship. I submit, Mr. Chairman, that that is the pith of this measure.

What are the reasons for this proposed change? Where is the public demand for such

a fundamental departure from our course of procedure in relation to naturalization? Throughout his whole speech the Secretary of State has not indicated that there is any such demand. His chief arguments are centred around the inconvenience to which some applicants for naturalization are subjected. The minister informs us that representations have been made to him in this respect. I have read his speech carefully and annotated his arguments and reasons for this proposed change. They are six in number. First, the distance from the court of the applicant, and his expense in getting there. That condition prevails only in a very small portion of the Dominion, relatively speaking. I venture to say that if the figures were available it would be found that fully 95 per cent of those applying for citizenship are not handicapped by that difficulty. Second, the sudden adjournment of the court and the necessity of the applicant's returning in order to renew his application. I submit in all fairness that this is an exceptional case. It is not usual for our courts to adjourn suddenly when there is still business to be attended to. Third, the courts sit too infrequently, and attendance has to be made at inopportune times, when the applicants are harvesting or trapping. Again I say those occasions are very limited. The great majority of our courts sit at regular intervals, applicants are given ample notice in advance, and can arrange their affairs so as to be present. Fourth, the lack of uniformity of procedure and unanimity of judgment in determining the qualifications of applicants. With respect to this point, Mr. Chairman, I do not think I can complete my remarks between now and six o'clock.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

Mr. D. M. KENNEDY (Peace River): I desire to ask the unanimous consent of the house to move the following motion:

That Bill No. 57, an act respecting the Edmonton, Dunvegan and British Columbia Railway Company, placed on the order paper for consideration from 8 to 9 p.m. on Tuesday, the first day of May, 1928, be given precedence over other bills.

Mr. CHURCH: There must be unanimous consent in order to have this motion entertained. I object; there are other bills more important than this one.

Mr. SPEAKER: This motion can, of course, be entertained only by unanimous consent.

Mr. KENNEDY: I understand that, Mr. Speaker.

Mr. DEPUTY SPEAKER: There is therefore no point in putting the motion.

OLIVE DRUKER

The house in committee on Bill No. 150 for the relief of Olive Druker—Mr. Anderson (Toronto)—Mr. Johnston in the chair.

Mr. CHURCH: I move that the bill be reported.

The CHAIRMAN: In this case there is a proposed amendment. The hon. member's motion cannot therefore be entertained.

On section 1—Marriage dissolved.

Mr. WOODSWORTH: Is it at this stage, Mr. Chairman, that I move my amendment? I think it is on the third reading.

Section agreed to.

On the preamble.

Mr. WOODSWORTH: I object to the passing of this bill. On the third reading I desire to move an amendment.

Bill reported.

Mr. DEPUTY SPEAKER: Mr. Anderson moves that Bill No. 150, for the relief of Olive Druker, be now read the third time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): In accordance with a notice of motion given the other day I move the following amendment:

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

1. That section one of the bill be amended by adding the following words thereto:—

"and the said Olive Hawkes shall have the custody of their child, and the said Maurice Druker shall pay annually to Olive Hawkes, for her support and maintenance, the sum of five hundred dollars, so long as she remains unmarried; and the sum of two hundred dollars annually for the support and education of their child."

2. That the following section be added to the said bill:—

"3. The said Maurice Druker shall not have the right to marry again, and if he goes

through any form of marriage, he shall be guilty of an indictable offence and liable to seven years' imprisonment, and such marriage shall be null and void."

The other evening I stated my purpose in selecting several of these bills for discussion. In this particular case I am quite willing that the applicant should be granted the divorce, but my purpose is to impress upon the house the necessity of establishing a divorce court in which such matters can be properly attended to. I think it is abundantly evident, from the proceedings of the last few private members' days, that we are not treating these divorce cases in the manner in which they ought to be treated. In order to indicate some of the principles which it would seem to me should be considered in a case of this kind, I chose two test cases. One, introduced the other evening, was a case in which there was involved the custody of the child as well as alimony to the woman; and also in which both individuals were diseased, and I urged that they should not be given the right to marry again so long as this diseased condition continued.

We have in this particular bill still another condition by reason of which I urge that the man should not be granted the right to remarry. I may say that since bringing up this matter in the house I have received a considerable number of communications on the subject. I should like to read a paragraph or so to indicate the state of public opinion in this regard. I quote first from a letter received from a lawyer in western Ontario:

> The House of Commons seems to have got the idea that the Ontario divorce court bill sponsored by Mr. A. N. Smith in the commons, is merely a bill for the relief of the senate. In fact it is for the relief of hundreds of people who are too poor to ever get their troubles to the senate. There is a most pitiful cry of the poor of this province for this relief, a low almost inarticulate cry, as is usual with the cry of the poor, for that chance of re-establishing homes which the people of the western provinces have.

I have another letter from a poor woman in Detroit who had read in the newspapers concerning the action taken in this house. From this letter I will extract one paragraph.

> I see that you are asking that a man should be made to support his wife and children, also that he be a fit man to marry again. I am a Toronto girl, born and raised there; if there had been such a law I would not be the unhappy woman I am to-day.

Cases of this kind could be multiplied, and I know that every one of these cases means a tragedy in the home life of some couple.

It has been said that an amendment such as I am introducing might be considered ultra vires, but I would point out that the British North America Act very clearly gives to the Dominion parliament control over marriage and divorce, and I take it that that would apply to everything pertaining to marriage and divorce. Further when divorces were first granted in Canada provision was made for the custody of the children and for the payment of alimony, and as far as I have been able to learn the constitutionality of such action never has been challenged. The other evening I read from the Campbell case of 1879, and to-night I venture to repeat one of the paragraphs from the argument by Senator Miller:

> Under the British North America Act the legislation in regard to civil rights is given exclusively to the local legislatures, but it cannot be controverted, I think, that when the parliament of Canada has exclusive power to deal with any subject of legislation, that so far as it is necessary to deal with civil rights in connection with such legislation, we have the undoubted power to deal with them, where this parliament has the right to legislate on any subject it must be considered that we have the power to legislate regarding all matters incident to that subject.

I do not wish to develop the legal argument any further; I do not think it necessary. Again, however, it has been claimed by some that the action contemplated in my amendment would be outside the terms of the petition, and that therefore it should not be accepted by this house. I would point out that the last paragraph of the petition carries a standard clause, as follows:

> Wherefore your petitioner humbly prays that your honourable house may be pleased to pass an act dissolving the said marriage between your petitioner and the said Maurice Druker and enabling your petitioner to marry again, and granting your petitioner such further and other relief in the premises as to your honourable house may seem meet.

So if we chose to provide for the custody of the child or if we chose to order the payment of alimony undoubtedly these matters come within the terms of the petition. Aside from that, however, I urge that we have the right to grant divorce on whatever terms are considered advisable by this parliament. There is no limitation to our powers in that regard. It would require a very strong argument indeed to prove that we have no such right.

With regard to this particular case I would point out that the courts of Ontario have already granted the custody of the child as well as alimony, so it might be claimed it is not necessary that we should take action in this regard. However, this case suits me all the better because the courts of Ontario have taken action along these lines, as after all I am introducing this amendment to determine the principle at stake. As I said the

other evening, if this amendment had been drawn with legal care perhaps we should have inserted a provision as to how the money should be paid; perhaps we should have included penalties for the non-payment of the money. Undoubtedly we should have been able to go more fully into the question as to whether or not these sums suggested are sufficient to provide for the maintenance of the wife and child. I said the other evening that the figures which I suggested were quite arbitrary, because it is quite obvious that we have not before us in this committee or in the house sufficient evidence concerning all the circumstances of the case to know how much should be set aside for the maintenance of the wife and child. Again that is simply an illustration of the necessity for this sort of thing being attended to by a court, where full investigation could be made with regard to all these matters.

There is a second part to my amendment. I am trying to make provision for the wife and child, and I am also suggesting that the man be not given the right to marry again. I know that the bill before us explicitly gives the woman the right to marry again, and as I said earlier I am quite willing that this should be done. It does seem to me, however, that with this evidence before us we must hesitate to inferentially give this man the right to marry again. In the preamble of this bill as passed by the senate I read the following:

> Whereas Olive Druker, residing at the city of London, England, wife of Maurice Druker, manager, who is domiciled in Canada and formerly resided at the city of London, in the province of Ontario, has by her petition alleged that they were married on the sixteenth day of September, A.D. 1924, at the city of London, England, she then being Olive Hawkes, a spinster; and whereas by her petition she has prayed that, because of sodomy committed by him since then, their marriage be dissolved; and whereas the said marriage and the said sodomy have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

We have that preamble before us as the basis on which we are granting this woman a divorce, and I submit that we should hesitate to grant the privilege of remarriage to a man who has so cruelly mistreated his wife and who has committed a crime for which he is liable to life imprisonment. Are we going to tell this man he can go scot free and leave him in a position to abuse another wife? I would hope that the time might come when, in cases of sexual perversion of this kind, there might be some sort of surgical operation, which will provide for such cases better than we are able to do under our present legislation, but until such time arrives I submit that we are hardly justified in turning such a man loose. So without arguing the case at greater length, I would urge, that in this bill we incorporate each of the provisions, to which I have referred, namely, that the wife be given custody of the child, that alimony be provided for her and maintenance for her child, and that the man be refused the right to marry again.

Mr. A. J. ANDERSON (Toronto-High Park): Although this bill is in my name, I am only sponsoring it for the solicitor in charge for the petitioner, but as the matter is entrusted to me I think it is only fair that something should be said on her behalf here. One has only to read the petition and, if one is so disposed, the evidence which has been sent to us from the senate, to see the nature of the offence and I feel justified in thinking that the senate committee has reported properly. The offence is a crime which, as the member for Winnipeg North Centre has said, is punishable by life imprisonment, and accompanying that crime were other offences against the criminal code, also adultery practices.

This petition is offered on behalf of the wife, who desires to have the marriage bond dissolved because of those crimes and offences against the marital bond. The amendments, it seems to me, are intended to make the granting of that divorce conditional. We must not forget that the remedy here is asked for by the wife, the injured person, not by the one who committed the wrong. Whether parliament would be justified in carrying a penalty to the one who does the wrong is another matter, and it appears to me that the amendment is one that should be dealt with by parliament in a separate bill that might be made applicable to every divorce application which comes before parliament. All that the petitioner asks for is the dissolution of the marriage tie. The senate committee, I submit, found in favour of her application, and they recommend that the bill be passed. The evidence shows that the petitioner and her witnesses proved, not only the crimes alleged but also that the respondent had deprived her of moneys that she had of her own before marriage, and that she holds a judgment against her husband for the amount involved in that respect. The evidence further shows that she proceeded in the courts of Ontario and obtained a judgment for alimony, not of $500, as this amendment would say, but of $250 a month or $3,000 a year. Furthermore, the evidence also establishes that at the time

that judgment was signed, in October last, she was entitled to $1,500 by way of arrears of alimony, and that judgment has not been purged by payment. Further than that, I have before me a copy of an order made in the supreme court of Ontario on the 22nd of December last, by which she is awarded the custody of the child, which is under three years of age. I might say also that the husband had converted some of his wife's goods and chattels, to the amount of some $7,000, and she has a judgment for that in the courts of Ontario. Not only that, Mr. Speaker, but she has proceeded in the courts of Michigan and she has there obtained judgment for the value of the goods that he converted, and she also has proceeded to obtain a confirmation in the American courts of the judgment that she holds in Ontario for alimony, and also for the custody of the child.

I think it should be pointed out here, in view of what has been said by the hon. member, that the application did not go by default; the respondent appeared before the senate committee and gave sworn evidence, yet he did not in one word attempt to deny the bestiality of the crimes which she had testified to; all he did was oppose the petition on the ground that he was an American citizen, or that he was domiciled in the United States. It was also brought out that he has not become an American citizen but that he has filed papers looking to the acquirement of citizenship in the United States.

It may be noted that the first part of the amendment which was moved by the member for Winnipeg North Centre has already been satisfied by the courts of Ontario and Michigan. That is, the petitioner has already got what this amendment would like to give her in that respect. As to the moneys due her from her husband, she has failed to realize on the judgment obtained; they are of no use, because the officers of the court have not been able to implement them. The fact that he has applied for citizenship in the United States indicates that he does not intend to make this country his domicile, and the last part of the amendment would apply only if he remained in Canada. Our law is not enforceable in the United States; it is enforceable only in Canada. If he married again he would be responsible, probably, to the extent of the penalty prescribed by the amendment, but it is quite evident that he intends to live in the United States, not in Canada. He is permanently employed in the country to the south, being in business in the city of Detroit. So that the adoption of this proposed amendment would really be an ineffective measure; I do not think the bill dissolving the marriage should be burdened by this amendment, because of its ineffectiveness in Canada owing to his being in another country.

[Mr. A. J. Anderson.]

I feel very much the same as the member for Winnipeg North Centre, that these cases should be tried in the courts of Ontario, but that is a matter dealt with by another bill. If such a law were in force to-day I have no doubt that the courts of Ontario would give the wife in this case all the remedies that she desires. The courts of Ontario, as those of other provinces, have power to grant alimony and determine the custody of the children, and that sort of thing. Why is it necessary for us to legislate further in that regard?

On the question of the jurisdiction of the parliament of Canada, I am not going to offer any extended remarks. The British North America Act says that the federal parliament can legislate with regard to marriage and divorce, and the provinces in respect to the solemnization of marriage. It might be argued that if this amendment passed we should be declaring that the respondent is ineligible for marriage, and as something which precedes another marriage it might be determined possibly under the question of solemnization. The Ontario law already provides for something of the same kind in the case of infants; it prescribes that infants may not marry without the consent of their parents, and so on. If the province has power to prescribe even to the extent of who shall marry, it could easily be argued that if we in our legislation prohibit this man from marrying again, we are attempting to do something that is within the jurisdiction of the province of Ontario.

I submit that the amendment should be voted down and that the bill should be allowed to pass as it stands. What is included in the amendment should be brought before the house in a separate bill so that it may be applicable to all divorces granted by parliament. It is for parliament to decide whether or not conditions of that character should be before the courts in determining the question of divorce, but in this case there is no reason at all for such an amendment. This woman is without doubt entitled to a divorce; the amendment only complicates the matter, and I doubt very much whether we have power to punish the man and whether, if we endeavoured to do so, such punishment would be effective.

Mr. J. L. BROWN (Lisgar): This subject has been brought before the house a number of times by the hon. member for Winnipeg North Centre (Mr. Woodsworth). As it has not been my privilege to be present at any time during the discussion, perhaps I might be permitted to say a word or two on the matter. The duty has been delegated to me of representing the private bills committee on the senate committee on divorce. It is not altogether a pleasant duty and I am not going to say that I have adequately discharged it, but on various occasions I have attended meetings of the senate committee and I have watched the proceedings. If I read Hansard aright, when this matter was under discussion before, the Minister of Railways (Mr. Dunning) and the hon. member for Vancouver Centre (Mr. Stevens) referred to the way in which cases were submitted before that committee and I wish very heartily to endorse the testimony which they gave at that time. It is a great mistake that the opinion should be allowed to go out to the country that these matters are not considered seriously by parliament. The fact that these discussions have taken place in the house will tend to increase throughout Canada the opinion that we are dealing with these matters in a careless, haphazard fashion. That is not the case. As I have said, in the discharge of the duty imposed upon me by the private bills committee, I have on various occasions attended meetings of the senate committee. I have been greatly impressed by the care that has been exercised by the senators in coming to conclusions and regarding the character of the evidence which they are prepared to accept. As we know, there is only one ground on which divorce is granted by that committee and a petition is granted not simply because that offence is suspected but because it is proven by incontrovertible evidence. Therefore when these bills come before the house, supposing that they may go through in a somewhat formal manner, perhaps those not acquainted with the previous procedure may think proper consideration has not been given to them. That is not the case. Those cases are well considered; in the great majority of them no defence is offered and the respondent does not appear because the case is too conclusive against him and judgment, I find, is invariably rendered in accordance with the evidence. If we are to consider the bills in this house in the same manner and with the same degree of care that they are considered in the senate, it will be necessary for us to have all the evidence adduced before the private bills committee and again brought up in the house, and I ask hon. gentlemen: Is it desirable that that should be done? I say most emphatically that it is not desirable.

Mr. M. N. CAMPBELL (Mackenzie): May I remind the house that the senate is asking to be relieved of the duty and responsibility of passing upon these bills and, indeed, of handling the question of divorce at all?

Mr. BROWN: I was not discussing that question.

Mr. CAMPBELL: May I further point out that before the senate committee nothing is taken into consideration except the question whether or not a divorce shall be granted? There is on the order paper, under the heading of "Public Bills and Orders," Bill No. 27, which proposes to deal with the matter. On Tuesday last in discussing the situation I criticized the rules of the house as they stand to-day and I pointed out the difficulty that a private member has to contend with in order to get a decision of parliament on a bill which he introduces. The Prime Minister in reply to my remarks pointed out that when these rules were introduced they were accepted unanimously by the house and that by my passive acquiescence at least I had given my consent to the rules. Theoretically of course that is correct.

Mr. NEILL: It is not correct that they were accepted unanimously.

Mr. CAMPBELL: That is what the Prime Minister said. I was just replying to his remarks. Theoretically when a member does not object to a particular measure it follows that he approves of it. In reality that is not so, because if we were each and everyone to state our objections to every measure before the house and to force a vote upon it—

The CHAIRMAN: I am afraid the hon. gentleman's remarks are not relevant to the matter before the committee.

Mr. CAMPBELL: May I point out that on Tuesday last, the 23rd April, I was interrupted on a point of order by the hon. member for Melfort (Mr. McLean) when I was discussing this very point and the Speaker ruled that I was in order. Therefore I presume I may be allowed to finish my remarks. I will make them as brief as possible.

Mr. LAPOINTE: Surely my hon. friend is not in order in discussing a subject which is on the order paper under another number?

Mr. CAMPBELL: I was not discussing that other bill at all. Perhaps I might read the Speaker's remarks.

Mr. CHAIRMAN: In referring to a previous debate on the same subject this session, the hon. gentleman is certainly not in order.

Mr. CAMPBELL: This is not the same question. I just wish to say that the difficulty that has arisen can be avoided by a simple amendment to the rules. The reason why I did not object to the rules when they were brought in last year was because I considered they were a compromise.

Amendment (Mr. Woodsworth) negatived on division.

Motion agreed to on division and bill read the third time and passed.

INTERPROVINCIAL AND JAMES BAY RAILWAY COMPANY

The house in committee on Bill No. 69, respecting the Interprovincial and James Bay Railway Company—Mr. Parent—Mr. Johnston in the chair.

On section 1—Extension of time for commencement and completion.

Mr. SPENCER: I understand that this railway goes into the Rouyn district, where there are already two railways. I would ask the Minister of Railways, if he is supporting this bill, to give us his reasons why a third railway should be allowed to go into that district and compete with the other two. Is there not going to be a duplication of railways in that district if this bill goes through?

Mr. DUNNING: This is a private bill. Before the railway committee, when this and one other railway bill were under consideration, I pointed out as nearly as I could the situation which would exist in the district in question. The representatives of the railway companies interested also addressed the committee, and all expressed themselves as quite satisfied with what was being done with respect to both of the charters under consideration. Apparently the committee was satisfied that there was plenty of room in that district for the railways in question, and they agreed to report the bill without amendment.

Mr. BENNETT: I cannot but think that we should be very careful about a matter of this kind. This is territory in which we are spending large sums of money. We own the terminals at Hudson bay, and we own at present the only line of railway that reaches the Hudson bay. The minister pointed out the other day, very properly, in connection with a railway in northern Alberta, if my memory serves me, that the territory was being invaded by a private line which, if successful, would be able to take away traffic from the government road. Should we not decline absolutely to grant charters to private enterprises where the effect will be in any way to lessen and impair the possibility of our own line earning money, and should we not rather extend branch lines into that territory for the purpose of preserving it for our own railway? In other words, if we must pay the deficits, and we must, let us be very astute to see that so far as possible every bit of territory that is contiguous to our line may be served by profitable branch lines for the protection of our own property.

Mr. EVANS: If I remember rightly, it was pointed out in the committee that this line parallels the line under another charter which has already been granted, and the question was if they would not both be going through the same territory if both went round the one side of a certain lake. I think we should be careful in granting these charters, particularly to companies of this kind, which is not either of the two great national companies, the Canadian National or the Canadian Pacific. It seems to me that we are fast creating another railway situation which in a few years is going to land us in a worse position than the one from which we have been trying to extricate ourselves in the last nine or ten years. We are paralleling lines all over this country, and here in this new district we are granting a charter to a new railway company altogether which is going to parallel the line and interfere with the earnings of the Canadian National Railway. We are doing this in many places throughout the Dominion to-day, and I think this parliament should be very careful to see that we do not create a situation which gives rise to a worse railway problem than the one we are now trying to find a solution for. This railway is certainly endeavouring to be first to get into this mining district. Whether it is for the purpose of developing a certain company's mine or not, I do not know, but this makes the third railway in that district, and I repeat, it is invading Canadian National territory and going to interfere with the earnings of our national railway.

Mr. CAMPBELL: I heartily concur in the remarks of the hon. member for Rosetown. It seems remarkable to me that we should permit another railway to build into what is distinctly Canadian National territory. I thought that the railway committee

had laid it down as a principle that none of these smaller railway companies would be allowed to build into territory which should be served by one of the two big companies, the Canadian National or the Canadian Pacific. I realize that we can hardly lay down the principle that the two existing lines shall have a monopoly of railway business in this country, but—

Mr. DUNNING: May I interject that this is owned by the Canadian Pacific Railway, and they have had a charter through there for many years. I think in fairness to them I should say that.

Mr. CAMPBELL: I was just going to say that I think in most cases we should give the preference to one or other of the existing lines. When the Canadian Pacific railway builds a piece of line, we know it is not going to be left on our doorstep, but that may happen when a smaller company builds it.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

NIPISSING CENTRAL RAILWAY COMPANY

The house in committee on Bill No. 46, respecting the Nipissing Central Railway Company—Mr. Lang—Mr. Johnston in the chair.

On section 1—Extension of time for completion.

Mr. CHURCH: I see no reason why parliament should give an extension every five years to this railway. They have already had five extensions from this parliament. Who are these people? The bill doesn't say who they are. This is a very important territory surrounding the towns of Latchford and New Liskeard, and the railway is to run through the townships of Coleman, Bucke, Dymond, Harris and Casey to a point on or near Blanche river, thence in a northerly direction to a point at or near Windigo lake, thence northeasterly to a point on the line of the National Transcontinental at or near the Matagami river. They received their charter in 1907, by chapter 112, and it was renewed in 1908 by chapter 135; they came back five years later, in 1913, for a further extension, by chapter 160; they were back again in another five years, in 1918, for a further extension, by chapter 56, and back again in 1923, for a further extension, by chapter 80, and now in 1928, another five years, they are back again for another extension. Five years seems to be the psychological moment for them to come back and ask for an extension, with every new parliament. Where is all this going to end? Some of the most important mining districts in Canada to-day are in the territory which this railway is to run through, and I maintain that the territory, no matter who owns this railway, should be served by the Temiskaming and Northern Ontario Railway, which is not asking for any subsidy or extension from this legislature.

Mr. DUNNING: If my hon. friend will permit me, the Nipissing Central railway is owned by the Ontario government, and it is the Ontario government which is asking for this extension of time.

Mr. CHURCH: Even if it is owned by the Ontario government they should set an example and carry out their contract and develop the district instead of asking for an extension of time every five years. As I have said, the bill does not say who the owners are.

Section agreed to.

Section two agreed to.

Bill reported, read the third time and passed.

ST. LAWRENCE RIVER BRIDGE COMPANY

The house in committee on Bill No. 71, to incorporate the St. Lawrence River Bridge Company—Mr. Smith (Stormont)—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. CHURCH: This bill should not be allowed to pass in its present form, Mr. Chairman, in view of the action taken by Governor Smith of the state of New York. He has laid down the principle that such international bridges should be built by the state or federal government or by the municipal authority. This parliament has jurisdiction over bridges that are international, interprovincial or that affect navigation.

What is the policy of the government of Canada in regard to this and the other bridge bills? We have three of these bridge bills, one at Sarnia, two or three at Niagara, and two on the St. Lawrence. We are told that the St. Lawrence river question cannot be discussed at the present time because it is on the way to the privy council, but navigation is also affected by this particular private bill. So the issues involved in the reference to the supreme court are relevant to this bill. The interests of navigation are paramount to

any private bill or interests. I protest against this policy. The preamble recites:

Whereas a petition has been presented praying that the persons hereinafter mentioned may be incorporated for the purpose of constructing and operating a bridge for railway and general traffic purposes across the St. Lawrence river from the town of Brockville in the province of Ontario, to a point at or near Morristown, in the state of New York—

Section 1 discloses the personnel of those who have been incorporated to build the proposed bridge. They are:

The Right Honourable George Perry Graham, senator, and James Gill Gardner, manufacturer, both of the town of Brockville, in the province of Ontario.

The latter gentleman is one of the directors of the national railways. In fact, several gentlemen connected with the national railways are behind these bridge bills. The other day an engineer of this railway was a promoter of the Sarnia bridge bill. I contend that if anybody should build bridges it is the Canadian National Railways, but the management say they have nothing to do with such projects. It is well known that a large part of the earnings of the road is being diverted by motor busses and motor trucks engaged in local business. This business should be developed near these bridges by the railway management as a feeder to the main line. Another of the incorporators is William Arthur McLean, of the city of Toronto, consulting engineer. For a number of years he was with the highways branch of the Public Works department of Ontario. We seem to be continually playing the game of bridge both inside and ouside of this building; everybody is playing bridge, it seems, this session. When we ask in the railway committee what is the policy of the government in regard to any private bill for a railway or a bridge, and the Minister of Railways is not present, we are told they have no particular policy. Wherever there is a potential gold mine in the way of traffic the national railways have no money to spend; but wherever there is going to be a deficit, such as the branch line business or a hotel venture in Halifax, or an hotel in Paris, they are ready to spend money like water. This bridge should be built by the people and for the people, or by the two governments or the municipal authority. In other words, the national railways should preserve the territory to be served by this bridge as a feeder for their main line. What did Hon. Alfred Smith, governor of New York, say as to his policy with respect to this bridge? I quote:

"Such bridges should be built by the state or states or by one or more governmental subdivisions or by a public municipal authority similar to the port authority," the governor declared in his blanket veto of the three measures. "If such a bridge is to be built over international waters it should be constructed jointly by the United States in conjunction with the Canadian government or by the state of New York in conjunction with the Canadian province affected."

Such projects, the governor felt could be financed at lower cost by the state or federal governments, while, he added, "they are in their very nature public; to authorize privately-owned toll bridges is a step as backward as to authorize privately-owned highways, under the wording of these acts, the franchise is practically made perpetual."

"If it pays private corporations to erect these bridges," the governor's memorandum continued, "it will certainly pay the state to do it. If tolls are to be charged, the state should be the recipient of the tolls, and they should not be in excess of what is required to operate and maintain property, pay the interest on the bonds and make the necessary annual contributions to the sinking fund for their retirement."

These are Hon. Mr. Smith's views for the state of New York—public ownership for this bridge between the two countries.

An hon. MEMBER: Nine o'clock.

Mr. DEPUTY SPEAKER: The hour for private bills having been exhausted, the house will resolve itself into committee of the whole to consider government order No. 11.

NATURALIZATION ACT AMENDMENT

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

Mr. LADNER: When the committee rose at six o'clock, Mr. Chairman, I had not finished my remarks, but the Secretary of State has a statement to make, and I will proceed after he has concluded.

Mr. RINFRET: I do not rise to discuss at any length the remarks made by other hon. gentlemen. I stated the case rather fully last night on the second reading of the bill and many of the remarks that have since followed have answered one another. I believe that opportunity should be given every hon. member interested in the bill to present his views as best he sees fit. I do desire, however, to move an amendment to the section now under consideration and that is my purpose in rising at the moment.

Last night, on the second reading of the bill, I endeavoured to indicate the principle underlying the bill, which is to repeal those clauses whereby an applicant is required to go before the courts, and instead to give to

the Secretary of State full discretion to consider, either favourably or unfavourably, any application for naturalization. This, I pointed out, is the principle which obtains in Great Britain and in other British dominions as well. The discussion that has taken place since has not disproved that position, but it has been shown by other hon. gentlemen that there might be this difference between the bill as now proposed and the acts in the different dominions: that whilst in this country, if the bill remained in its present form, regulations would issue from the department, in other dominions some of the regulations are made statutory. I appreciate that difference and that is why I am now bringing in this amendment.

I had intended in committee explaining the procedure that would be followed by the department, should this bill be adopted. The applicant would have to send his application to the Secretary of State on a prescribed form, as is done now; and that form is quite expansive, covering all the requirements of the act and also affording an opportunity for ample information on every point involved. The form is sworn by the applicant before a justice of the peace, a commissioner of the superior court, or other person competent for the purpose, and it is intended not only to retain that regulation but, if necessary, to add to the references that will be required to accompany it. It was also the intention of the department, through regulations, to have the fullest investigation conducted into all the facts of every individual case and to give, as is done in other dominions, some degree of publicity to the request for a certificate.

I intimated to the hon. member for Fort William that in the present bill it would be possible in certain cases for the Secretary of State to grant a certificate immediately, without any delay at all. I will say frankly that such was the intention, for this reason: In certain cases where the applicants were well known to the department, and when it was quite easy to verify their application, it would have been desirable that the certificate be granted at once. And I had in mind only exceptional cases of that character. But it was clearly my intention, through regulations, to institute the most severe investigation in every case. But it is impossible to conduct any such investigation except in a period of at least thirty or forty days. I will admit also that from the discussion which has taken place in the house, and from the view generally expressed on all sides, the discretion of the Secretary of State, possibly, should not be made too wide. I have been convinced that it might be better to lose sight of these exceptional cases and to provide for a compulsory delay, and that is the object of the amendment which I now wish to propose. In this amendment it will be stipulated that the applicant shall apply to the Secretary of State on a prescribed form; that the application shall be posted in the post office nearest to the residence of the applicant; and that a compulsory delay of not less than sixty days shall take place before the certificate is granted. All these stipulations were contemplated in the regulations which the department, through myself, would have submitted in the committee stage. I am, however, quite willing to make them statutory, in my great desire if possible to bring about an understanding in regard to this bill. I believe that the amendment which I shall submit to the committee will be acceptable, and that the trend of opposition which has been advanced against the bill will in very large measure disappear. I therefore move:

That the following be inserted after the word "repealed", and the following section be substituted therefor:

22. An alien desiring to be naturalized shall make application therefor in the prescribed form and forward his application to the minister. The minister shall then send notice of such application to the postmaster at the post office nearest to the place of residence of the applicant, and such postmaster shall thereupon post such notice in a prominent place in the said post office and advise the minister thereof. Such posting shall be made at least sixty days before the issue of the certificate of naturalization.

Mr. ARTHURS: What does the hon. gentleman expect to gain by this procedure?

Mr. LADNER: The proposed amendment is undoubtedly a step in the right direction, but it does not go very far; the minister ought to take a leap. He remarks that the trend of the opposition will likely disappear in view of this amendment. Well, in my judgment, after listening to the remarks that have been made, the minister has not touched the real point of objection on the part of a large number of those who oppose the bill. The real point of the objection—in fact, the essential feature of the entire bill—is the step now proposed of taking from the courts the decision as to the fitness and the qualifications of the applicant for citizenship and giving that authority exclusively to the Secretary of State—and I am not at all referring to the minister personally. That in my judgment

is the issue before parliament; that is the question which the government should properly review.

Before six o'clock I had summarized the minister's objections to the present law. I believe the objections which he raised were first the distance of the applicant from the court and the expense of attending court, then the fact that courts sometimes adjourn, requiring the applicant to return; the courts are said to sit too infrequently, and the attendance of the applicant is required at inopportune times such as harvesting and trapping. With these points I dealt in my remarks before six o'clock, but the minister stated another objection when he referred to the delay in dealing with the application, and also to the fact that sometimes the clerks of the courts, through their incompetency, receive applications which should not be received, and in that way applicants are sometimes brought to the court only to be sent back home after having gone to some expense. I submit that each of these objections is an exception to the general rule; they are not things which ordinarily happen. Thousands of applications are put through in this country and in 95 per cent or 98 per cent of the cases they go through in the ordinary way with the facilities of the court conveniently at hand, and with a judgment by the court which is fair and reasonable.

I should like to direct the attention of the government to the increase of our population and its racial origin, because in framing laws of this kind I submit we must look to the future. In 1871 Canada had a population of about 3,485,000 people, while by 1921 that population had grown to about 8,788,000, and to-day it is in the neighbourhood of 9,500,000. In 1871 of our then population 60.5 per cent were British, and by 1921 that percentage had fallen to 55.3, the French portion of the population of Canada amounted to 31.2 per cent in 1871, and that figure was reduced by 1921 to 28 per cent. In 1871 the foreign portion of our population totalled 8.3 per cent, but by 1921 it had grown to 16.7 per cent; in other words, while the percentage of the population composed of the two great races decreased, the foreign population increased by more than 100 per cent. It may be argued that 16 per cent is not a large figure as compared with 28 per cent, and it is not my intention to speak of the foreign population with any disrespect. I quote these figures for the purpose of indicating to the government the need of carefully safeguarding the granting of citizenship to this ever-increasing number of foreigners who come from all parts of the globe. It is easy to conceive that within the next fifty years the foreign population may constitute the majority of the people of Canada; we have only to look at the records of the United States following the civil war to see the tremendous immigration which took place into that country. Therefore I contend that in admitting people of foreign origin to citizenship we should surround that procedure with every safeguard.

What are the considerations which come to the minds of the people of Canada, and which should be submitted to the members of this house? We know that the character of the applicants and their loyalty to Canada are important matters, and in admitting foreigners to Canada citizenship we must have regard necessarily to those peculiar characteristics of the different races, which are liable to leave in their minds a feeling of loyalty to their own countries rather than to Canada. The minister now proposes to take away from the courts the duty of determining the fitness of applicants for citizenship, but during the past centuries we have developed through our courts that magnificent institution known as British jurisprudence and British ideals of justice. British justice, as we call it, is one of the great features of present-day civilization, and it has arisen very largely through the judgment and character of those who have occupied judicial positions. Now I put this to the government and to the members of this house: If the members of our judiciary have been able to build up such an institution, which has redounded to the advantage of the British people in such a way, surely they are capable of the very finest conception of citizenship.

The word "citizenship" involves a great man considerations which I will not go into now, but if the Secretary of State is to exercise the functions now discharged by the judiciary in determining the fitness of applicants for citizenship, how will he go about it? I ask hon. members to direct their minds to the regulations which the minister may have in mind; we have had some indication of the method by which he proposes to carry out this undertaking. He cannot examine all these applicants himself, but according to the proposed amendment he intends to have a long form filled out, which will be sent first to Ottawa and then to the postmaster nearest the residence of the applicant. As yet it has not been indicated to us that some responsible officer of the government or some member of the judiciary will look that applicant squarely in the eye and size him up as witnesses are sized up on the witness stand; it has not been

shown that he will be asked questions and examined in such a way as to get the benefit of a personal contact without which it is impossible really to judge the character of a man.

Mr. RINFRET: I suppose my hon. friend realizes that what he now suggests is not done in any part of the British Empire except Canada?

Mr. LADNER: I am not discussing that; perhaps we have a system which is superior to that in use in other portions of the British Empire, and we have problems which are more difficult. I have seen Americans come before the courts in Vancouver; Canadian citizenship is highly cherished by them and is carefully safeguarded by the courts. The applicants appear before a judge, who asks a number of questions which help to indicate the character of the man, because we do not want crooks or bad characters in this country. The judges ask their questions in an endeavour to ascertain whether, in case of an emergency, the applicant would remain loyal to Canada rather than to the country of his origin, and in asking these questions the judge, with his trained mind, can determine accurately and clearly whether or not the applicant is a fit and proper person to become a Canadian citizen.

Now let us consider what the Secretary of State proposes. He must work through some agency, and he tells us that he proposes to hold a severe investigation into all the facts of the matter. By what process is that investigation to be carried out? The Secretary of State must rely upon some individual; he must send out a mounted policeman, a homestead inspector or perhaps some appointee of the department. Is there an hon. member of this house who will say that any of those individuals has the competency, the judgment or the ability to determine upon the fitness of an applicant, as compared with a judge? I do not see how the government can justify their action in that respect. They are lowering the standard of citizenship by creating inferior judges to determine the fitness of applicants for naturalization certificates.

Mr. McPHEE: Is my hon. friend not aware that under the act as it stands the investigations are being carried out by the mounted police?

Mr. LADNER: That may be so, under the direction of the court, but the act requires the applicant to appear before the court on three months' notice, and the great proportion of applicants do actually so appear.

I will not take up further time, Mr. Chairman, but in my judgment this proposal is one of the most far-reaching that we have had before parliament for some considerable time, and I repeat that neither the minister nor anybody on the government side has advanced a single sound argument against the present system. Every contention they make is based upon the exceptions which occur, such for example as the court adjourning from some uncertain reason, or the difficulty encountered in some remote section of the country where the court does not sit more than once or twice in a year. But the great majority of applicants are handled with despatch, and the court deals with them under a system which works smoothly and efficiently. The result is a standard of citizenship in this country which we cannot possibly have under the system now proposed by the government, namely, the sending out of agents on behalf of the government to go out and examine these people. I should like to ask the minister now whether he will deny this assertion, that the judiciary, the members of the court, are far better qualified, with their training, their experience, and their independent position, to judge of the fitness and quality of the applicants than any agents which he may send out, homestead agents or mounted police or other police officers.

Mr. RINFRET: Some of the judges have said that they are not. I cited yesterday one communication from the Hon. Chief Justice Meredith. It is a matter of policy and interpretation, and there is nothing in the law or the act that can lead to the formation of a judgment on the cases which come before them.

Mr. LADNER: I might say to the minister that the letter of the learned judge merely states in effect that the statute does not describe what constitutes fitness, that he must take the responsibility, and that in carrying out the law he would prefer that the statute indicate what fitness is. Now, when the minister repeals those sections and leaves the remainder of the act the way he does, the point is not covered at all; he merely transfers to some representative of his the responsibility of judging as to the fitness of the applicant.

Mr. RINFRET: The responsibility therefore is with the Secretary of State, and that is where it belongs, because it is a matter of policy and is for the government to determine. I have in my hand a letter from

another learned judge, and I will, if my hon. friend wishes it, place it on record. It is as follows:

Court of King's Bench, Winnipeg.
19th October, 1927.

The Honourable,
The Secretary of State,
Ottawa.

Re Naturalizations

SIR:—

Sitting as a judge in open court this morning, two applications for naturalization came before me, one by a man named Hylko Sikorski, and the other from a man by the name of Frank Skibitzky. Sikorski has been in Manitoba since 1911 and can neither speak, write nor read English. He apparently has homesteaded land and is desirous of obtaining naturalization solely for the purpose of enabling him to secure his patent. The same remarks hold good as to the other man, and I find attached to the application in the Skibitzky case a letter from the Under Secretary of State to the assistant clerk of the court of King's bench here, asking that the attention of the presiding judge should be called to the applicant's lack of qualification in the matter of speaking our language.

I would be glad to know for what reason these applications come before the judges of our court. It is a purely formal matter. We look at the man, ask him a few questions, but rely upon the written application, which, if it complies with the law, we have no course but to confirm, a proceeding which can be as well done by the clerk of the court who takes the applications as by a judge. I know of no reason which would justify a judge in refusing to confirm the application simply because the applicant was unable to read or write or speak the English language.

Please advise me if there are any grounds upon which a judge, under the act, may exercise a discretion in accepting or rejecting the applicants of this kind.

Yours very truly,

J. P. CURRAN,
Judge K.B., Manitoba.

Mr. ARTHURS: Would the minister regard him as a proper man to be a judge in such a case, when he does not know that?

Some hon. MEMBERS: The Conservative government appointed him.

Mr. RINFRET: The point I make is that in the opinion of the judge the appearance before him is a formal matter, and he appeals to the department to help him.

Mr. ARTHURS: He does not know his duty if he says that and the man can neither read nor write.

Mr. BOYS: Does the minister agree with the contention of the judge there? Does he think the judge should hesitate for one second about granting citizenship to a man who cannot understand either the English or the French language?

[Mr. Rinfret.]

Mr. RINFRET: Does my hon. friend believe that as Secretary of State I would not refuse a certificate under such circumstances? That is not the point at all. The point is to show that the reference to the courts is a mere formal matter and is of no use whatever, in the opinion of some judges.

Mr. ARTHURS: No, the minister is absolutely wrong. He is relying upon the opinion of a certain judge who does not know the law which he is trying to administer.

Some hon. MEMBERS: Oh, oh.

Mr. RINFRET: I read yesterday the opinion of a very learned judge. It is urged now that the letter of Mr. Justice Meredith does not mean what it says. I want to show from letters of other judges that that opinion is rather common among judges in this land. Here is a letter from Mr. Justice Galt, as follows:

Court of King's Bench, Winnipeg.
September 16, 1924.

The Hon., the Minister of Justice,
Ottawa.

Re Naturalization Act

SIR:—

As the law now stands, all candidates for naturalization have to come before a judge of the King's Bench here; and our instructions from the department are, practically, to pass on the applications to the department for final decision.

We have little or no discretion, but just put a few formal questions, the answers to which we have no means of verifying. The work is purely ministerial, and could be performed just as well by the official who takes the original application. A lot of valuable time is thus wasted in court, and no object gained, except to comply with the act. Might I respectfully suggest an amendment of the law in this particular?

I have the honour to be, Sir,
Your obedient servant,

A. C. GALT.

This is another example of a judge who admits that this procedure is altogether useless and leads nowhere. The purpose of the bill is to give to the Secretary of State under certain regulations, some of which I have now placed on the statute by an amendment, others that will be brought down by the department in the ordinary way, full discretion as it exists in every other British dominion and in Great Britain. This is the only country in which an applicant must first refer his case to the court and in which the discretion of the Secretary of State is limited to pronouncing on cases regarding which the court has reported favourably.

Mr. BOYS: As I understand the minister's suggestion from that quotation, one of the reasons for the changes is that the judges have not time to hear these cases. In the first place I should be surprised to learn that the judge must be a judge of the supreme court. I do not profess to have a technical knowledge of the act but so far as I know a county court judge may perform the service under the act. Therefore I do not see why it is suggested that the case must come before a judge of the king's bench. If it is to be argued before the committee that the judges of the courts of Canada have not time to do this work when there are at least five hundred courts in the Dominion, how in the name of goodness is one man, the minister, to have time to do it?

Mr. RINFRET: I have explained and I will explain again that all the applications come to the department in any case and in these very letters it is stated that the judges come to us for information. We have a whole organization to look into such cases.

Mr. BOYS: In the one case the minister assumes responsibility after a certificate by a competent authority and after a thorough investigation. In the other he assumes the whole responsibility. In the one case one man is doing the work for the whole of Canada, and what is the position in the other? While I am guessing at the number, there are certainly more than seventy-five and there may be a hundred courts in Ontario alone, and I think I am within the mark when I say that there are from four to five hundred in Canada. If the judges have not time to do the work, how can the minister do it and do it thoroughly?

Mr. RINFRET: The comment regarding the time feature is only one of the comments made by the judges. The main point in all these letters is that there is in the act nothing to enable the judges to interpret the requirements as stipulated in the act. This is not a matter of law in their mind. This is a matter of policy for the government to determine, very much so as in regard to the qualifications required from immigrants before they enter the country. The main point is that the government of Canada with a uniform system, and not the judges according to their own feelings, are to determine whether or not a person is fit to be granted naturalization.

Mr. ARTHURS: I do not think the minister has informed the committee as to who has asked for this legislation. Are the judges responsible for it?

Mr. RINFRET: I think I have said that also. Complaints have been received from remote parts of the country where applicants find it so hard to go before the courts that in most cases they are discouraged from doing so. It has been argued this afternoon that naturalization is a precious gift and that we should be very careful in granting it. I do not dissociate myself altogether from that point of view, but I wish to argue also that not only is it desirable but it is the duty of the government when persons have entered the country according to the immigration laws, have resided here the required time, and are qualified for naturalization, that we should make it as easy as we can for them to establish the requirement and to become Canadian citizens.

Mr. BOYS: Does the minister think that if they cannot speak English or French they should be naturalized?

Mr. RINFRET: After this act has been passed no applicant will be naturalized unless it is established to the satisfaction of the Secretary of State that he can speak either French or English. I will add this, that there are many judges sitting in our courts who are not competent to decide whether an applicant speaks French or not, because they do not speak it themselves.

Mr. ARTHURS: That is an easy remark to make, and it may be true; but at the same time the minister is basing his whole argument on the opinion of one judge who wants to be relieved of a couple of cases where according to the minister's own statement they cannot speak either French or English. I do not see any demand for this legislation. There is certainly none in the province I represent and I do not think there is any from any right-minded citizen in Canada. Let me read the legislation that is proposed to be repealed. The first section simply defines clerks of the courts; it is immaterial. Let us take sections 22 to 27 inclusive, which are to be repealed by this legislation: Section 22 reads:

> An alien desiring to be naturalized shall apply for a decision establishing that he is qualified and fit to be naturalized under the provisions of this act to any judge of any superior court or to any judge of any circuit, district or county court, and in the province of Ontario the court of general sessions of the peace and in the Northwest territories to such authorities or persons as the governor in council may prescribe.

Is there any objection to that? That is being repealed. Section 23 reads:

> The application shall be delivered at the office of the clerk or other proper office of the

court during office hours, and such application shall be posted by such clerk or other proper officer in a conspicuous place in his office, continuously for a period of at least three months before the application is heard by the court.

The minister has not yet said what he proposes to substitute for that. He says that proper notice will be given, but he does not give any decision as to how that notice shall be given. Section 23 applies only to the notice which shall be given to the public as to the application of any alien for naturalization. Section 24 refers to opposition to an application, and I understand from the remarks of the minister that so far no provision has been made for this under the legislation as proposed by him, so that under the bill before us there is no opportunity for anybody to oppose an application for naturalization.

Mr. RINFRET: There is nothing to prevent anyone from opposing it. The notice is posted in the post office for months.

Mr. ARTHURS: Under section 24 there is a direct invitation by law regarding opposition to the naturalization of any alien, and the minister is repealing that invitation. In regard to the proof of qualification the evidence is brought in the first place before the court, and the man must appear personally in court. After that, under the present act, the minister has an oportunity to investigate the case; and I can say this much for the minister and for the administration, that I believe they have pursued the right course, namely, that regardless of whether the judge has passed upon an application or not, they have in the majority of cases sent the mounted police to investigate the circumstances. That is all they propose to do in the future, and that is what they are doing now under the present act. The minister will confirm what I say. He cannot deny it. He knows that every application is followed up by the mounted police and is confirmed before he grants a certificate. Is that not the case?

Mr. RINFRET: I more than know it; I have stated it many times.

Mr. ARTHURS: I know the minister said that it would occur under the amending bill if passed, but it is done at present, so he is adding nothing to the law as it exists.

Mr. RINFRET: We do not desire to add anything.

Mr. ARTHURS: No, but the minister is taking away a great many precautions.

Mr. RINFRET: Not precautions, but certain matters of procedure which do not prevail anywhere except in Canada.

[Mr. Arthurs.]

Mr. ARTHURS: They prevail in Canada and we want them to continue to prevail, because they are proper safeguards. I do not think the minister should ask for any more discretion than is given him in section 27 of the present act, which reads, in part, "the minister may thereupon in his absolute discretion" decide whether this man shall or shall not be granted a certificate of naturalization. What more can the minister ask for? I grant you that the minister has covered himself with all sorts of virtues. He sends out the mounted police and has investigations made, and he promises this house that he will do the same thing in the future, except that there will not be the safeguards that are contained in this act.

Mr. RINFRET: I do not want to interrupt my hon. friend unduly, but he has been putting questions to me, and that is my reason for rising. The word "thereupon" is essential in the clause from which my hon. friend has just quoted. It means that the minister has absolute discretion only after the cases have been reported on favourably by the court. They are reported on favourably or not reported at all, so the minister has discretion only after a favourable decision of the court.

Mr. ARTHURS: Does the minister want to grant naturalization to somebody of whom the courts do not approve?

Mr. RINFRET: No, but I want to do away with the reference to the courts.

Mr. ARTHURS: The only case the minister can decide is one that has been reported on favourably by the court.

Mr. RINFRET: That is what we want to change.

Mr. EDWARDS (Frontenac): It seems to me that the proposed change in the legislation boils itself down to this, that certain persons named by the minister are to be substituted to do what is now being done by the judges. I believe that is a retrogade step, a step in the wrong direction, and I desire to place myself on record against it. The getting of immigrants into this country is more than a question of numbers. It is a question as well of the advisability and the possibility of mixing old world and new world cultural characteristics. That should be safeguarded to the fullest possible extent. Our situation in Canada is not the same, for instance, as that of Australia or New Zealand, where the population is nearly all of one race and of one tongue. We have two dominating and principal races in this country

and surely the idea that was in the minds of those who first framed this Naturalization Act, in requiring that the immigrant be conversant with either the French or the English language, was a wise one; surely it was a proper move, and one that was intended to back up and support the two principal races in this country on whose shoulders rests, and must rest, the responsibility for the future progress and development of the Dominion of Canada.

It would be unreasonable for us as native-born Canadians to expect from the stranger within our gates, the foreign immigrant, the same regard for British institutions and for the soil of Canada as we have who were born and raised in this country. But if we are to do our duty to our country we must, it seems to me, impress upon the stranger within our gates the advisability of perpetuating British ideals and British institutions, and when a man is seeking his certificate of naturalization, which is a very serious and important matter, it seems to me that to send him before a judge for whom he has respect is to place his Canadian citizenship in a dignified position. Surely no person can contend that it would be better to delegate the powers now exercised by the courts to a policeman or to some agent of the government, no matter who he might be. It may be true, as the minister has said, that certain judges have objected along certain lines, but the regulations which will be provided for the guidance of those who are to enforce this act will be no more specific to those who have not had the advantage of a legal training than they are at the present time for the judges of the land. A policeman or an agent appointed by the government will certainly be no better qualified to form an opinion as to the desirablity of granting a certificate of naturalization than one of the judges of our courts. I regard this proposal as a step absolutely in the wrong direction. All over this country we feel that the judges are men who through their training as well as their position are the most competent to take upon themselves this responsibility, and whether correctly or not, and I am disposed to say correctly, we regard our judges as outside of politics. No matter how many political strings they may have pulled to get a judgeship, once they are appointed to the bench we regard them as having no partisan bias, and that I believe is generally true.

I am not interested at all in the argument which has been advanced by the minister, and quite sincerely I believe, with regard to the unnecessary expense and inconvenience to which certain foreigners are put in order to obtain their naturalization certificate. I believe that the strangers within our gates, immigrants from foreign lands, who have lived in the west or in any other part of Canada for the number of years required under the statute before they can obtain their certificate, have been here long enough to be impressed with the fact, or at all events we should have impressed upon them the fact, that this is their country, and I believe that in the vast majority of cases, yes, I will say in almost ninety per cent of the cases, they want to get their citizenship papers. In the great majority of cases the foreigner who has lived in this country for a number of years, and who has succeeded far better in this country than he ever did in the country of his origin, is very proud to regard this as his land, and he will not be stopped from obtaining his certificate by the matter of a few dollars or a little temporary inconvenience to which he is put in obtaining a citienship which he values, and has the right to value, very highly. We have in this country, and are bound to have for many years to come, people from all parts of the world, and especially since the war, who have been trying to get away from those war-torn countries of Europe and the conditions under which they lived there, conditions in some cases little better than slavery. In the main, I think, these immigrants are endeavouring to make good in this country, and I believe the majority of them are coming to regard Canada as their country. They will not be retarded, therefore, or discouraged from obtaining the rank and dignity of citizenship by the little inconvenience of travelling a few miles or spending a few dollars in order to appear before one of the judges of our land in order that their papers of citizenship may be made out.

What better off are they if they have to depend upon the judgment of one man, we will say? It is utterly impossible, and I know this is as obvious to the minister as it is to every other member of the house, for the minister or any one person occupying the position of Secretary of State to pass personally upon all these cases. In the last analysis he must delegate his authority to agents, who, acting for him and on his behalf, must inspect and question applicants for naturalization as the judges do now. I do not think anyone will attempt to argue that any persons to be named as such agents, mounted police, homestead inspectors or others, could perform the functions now discharged by our judges

any better or with greater dignity and impressiveness, so far as the immigrant is concerned.

I see in this proposal a very clear indication of a coming election. Already we have a small army of government officials watching every hen that lays an egg and marking it as first, second, or third grade; we have another small army of officials with regard to vegetables, another with regard to roots, and another with regard to hay and straw; and now, if this bill passes, we are to have still another army of government agents. Before the next election they will go out and impress upon the foreigner who is seeking naturalization the advisability in his own interests of supporting the government of the day, in return for which he will be given his naturalization papers—perhaps without any cost to himself. I see no justification whatever for the proposed change, and I can only conclude that back of it is the desire to give the minister authority to appoint another army of agents to do what is now being done so satisfactorily by the judges, who are non-partisan. The minister himself cannot possibly exercise this power in person, and he cannot assure us that those to whom he proposes to delegate it will exercise it without partisanship.

But I can readily understand why the government is seeking in this way to bolster up its waning fortunes. The right hon. Prime Minister (Mr. Mackenzie King) has the doubtful distinction of being the only prime minister since confederation who has attained office without a majority of the votes of the people. He has fought three elections, and in none has his government ever had the support of a majority of the electorate. That, of course, must be ever-present in the minds of himself and his supporters. Hence the desire to reinforce themselves in the next general election by passing legislation from time to time for the appointment of an army of agents in the persons of egg, vegetable, root, hay and straw inspectors, and now an army of naturalization agents.

The principle of this bill is wrong. It is a retrograde step. There has been no demand from the press, from the judiciary or from the public, except in one or two isolated cases where an immigrant who wanted to secure citizenship papers has got someone to tell the government that an agent should be appointed to go to his home and relieve him of all worry and responsibility in obtaining naturalization. In my judgment, Mr. Chairman, if the Dominion has the advantages which we claim for it it should not be necessary for us to spend tens of millions of dollars on immigration. But we have gone out into the highways and byways and fairly dragged in immigrants, and afterwards we have had almost to put shackles on them to keep them here. We are cheapening this country by our over-anxiety with respect to immigration, and I think we are cheapening it still further when we give the foreigner who has come here the impression that naturalization is something of very little account after all, and that he can go before any Tom, Dick or Harry and at no personal trouble or expense become a citizen of this great Dominion.

Mr. EVANS: Mr. Chairman, I have listened to the discussion, but I have not yet had an answer from the Secretary of State to the question as to who will conduct the investigation at his instance after the application for naturalization has been received. The member for Yorkton (Mr. McPhee) states that the mounted police will do this, but I should like to get the information straight from the Secretary of State himself.

Mr. McPHEE: I said at the present time the investigations are being made by the mounted police.

Mr. EVANS: Let the minister answer, please.

Mr. McPHEE: The hon. member for Rosetown (Mr. Evans) referred to the statement made by me.

Mr. STEVENS: He said he wanted to hear from the Secretary of State.

Mr. RINFRET: I have already stated several times that every means of inquiry that is now in use is at the command of the department of the Secretary of State. Only a few minutes ago when moving my amendment I indicated what would be the procedure if this bill goes through. An applicant for naturalization will have to file with the Secretary of State a form, filled out by him under oath, giving all particulars in accordance with the requirements of the law. Those particulars will then be investigated by the Secretary of State.

Sir GEORGE PERLEY: By whom?

Mr. RINFRET: Through an officer of the mounted police or an inspector of homesteads or any other officer at the command of the department. The application will also be posted in the nearby post office, where it can be seen by everyone knowing the applicant, and it will be possible for any such person having any objection to the application being granted to make representations to the department. After sixty days the Secretary of State will be in a position to

pronounce on the application; or he may require further information until to his satisfaction the applicant has complied with all the necessary requirements. And once more I repeat that, although this may seem most extraordinary to my hon. friends opposite, it is the procedure and the principle applied not only in Great Britain, but in every other dominion of the empire.

Sir GEORGE PERLEY: Does the minister propose to have someone see the applicants personally?

Mr. RINFRET: These applicants will be seen either by an officer of the mounted police, or by an inspector, or by someone else.

Mr. ARTHURS: Are they not seen in that way now?

Mr. RINFRET: In some cases.

Mr. ARTHURS: In all cases; and then they appear before a judge.

Mr. RINFRET: I have tried to make it clear that the judges themselves admit that such appearance is a useless formality.

Mr. McGIBBON: What judges have said so?

Mr. RINFRET: I have given the names of two.

Mr. EVANS: I must say that the amendment which the minister moved a little while ago gets rid of a good deal of my objection to the bill. But surely he must have thought out some mode of procedure as to who will conduct the investigation, and he should give it straight to the committee. As the bill stands this is left wide open—just as a system of patronage would be in the appointment of postmasters or any other officials—to whoever has the gift of patronage in the riding. That is what it looks like to me, and I cannot understand the reticence of the Secretary of State on this point. I want it cleared up.

Mr. STEVENS: As my hon. leader (Mr. Bennett) observed this afternoon, this is perhaps the most important piece of legislation that has come before this house during the present session. I had intended discussing the question on the second reading of the bill when, through an oversight, it was referred to the committee. I will therefore take this opportunity of making such observations as I have to offer. I may as well come directly to the point raised by the hon. member for Rosetown and which has already been discussed in some measure. It is this: that by this legislation we are taking the question of naturalization out of the hands of the court and placing it exclusively in the hands of the Secretary of State. The question is propounded: What means does the Secretary of State propose to take to ascertain how these 16,917 applicants in one year may be properly examined so that he may give a fair decision in regard to their fitness for naturalization? That is the question. Hon. members may as well get clearly in their minds the fact that last year there were 16,917 applicants, practically 17,000. If we have got some idea of the magnitude of that task, which I think is readily appreciated, then we must realize that it is impossible for the Secretary of State and even for a substantial corps of officers in Ottawa to scrutinize this number of applications. The Secretary of State will not do it; he knows he will not do it. The Secretary of State cannot do it; physically or mentally it is impossible. Let us therefore at once dismiss it from our minds as an impossibility. Who then will do the work? Who are the people that will do it? At the present time it is done by one or other of some three or four hundred judges in Canada.

When this matter was brought up a few years ago, and it was proposed to give to the courts the authority to decide the question, I remember it was the particular appeal to this house of gentlemen in the party now represented by the Progressive group, and by others as well, that we should place it under the jurisdiction of the judges of Canada. It was pointed out that the two old parties, by habit and custom, had the inclination to inject politics into matters of this kind. That was the argument that was advanced, and as a matter of fact we agreed with it. This act was then brought into force.

Now what is the position taken by the minister? He has read three letters from judges indicating certain defects in or impediments to the present method. In the first place let me say this to the minister—and I say it without any desire to reflect upon the courts, because I am one who at all times, in the house and out of it, has stood for the preservation of the dignity and the integrity of the courts of this country. I will take second place to no one in that regard. But I believe there is a tendency on the part of some judges to look upon this phase of their work as incidental and not primary. Let me analyse briefly Chief Justice Meredith's letter or document which was placed on Hansard yesterday. I shall do so briefly, but I think it will lend a different complexion to the argument that judges are opposed to the

present method. And I invite the Secretary of State to interrupt me if I put a wrong construction on any of these quotations. Certainly I have no desire to do so. In the first place, Chief Justice Meredith points out that the power is in the hands of the Secretary of State to grant or to refuse a certificate. He lays that down as the premises or basis of his discussion. He goes further: he says that the judges have now no power to grant naturalization. In other words, he indicates that the judge's power is limited to merely examining and reporting and not to granting. Then he points out that there rests in the Secretary of State the absolute discretion regarding the refusal to issue a naturalization certificate; and he proceeds:

> Nor does there seem to be anything to prevent an applicant, whose application has failed when made to a judge or court or authority or person, applying again—

To secure a certificate by any other means. The Secretary of State properly pointed out a moment ago that his discretion was limited to refusing applications that were passed on to him, but that he had no discretion to grant an application that had been refused by the court. That, he suggests, is one of the disabilities under the act. Let us examine that point briefly to see what force there is in the argument. Let us grant for the sake of argument that, perchance, some individuals worthy of naturalization are refused by a judge. Let us grant that for the sake of argument. We are sorry for such a person as an individual, if the case comes to our notice; anyone would be. But we are dealing with 17,000 cases; let us not forget that. Now is it a mater of prime concern that there may be some error or some alleged wrong in a few cases, or is it more important that we as a parliament should consider the safeguarding of 17,000 cases? That is the point which we must consider. I admit that whether it be on a question of naturalization or in matters of procedure from day to day, in the adjudication of cases in the courts, there are undoubtedly some instances in which full and complete justice is not done. But we do know from experience that, in the main, the judges of this country give fair decisions on matters that come before them. There is a point which possibly we might consider in this regard—I am not advancing this as desirable, but I say that it is open to consideration—namely, whether or not an individual who has been refused approval of his application by the judge should have some recourse. I am not saying that it is not desirable; it is worthy of examination. Now, Chief Justice Meredith asks the question:

> Who is a fit and proper person to be naturalized? It is really a question of policy.

The minister paused there when quoting from Chief Justice Meredith, indicating that it is a question of policy that may be determined by any judge. But Chief Justice Meredith does not say that. He says:

> It is really a question of policy of the country.

Then he observes to the Secretary of State, addressing him with all respect: "You have not given to us"—the judges—"any lead as to what the policy of the country is."

Reading this report of Chief Justice Meredith's, I gather that he does not refer to the policy of the government but to the policy of parliament, as representing the whole Dominion of Canada, suggesting that it is the duty of parliament to come to some decision regarding the general policy to be applied to the granting of naturalization in Canada. I pause to examine that suggestion, which I think is a good one. I take the stand, first, that we have a dual duty to immigrants coming to Canada. Our first duty when an immigrant lands in the country is to see that he has a square deal, has the protection of the laws of the country, of which he is ignorant, and is given an opportunity to establish himself. That is our first duty. Our second duty to the immigrant is, in my estimation, to see that he is offered a reasonable opportunity to be informed in his civic duties in a strange land. Then I say we owe a duty to ourselves to see that no one receives a naturalization certificate who does not demonstrate that he is gratified to receive it. Now I cite the letter which my hon. friend mentioned a moment ago from a judge in Winnipeg. He complained about these two individuals, but I see no reason for his complaint; the statute is clear and he should not need to look for guidance other than that which he could find in subsection (b) of section 4 of part II of this act, which states:

> . . . . that he is of good character and has an adequate knowledge of either the English or French languages. . . .

That is statutory; it is not optional with the judge and it does not matter what his opinion of those individuals might be. The statute says that an applicant must have a knowledge of either the French or the English language. Some hon. gentleman might say "But these two men were farmers who had homesteaded and who had been in this country

since 1911." Let us examine that for a moment: Here were two men who had been in this country since 1911; they had completed their homestead obligations and yet, after sixteen years, they had not acquired a knowledge of either the English or the French language; in this case I presume it would be the English language. I submit that if these two men, or men like them, did not take sufficient interest in the affairs of Canada and in the privileges of citizenship to acquire even an elementary knowledge of the English or the French language, they are not entitled to citizenship, and the judge had no occasion to be mystified or puzzled in that regard.

Then Chief Justice Meredith of Ontario, referring to the privileges of citizenship, said:

> Besides making, as far as this Dominion can, the alien a British subject with all that that means, these things may be mentioned, not all but some of the more important: it gives to the person one of the qualifications to become law-makers in this Dominion, in the senate, the House of Commons, the provincial legislatures, and the lesser law-making councils; a right to vote; a qualification as juror, so that the man may adjudge among his fellow men even in questions of life or death; and a right to fill some public offices; and it prevents expulsion from Canada—deportation, as it is called.

The learned judge says these are some of the privileges enjoyed by a naturalized citizen, and the whole gravamen of the argument of Mr. Justice Meredith was mildly to chide the minister, not personally but as the present occupant of the position, for not giving a sufficient lead to the judiciary of Canada in order that there might be a fairly uniform estimate of what constitutes a sufficiently good character to qualify for naturalization. That sums up the case presented by the judges, and I would like to summarize that feature of it. First, it shows an inclination not to do this work because it is of a secondary character, and secondly it shows the lack of a lead from headquarters regarding a uniform classification of the qualifications necessary.

What does the minister propose? He suggests that we repeal these sections, that we take this power entirely away from the courts and place it under his own absolute control. I should like to make a few arguments or suggestions to the minister now. Already the question has been asked as to how the minister will satisfy himself; I have intimated that it will be impossible for him to do so personally, so we will let that point go. Now I ask him if he will accept recommendations from let us say the mayor of a town, the reeve of a district, or the postmaster of the vicinity? Will he accept recommendations from political friends? I do not say that offensively, because I apply exactly the same argument to whoever may be in office. Will the minister who occupies for the time being the position of Secretary of State accept recommendations from his political friends? I think the answer must be in the affirmative, whatever party is in power. I think we all understand human nature well enough to know that if from any one of the 245 ridings of Canada there is presented to the minister a list of applications for naturalization supported by gentlemen who are known to the minister, he might very well say, "Why should we not accept these applications? We know the men who are recommending them and we have confidence in them." That is the natural answer. But let us carry it one step further. Let us eliminate for the moment any member of this house, or any lady or gentleman who has been a candidate for office; let us say those persons will offer sound advice. Are they the persons who will necessarily support these applications? They are not; it goes down the line to the ordinary party worker of whatever party it may be, and this applies to my friends of the Progressive group just as it applies to the old historic parties. They will not deny this; if they happened to be in office and the party organizers or workers came forward with recommendations for naturalization, I submit that the minister would find it very difficult to refuse them, and that would apply to all parties. The minister says he has a method by which he can control this matter, but we should like to hear that definitely described in order that we may satisfy ourselves that it is surrounded by safeguards which cannot be broken through. I submit to the minister, as one having had a good deal of experience in political matters, that it cannot be done, and I say that in all earnestness. I recall a time before this act was passed, in 1910 or 1911, when one group of 120 Italians were naturalized simply by an individual getting their applications. I do not say that simply because it was done by my opponents, but they were all naturalized en bloc. That is not right.

Mr. RINFRET: Their applications were passed upon by the court, if I am not mistaken.

Mr. STEVENS: They never appeared before the court; under the old act they could become naturalized in that way, and I want to point out to the minister that that sort of thing is not right no matter by whom

it is practised. That is the reason why some of us at least are exceedingly anxious that the courts shall be the medium through which this work shall be carried out.

Now I wish very briefly to analyze the amendment of the minister, because he advances it as a solution of the very problem which I am now discussing. Before doing so, however, just as an aside I should like to draw the attention of the chairman to the fact that this bill should be reprinted with this new provision, in order that we may get the full effect of it. Now let us examine this amendment, which simply says that when the applications are received by the minister they shall be sent to the postmaster of the district in which the applicant lives. I happen to have in my hand the Postmaster General's report. There are 12,440 post offices and postmasters in Canada. I have not had time to count them, but of that number nearly one half are what they call non-accounting post offices, that is minor post offices. I venture the assertion that 25 per cent of these will be found either in private homes or in little stores in outlying places where the postmaster has a revenue of a few dollars a year, and where the post office is maintained merely for the convenience of our frontier, isolated districts. Just here I wish to pay this tribute to these postmasters: woefully underpaid as we know them to be, they are rendering to the country a very excellent service; there is no question of that. But is it reasonable to expect that a postmaster getting a small revenue, as I know some of them do—many of them get but $14, $22, $36, $41, $61 a year, and so on, a mere bagatelle; they are not keeping the post office for the money there is in it, because the revenue they get does not pay them for the rent of the place—I ask you, in those hundreds of cases is it reasonable to expect that the postmaster is going to attend earnestly and intelligently to the enforcement of this act? The minister proposes that when he receives an application he will send it back to the post office nearest the district where the applicant lives. I submit that the great proportion of the naturalization applications will come from the western section of Canada, and the newer districts of the western section, where the post offices are of the lesser type to which I have referred; and so the minister is going to send the application back to the postmaster of that district. At once I submit that it is unreasonable to expect that that postmaster will render a reasonable service; it will not be done, and it is not reasonable that we should ask it to be done. That is my first point. Then my second point is this—

[Mr. Stevens.]

Mr. YOUNG (Saskatoon): Does the hon. member suggest that to post a notice is a hardship on any of these men who give such excellent service at such a low price?

Mr. STEVENS: The hon. member for Saskatoon is speaking ironically, but I am quite sincere in this. I submit that it is not reasonable to expect that the postmaster with a post office in his home in a remote district—and there are hundreds of them—is going to render the service required of him in respect to this Act.

Mr. RINFRET: My hon. friend will realize that the smaller the post office the less the population around it, and the fewer the applications which will come from that part of the country.

Mr. STEVENS: That does not follow. I have already indicated that it is from the districts with the smaller population that the larger number of applications will come. It is to the newer districts, where they can get cheap land, that the immigrants are going. The postmaster is to post this notice in a prominent place. I ask again, who is going to check up to see whether the posting is done, and say whether for sixty days the application has been so posted? And now I point out another difficulty. Here is a district in western Canada—or in old Ontario, if you like, I do not care where you take it; a county town in Ontario, a railway or elevator town on the prairies—where there are a store, an elevator and a hotel, and that is where the county court judge will come from time to time and hold his sittings. That is the place to which the people from the outlying districts come every week or two to buy their groceries and whatever other goods or commodities they may desire, and that is the best place to post the notice—where citizens who know the district and have a fair opportunity to judge may see the posting. But the minister wants to have the posting done at isolated post offices, where very few will see it, there is the least likelihood of its coming to the notice of anyone fitted to judge. On the other hand, if it were to go to the county town, to the municipal or township centre, to the post office or judge's court there, then there would be reasonable opportunity of its being seen. All that, however, is wiped out, and the minister substitutes for it this proposal.

I come to another point. I do not wish to be offensive, but I am going to state it to my hon. friend the Postmaster General. During the past few years the Postmaster General has discharged 400 postmasters throughout Canada—

Mr. VENIOT: You are making a mistake, sir—421.

Mr. STEVENS: I am not for a moment bringing into question his reasons, or the fact that these postmasters were dismissed; the point is that they were relieved of their positions. Is it not again a reasonable deduction that if the practice of discharging a postmaster for political offences is to be followed and recognized in this country, to place the administration of the Naturalization Act under the postmasters in outlying districts will open the way for the exercise of undue influence, to put it mildly?

Some hon. MEMBERS: No, no.

An hon. MEMBER: Everybody is not dishonest.

Mr. VENIOT: The hon. gentleman made the statement that 400 postmasters were dismissed, and I stated that the number was 421, to make it correct. The hon. gentleman draws the inference that the 421 were dismissed for political reasons. Some of them were, certainly, but not all the 421. I do not want that to be misunderstood.

Mr. STEVENS: Possibly not; I am quite willing to take the minister's word. I am going to state the fact to the house, and the members can judge for themselves. I am not going to press it, but the point I desire to make is that to place this very important duty in the hands of postmasters, the great majority of whom in the rural and outlying districts are men, and very often women, who receive a mere pittance and give only a very small portion of their time to the work, is not to have the investigation with respect to naturalization carried out as it should be.

Under section 24, which the minister proposes to repeal, anyone desiring to make or offer opposition to an application must appear before the judge and file or make his opposition there. Now that is a fair and reasonable safeguard to the applicant. Let me put it a little differently. An applicant comes before a judge of the county court. He claims a right to naturalization, and he proves his case. The notice is posted for three months, and then if someone in the neighbourhood says: I object to this man being given a certificate of naturalization, he must appear before the local judge and file or make his opposition there. That safeguard to the applicant the minister does away with, and what does he substitute for it? The application is made to the minister, it is sent to a remote post office or to some post office, and there it is posted. I may write to the minister, or anybody may write to the minister, a friend may write him and secretly, without going before any public tribunal at all, object to the applicant being given naturalization. One might object to a whole batch of applications. What safeguard is there for the applicant? None whatever except the personal good faith of the minister. I have already pointed out that the personal good faith of the minister is impossible, because last year 17,000 applications were filed. The system proposed by the minister is not comparable in thoroughness or in the elements of justice with the system that he proposes to repeal. The minister intimates that in repealing the three months' notice he is going to substitute for it a sixty days' notice posting in the post office. I have already sufficiently analysed that to show that the latter is not comparable with the former. In the first instance the application is posted up by the clerk of the court. In the latter it is posted up in a post office in a more or less remote district. Under the present law the clerk of the court exercises a very large measure of jurisdiction, shall I say, over the technique of the application. The judge does not attend to the posting; the clerk of the court attends to that. A man comes in, fills in his application before the clerk of the court and it is pinned on to the board where notices of that character are exposed to public view. But under the proposed law there is no officer to fill out the application. The application will be filled out by whom? Nobody knows. By the mounted police? It is not likely that we are going to have a whole corps of mounted police throughout this country going around soliciting people to become naturalized. By homestead inspectors? Surely they have jobs to keep them busy. Are the postmasters going to do this? Certainly not. There is no one cited in the new system who will do it. The minister might say; Well, under section 28 I am going to exercise the power to make regulations. This matter is so serious and important that the committee has a right to know every detail of the proposed modus operandi. No more precious gift can this country bestow upon a newcomer than that of citizenship; and furthermore, as my leader pointed out very clearly this afternoon, we are conferring not only Canadian citizenship, which is a matter entirely within our own jurisdiction, but, under a joint agreement with the other sections of the empire, imperial citizenship as well.

I do not intend to proceed further with the argument. I have presented these views largely because I have for many years been

deeply impressed with the necessity in Canada of so framing our regulations and laws in connection with naturalization that when those who are naturalized receive the rights of citizenship they will appreciate the fact that they are becoming citizens of one of the greatest countries in the world, a country in which citizenship should be most highly prized.

Mr. VENIOT: I did not intend to speak on this bill in committee, but some statements made by the hon. member for Vancouver Centre lead me to ask a question or two in order that I may see whether or not I understood him aright. In connection with the pittance received by postmasters, referring to the list he held in his hand he mentioned $15, $21, $40, and so on, as the revenue the postmaster gets. That is not the pay the postmaster receives; that is the revenue of the office. If the revenue is only $10, the postmaster gets his minimum just the same, which would be $60—

Mr. STEVENS: Sixty dollars a year?

Mr. VENIOT: Yes, but the hon. member left the impression that in one case he got $15, in another $21, and in another $40. The minimum is $60 up to a revenue of $120, and for any revenue from $120 up to a certain other figure, $500 or $600, fifty per cent is added to the minimum.

Mr. SPENCER: How long has the minimum been $60? It used to be a good deal less than that.

Mr. VENIOT: It has been $60 for years.

Mr. SPENCER: In the early days the minimum was $30.

Mr. VENIOT: That makes no difference. It is $60 now and it has been for at least the last ten or fifteen years. So that the postmaster is getting a little more than my hon. friend would have the committee believe.

While I am on my feet, let me point out that under the present law the notice must be posted only in one place, namely, in the office of the clerk of the court, and the applicant for naturalization may live seventy-five miles away from the seat of the court. In such a case who is there seventy-five miles away from the court who will see the notice in order to raise an objection? Under the proposed amendment the notice is posted in the post office of the locality where the applicant lives, and his neighbours will have an opportunity of finding out what is being done. That is the advantage under the amendment. My hon. friend saw that advantage, but it suited his case not to point it out.

[Mr. Stevens.]

Mr. McGIBBON: Is the minister not aware that hundreds of these country post offices really do not have such a thing as an office; that they hand the mail through a wicket in a door to the person outside?

Mr. VENIOT: During the last two years in my tour from the Atlantic to the Pacific I have visited a great many post offices.

Some hon. MEMBERS: Oh, oh!

Mr. VENIOT: I made the tour in the discharge of my duty and I visited many of the offices.

An hon. MEMBER: That accounts for the casualties.

Mr. VENIOT: And there will be more if some of them continue to do as they have been doing in the past, stealing the public money. That is how many of the casualties occur. As regards the country post offices with the small revenues as stated by my hon. friend, there are not as many as he would lead the committee to believe. There are about four thousand post offices with a revenue of less than $150 a year, about two thousand with a revenue between $150 and $400 a year, about three thousand with a revenue between $400 and $1,000, and in the remainder the revenue is above $1,000. I just wish to make that correction, because I felt that the hon. gentleman was leaving the wrong impression on the committee.

Mr. MOTHERWELL: After listening to the excellent speech delivered by the Secretary of State last night I did not think it would be necessary for me to supplement his remarks by any of my own; but I have been privileged to live for nearly fifty years in the west under two systems of naturalization and I have had an opportunity of judging the merits of each system. Prior to 1914 the method was very simple. The leader of the opposition says that it was capable of abuse, but I do not know anything that cannot be abused if you want to abuse it. We had a system there which was very, very simple and easy to understand. Of course if anybody wanted to abuse it, it could be abused just like anything else. I have made out hundreds of these applications myself and sent them to the court, where they were examined and posted, and then sent on to Ottawa before the certificates were finally issued. Then we had another system that we tried out, and the effect of it was to throw such restrictions around the naturalization of new settlers that many of the settlers have remained disfranchised to this day. The proof of the pudding is in the eating. We

have been eating it a few years now, and we know what the results are, Mr. Chairman, we all know what the effect of disfranchising the Uitlanders in South Africa was, and we can imagine the feeling of those who believe that they are eligible for naturalization, and yet are prevented from obtaining it by one kind of restriction and another, although we are professing to extend to them the right hand of citizenship. What have been those restrictions? Instead of sending the document to the courts, as in the early days, and having them established there, they had to go themselves in person to the courts. It became a new species of sport, running down a judge and never knowing where and when you were going to find him.

Mr. BENNETT: That is the sort of thing the Minister of Justice laughs at.

Mr. MOTHERWELL: I know what I am talking about. My hon. friend said that he knew what he was talking about when there was all this kind of slippery work going on—

Mr. BENNETT: If the hon. gentleman desires to infer that I had anything to do with the crooked work, he will withdraw that statement at once.

Mr. MOTHERWELL: I said nothing of the kind. The hon. gentleman said that he was familiar with it, that he was associated—

Mr. BENNETT: I can say that the party the minister belongs to benefited by it in Saskatchewan in 1905.

Mr. MOTHERWELL: That has always been a sore point with my hon. friend. We got there in 1905, and we are there yet.

Mr. BENNETT: The difficulty is you would like to remain there by the same methods.

Mr. MOTHERWELL: My hon. friend does not need to talk about methods.

Mr. McGIBBON: You are where you are because of Athabaska.

Mr. MOTHERWELL: Hon. gentlemen can picture the difficulty of many of our new settlers in hunting for a judge. Whether he lives along the same line of railway as the settler or across country, the fact remains that many of our judges are so inaccessible, especially in those districts where you find the pioneers, in the frontier districts, that these settlers are to all intents and purposes disfranchised. Now is that wise? You can talk until you are black in the face about the theory of it, but I am giving the practical side of it, and if we are going to build up a contented country and give to our new settlers the privilege of citizenship that we promised them, we should not put obstructions in their way. That is all there is to it.

The tendency of the Conservative party, since ever I knew it, always has been just a little restrictive about the franchise, and I can remember the time when it was not only restrictive, but in 1917 it was actually selective. Having regard to that well-known predisposition of my hon. friends opposite, we should not be surprised at the attitude they are taking to-day, because they are only running true to form. I would have been astonished had they taken any other course. On the other hand, it may be that the Liberal party has been a little too lenient, if you like, but if we are to err, is not that the proper side on which to err, in the interests of peace and good government and the encouragement of people to come here? We are not going to get settlers to come here if you disfranchise them that way, and in many other ways that I do not need to refer to now. That is one of the deterrents to immigration, for settlers to find out that they are not treated as citizens when they should be so treated. I am giving the facts, Mr. Chairman, as I know them to be, and every resident in the west knows them to be the facts, and knows that many people in the west who are really eligible to vote are not enfranchised, and will not be, until they are given better facilities for finding the court and the judge where they can make out the necessary documents before getting the certificate.

Another point. On the frontier, where our new settlers are, is not the place where you find the judges. They are in our larger towns and cities, in the centres of civilization, while our immigrants are away on the frontier, not only one hundred or one hundred and fifty but sometimes over two hundred miles away. What is the use of telling that man about the advantages of naturalization and being a citizen of Canada, when the judge is practically inaccessible to him? I submit, Mr. Chairman, that the new law should be changed in this respect. We have tried the two methods and have seen how they work out. If my hon. friends opposite have any other reason why they do not want to extend the franchise to these new settlers, they should advance a better reason than they have given to the house to-night. I am in favour of this bill.

Mr. BENNETT: Mr. Chairman, this amendment is an entirely new measure. It is different from and at variance with the bill as introduced, and the bill should be reprinted

before we go further. The bill is not out of committee, and we do not purpose that it shall leave the committee to-night. The measure that was originally introduced was a measure to repeal certain sections. The measure now before the house is to set up a new method by which notice may be given. That is the bill that we are asked to report, and no notice was given of this amendment. There was sent across to me this evening, after the minister had spoken, a section that in my judgment is at variance, as I read it, with some other sections of the bill which are not repealed. Has the Minister of Justice considered the relation of this section to other sections of the bill?

The minister has not yet told this house the one thing we have insisted upon knowing, and which we purpose to know some time before this house prorogues. How does he intend to obtain the knowledge that will enable him to exercise his discretion? That question has been asked over and over and over again. At present it is obtained by a judge. The minister says that he is not going to do it himself; therefore he must delegate the power. To whom is he going to delegate it? We have asked for that information. No minister will deny that it is a reasonable request, least of all the Minister of Justice. There is the present provision, and you are going to do it some other way. What is that other way? The posting which the Postmaster General and the Minister of Agriculture referred to has reference only to the notice, which is but one feature of the transaction. It is only to the notice to the world—we will use the broad term—which comes about by posting it in post offices. But how does the minister propose to satisfy himself upon these three points, the standard points fixed by convention with Great Britain, and which are in operation in every part of the king's dominions so far as the self-governing communities are concerned: (a) residence; (b) character; (c) adequacy of knowledge of either the English or the French language? How does he intend to satisfy himself on those points, having regard to the fact that there was (a) a judicial inquiry and (b) a supplementary inquiry by the officers of the department under the Secretary of State involving, if you will, homestead inspectors, mounted police and others, to whom the facts were sent in order that they might verify them. I repeat, how does the minister propose to deal with it?

[Mr. Bennett.]

Mr. RINFRET: I have tried to explain that several times.

Mr. BENNETT: I think you have not yet.

Mr. RINFRET: My hon. friend has just stated my reply in putting his question, that now there are two inquiries. Well, the one conducted by the department is going to be maintained. We have to find out that the applicant has met all the requirements. He will fill in a very extensive form, as I have already stated, covering all the information required under the act.

Mr. BENNETT: The same form as you have now?

Mr. RINFRET: Yes. That will be sworn to as it is now. When it reaches the department we are in a position, through the Immigation department, to satisfy ourselves as to the residence requirement. The other two points as to character and knowledge of one of the official languages—the two points on which some of the learned judges have stated clearly that they cannot pronounce—we will have to investigate as we do now, either through the mounted police or the homestead inspectors or by officers of the department. This is being done now; every case that comes from the courts is investigated in that way by the department. Until satisfied through that inquiry, for which we have the full machinery, the Secretary of State will not grant a certificate. Perhaps I have not sufficiently emphasized this point. In case of a certificate being granted under the present system, or under the system that will be in effect after the passage of this bill, there is always power to cancel it if it is discovered later on that the facts have not been properly brought to the attention of the department. So after all there is no great change proposed as to the way in which the department will require the necessary information. It is the necessary information that is now required. What we object to now is that we can only apply this procedure in cases where the courts have reported favourably. In a certain number of cases we have evidence before us that the courts were wrong. Thereupon the applicants may go before another judge.

Mr. CAHAN: Under the statute at present an application is made to a court, and the judge decides whether or not it shall be granted. I understand, of course, that the Secretary of State may not accept the decision

for other reasons, but under the law the judge decides whether the applicant is qualified. Now, in my constituency of St. Lawrence-St. George, where hundreds of such applications are made from time to time, if a judge of the superior court of the district of Montreal, after investigation and having had the applicant before him, declares that all the conditions of the law have been complied with, does the Secretary of State personally make a further investigation before granting his certificate?

Mr. RINFRET: Certainly the department does.

Mr. CAHAN: What does the department inquire into—as to whether the applicant is qualified under the act after the judge has declared him qualified?

Mr. RINFRET: In a number of cases the information gathered by the department is brought before the court to enable the judge to arrive at his decision.

Mr. CAHAN: That is another thing.

Mr. BOYS: Do I understand the minister to say that in every case after an investigation is made and a report sent to the department by a judge, he or someone in his department institutes a separate inquiry? If he says that —and I so understood him—when the committee meets again I wish he would tell me of a solitary inquiry made in the county of Simcoe—and I refer to it as a county about which I know something—by the department after a report by the judge.

Mr. RINFRET: In not a single case has a certificate been granted where there was not an individual file of information concerning the applicant.

Mr. BOYS: I appreciate that an application must be made, and that it is sent down here. But I feel sure the minister stated that the department itself made an independent investigation in every case. I am not saying it is not so, but I never heard of it in my county, and I do not believe it has been the practice there. If the minister did say so and intends to stick to it, when the bill is next before us I would ask him to name one case in the county of Simcoe where there has been a separate inquiry made by the department. It should not take a clerk more than ten minutes to produce the information if it is available.

Mr. BENNETT: The Minister of Agriculture addressed himself to the question of voting. We are not dealing with voting. Voting is not an attribute of citizenship. A man may be a British subject and still not have a right to vote. The privy council decided that in the Tommy Homma case, where a Japanese who had been naturalized claimed the right to vote, notwithstanding the fact that the province of British Columbia had decleared by legislation that he could not vote. Citizenship and franchise are not the same things, and we have been endeavouring in this discussion to deal with the question of citizenship and not of voting. If there are inconveniences in connection with voting, they can easily be remedied by the applicant who desires to vote coming within the law. We are endeavouring to assert what Sir Wilfrid Laurier asserted, that the basis of naturalization in Canada has been a judicial inquiry. That is what he said in his speech on the Naturalization Act. I have not the time to determine when the first naturalization statute was passed, but I do say this, that until the introduction of this bill the Liberal party had expressed itself in the house as being in favour of a judicial investigation in regard to naturalization. Is it possible that all these sixty years of history in connection with the matter should be undone? It is not a question of Conservatism or Toryism. It is purely a question that affects this whole country regardless of party, and when the hon. Minister of Agriculture (Mr. Motherwell) desires to compare the position of the Uitlanders in the Transvaal some years ago with the position that prevails in Canada to-day, I find it a little difficult to follow him—a difficulty that I should think must be felt by most hon. members. We have a Franchise Act that confers the right to vote on all British subjects under certain conditions of residence. Whether a man becomes a British subject or not he himself must determine; and if in the province of Saskatchewan there are difficulties about the courts, I desire to tell him that there is not a single constituency in Alberta, whether on the frontier or otherwise, where there are not district courts to which all persons may resort with respect to claims up to $600, and the judges in those courts have jurisdiction with respect to naturalization. In the province—

Progress reported.

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

Wednesday, May 2, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Second report of select standing committee on standing orders.—Mr. Morin (St Hyacinthe).

BUSINESS OF THE HOUSE

WEDNESDAY EVENING SITTINGS

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

That notwithstanding section 2 of standing order 6, on and after May 2nd, the house shall sit at eight o'clock, on Wednesday evenings and that on the first two Wednesday evenings the house is in session, private bills shall have precedence over all other business until disposed of.

Hon. R. B. BENNETT (Leader of the Opposition): I greatly regret that I cannot agree to this motion, although I suppose that is not of very much importance. Quite a number of members not only on this but on the other side of the house, in view of the fact that notice was not given until after the beginning of the week, made engagements for this evening of a long-standing character, one of which was to pay honour and tribute to that distinguished colleague of the Prime Minister who attaches to his name the title of Minister of Labour. That is my recollection of the circumstances, and in view of these facts I think the Prime Minister should substitute the word "nine" for the word "two" in this motion. I know he is anxious to dispose of public business; we are in the same position, but in view of the circumstances which I have mentioned I trust he may be induced to let this motion go until next Wednesday evening.

Mr. MACKENZIE KING: I think my hon. friend's request is quite reasonable, and with the consent of the house I will be very happy to have the motion read "Wednesday, May 9" instead of "Wednesday, May 2."

Mr. G. R. GEARY (South Toronto): Has the right hon. Prime Minister considered placing some part of these Wednesday evenings, should private bills be disposed of, at the disposal of the house to take up public bills and orders?

Mr. MACKENZIE KING: We will follow right on if we get through private bills.

Mr. GEARY: That is understood?

Mr. MACKENZIE KING: Yes, for the first two Wednesday evenings.

Motion as amended agreed to.

[Mr. Bennett.]

CHICAGO DRAINAGE CANAL

PRINTING OF PAPERS TABLED RESPECTING DIVERSION OF WATER

Hon. CHARLES STEWART (Minister of the Interior): On Monday last I moved that the report and the correspondence between the government of Canada and the government of the United States with respect to the Chicago diversion be printed, but when questioned as to whether that included all the exchanges, I was unable to answer definitely. I have inquired since, and find that that motion did not include all the exchanges. I would therefore move the following motion to amend the motion I then made:

That 500 copies in English and 250 copies in French of that portion of the return tabled on April 19, 1928, respecting the diversion of water at Chicago, which includes the interchange of notes between the governments of Canada and the United States, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Mr. CAHAN: May I ask what is included in this present motion? For instance, the earlier documents brought down have been printed, but they are not available; it is impossible to obtain copies of them although I have applied to the printing bureau and to the distribution office.

Mr. STEWART (Edmonton): This covers the reprint of all those documents, so we will have everything together.

Motion agreed to.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

MOTION THAT BILL BE GIVEN PRECEDENCE

Mr. D. M. KENNEDY (Peace River) moved:

That Bill No. 57, an act respecting the Edmonton, Dunvegan and British Columbia Railway Company, placed on the order paper for consideration from 8 to 9 p.m. on Friday, the fourth day of May, 1928, be given precedence over other bills.

I gave the explanation of this motion some days ago, and do not think it is necessary to go into the matter further at present.

Mr. T. L. CHURCH (Toronto Northwest): This motion will require unanimous consent of the house, and I object to it.

Mr. KENNEDY: I believe unanimous consent is not required for this motion.

Mr. DEPUTY SPEAKER: That is so. What is the pleasure of the house?

The house divided on the motion (Mr. Kennedy) which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Allan,
Anderson (Toronto-High Park),
Arthurs,
Bancroft,
Barber,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Bird,
Bock,
Bouchard,
Bourassa,
Bowen,
Boys,
Bradette,
Brown,
Cahan,
Campbell,
Cantley,
Carmichael,
Cayley,
Chaplin,
Charters,
Coote,
Cowan,
Dickie,
Dionne,
Dunning,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Elliott,
Ernst,
Esling,
Euler,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Forke,
Foster,
Fraser,
Garland (Carleton),
Geary,
Gershaw,
Glen,
Gott,
Grimmer,
Hanson,
Hocken,
Hodgins,
Howden,
Ilsley,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
King, Mackenzie (Prince Albert),
Laflamme,
Lapierre,
Lapointe,
Lennox,
Lucas,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacNutt,
McDiarmid,
McGibbon,
McGregor,
McIntosh,
McPhee,
McPherson,
McQuarrie,
Matthews,
Maybee,
Millar,
Milne,
Neill,
Peck,
Perley (Sir George),
Preston,
Ralston,
Rennie,
Rinfret,
Robb,
Robinson,
Ross (Kingston City),
Ross (Moose Jaw),
Rutherford,
Ryckman,
Senn,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Speakman,
Spencer,
Spotton,
Steedsman,
Stewart (Edmonton West),
Stinson,
Stirling,
Taylor,
Thompson,
Thorson,
Tolmie,
Tummon,
Veniot,
Verville,
Ward,
White (London),
Wilson (Wentworth),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast).—120.

NAYS

Messrs:

Anderson (Halton),
Baldwin,
Benoit,
Bettez,
Blanchard,
Boucher,
Bourgeois,
Bowman,
Chevrier,
Church,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Duff,
Gervais,
Goodison,
Hall,
Hay,
Hepburn,
Howard,
Jenkins,
Lacombe,
Lanctôt,
Letellier,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McKenzie,
McMillan,
Marcil,
Mercier (St. Henri),
Morin (Bagot),
Morrissy,
Odette,
Pettit,
Power,
Prévost,
Robitaille,
St-Père,
Sanderson,
Smith (Stormont),
Sylvestre,
Totzke.—46.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL SILVER FOX BREEDERS ASSOCIATION

Mr. BLACK (Yukon):

1. Has the Minister of Agriculture approved of an amendment to the constitution of an association called Canadian National Silver Fox Breeders Association closing that association's register on January 15, 1926, against all male silver foxes including thoroughbreds born in Canada except those the sire and dam of which are registered in the Canadian national record for foxes?

2. Has the attention of the Minister of Agriculture been called to the fact that prior to the closing of such register, application to register thoroughbred silver foxes in Yukon had been received by Canadian national live stock records and such application was shut out by the closing of the register?

Mr. MOTHERWELL:

1. Yes, the stud book of the Canadian National Silver Fox Breeders Association closed on January 15, 1926, as far as foundation stock is concerned. After that date all foxes registered have to be by registered parents except in the case of a wild silver female accepted under inspection for grading up purposes.

2. Yes. This matter was brought to the attention of the department by Mr. George Black, M.P. (Yukon). A tentative arrangement was made for an officer to be sent to the Yukon to look over these foxes and register those, if any, that were up to a certain standard and whose breeding could be traced.

An effort was made to secure the services of an inspector to go there, but the job was refused by certain inspectors, and although one inspector finally agreed to go, he asked such a high rate of pay that the department considered it would not be justified in sending him at that time. Since then, as fox inspection has passed out of the hands of the department and been taken over by the Canadian National Silver Fox Breeders Association, no further action has been taken in the matter.

LAPSED INSURANCE POLICIES

Mr. CHURCH:

1. What amount of life insurance during the past three years has been confiscated by insurance companies under the control of this government on account of lapsed policies?
2. Is any return made to the Finance department thereof or the superintendent of insurance?
3. What percentage of insurance written in each year lapses?

Mr. ROBB:

1. The amount of life insurance in Canada lapsed in accordance with the terms of the policies for the past three years is shown in the following statement:

Year	Gross face value amount issued	Gross face value amount lapsed	Percentage lapsed of issued
1925. . . .	$807,079,035	$255,111,942	31.61%
1926. . . .	909,279,187	257,522,843	28.32%
1927. . . .	955,010,607	284,481,784	29.79%

2. Yes.
3. Answered by No. 1.

MR. WILLIAM URQUHART

Mr. MACDONALD (Richmond-West Cape Breton):

1. What office or appointment does William Urquhart of West Bay or Dundee, Cape Breton, Nova Scotia, hold in the Department of National Revenue?
2. What is his age?
3. When was he appointed?
4. What is the amount of his annual salary?
5. What are his duties?
6. Is he assigned to any special territory? If so, what territory?
7. How many seizures has he made, and what was the quantity and value of liquor seized in each instance?
8. What is the total amount of fines collected through his seizures?
9. Is he regarded by the department as an active, zealous and energetic officer?
10. On whose recommendation was he appointed to his present position?

[Mr. Motherwell.]

Mr. EULER:

1. Nil.
2. Forty.
3. Appointed June 1, 1927. Services terminated October 12, 1927.
4. $100 per month while in the service.
5. Enforcement of customs and excise laws while in the service.
6. Stationed at West Bay, N.S., and patrolled the district in the immediate vicinity while in the service.

7 and 8. 4. 66¼ gallons rum, duty paid value, $1,030.46—liquor forfeited and destroyed—fine $325.

One automobile—appraised value $300—goods forfeited—sold—proceeds of sale, $65.

Two bottles of whiskey—duty paid value, $2.50—liquor forfeited and destroyed.

2½ flasks of rum—appraised value $1—liquor on hand pending prosecution.

9 and 10. Answered by No. 1.

OTTAWA IMPROVEMENT COMMISSION

Mr. WILSON (Wentworth):

1. What offices were occupied by the Ottawa Improvement Commission during the year 1926 and a portion of 1927, and what rental was paid for the said offices?
2. Who were the owners of the said offices so occupied?
3. Did the commission move its offices during the year 1927?
4. Where are the present offices located?
5. What is the rental of the present offices?
6. Are the present offices held under lease? If so, what is the term of the said lease?
7. Who are the owners of the building in which the present offices are located?

Mr. ROBB:

1. Fraser building, 53 Queen street; $800 a year.
2. Fraser & Company.
3. Yes, in order to secure more adequate accommodation.
4. Ottawa Electric building, 56 Sparks St.
5. $2,950 a year.
6. Yes; five years.
7. Ottawa Electric Company.

JERSEY COVE WHARF

Mr. JOHNSTONE (Cape Breton North-Victoria):

1. Who was foreman in charge of the building of the wharf at Jersey Cove, Victoria county, Cape Breton?
2. What are the names of those hired to work on this construction and the respective amounts paid each person?
3. What are the names of persons or firms supplying material and the amount paid in each cae?

Mr. ELLIOTT:

1. Daniel Montgomery.

2.

Daniel Montgomery	$ 477 00
A. D. Nicholson	61 05
K. N. Buchanan	329 25
Harry Montgomery	167 03
John N. MacInnis	41 85
George Whitfield	66 82
Murdock Campbell	249 08
Peter MacInnes	108 38
Murdock MacInnes	4 50
Mrs. Sarah Buchanan	6 00
Alex. Nicholson	184 28
Dan Carmichael	13 50
Dan MacAulay	79 65
John Montgomery	58 05
John MacInnis	32 40
Norman MacInnis	68 18
Roger Edge	18 90
Norman MacRitchie	53 33
William Brewer	50 63
Jim Munroe	54 00
Allan MacLean	8 25
Murdock MacDonald	8 10
Kenneth MacAskill	28 00
N. L. Munroe	8 10

3.

Frank A. Bill & Son, Ltd.	$ 9 30
C. P. Moore, Ltd.	7 75
John A. MacAskill	39 56
Thompson & Sutherland	45 75
R. Musgrave & Sons, Ltd.	109 26
Donnie MacDonald	40 56
Alex. Nicholson	107 99
Murdock A. MacDonald	157 12
Layton's Lumber Yards	86 32
A. D. Nicholson	18 56

UNCLAIMED BANK BALANCES

Mr. SPENCER:

Referring to the answer respecting unclaimed bank balances on Hansard, page 1559, what part of the amount of $2,756,745.83, being unclaimed balances in the banks of the Dominion of Canada as at the 31st December, 1927, was on savings deposits?

Mr. ROBB: No information. This data is not furnished under the returns required by the Bank Act.

HUDSON BAY SUPPLIES

Mr. BLACK (Halifax):

1. What was the total expenditure at Halifax last year on the supplies for Hudson bay?
2. What firms supplied the goods?
3. Were the goods supplied by tender, and, if so, what are the names of firms who tendered and prices quoted by each?
4. How many men from Halifax were engaged in construction work? Who engaged them, and on what basis?
5. What was the total amount paid for construction and the name of the contractor?
6. Was construction work done by tender, and, if so, what are the names of parties tendering and amount of each tender?

Mr. DUNNING: I would appreciate it if my hon. friend would clarify this question somewhat. Earlier in the session some confusion arose through members speaking of the Hudson bay when they meant the Hudson strait and vice versa. The two places are a considerable distance apart and the Department of Marine and Fisheries is doing the navigation work in the strait, while the Department of Railways and Canals is doing the work at Churchill in the bay. I gather from my hon. friend's question that he probably wants information with respect to both separately. If he will clarify this question along that line I will see that the information, so far as my department is affected, is secured.

SUB-CHASER BAROFF

Mr. BLACK (Halifax):

1. When was the customs preventive sub-chaser Baroff built?
2. Where was she built?
3. In what service was the Baroff engaged before being acquired by the customs department?
4. From whom did the government purchase the Baroff?
5. Where was she at the time of purchase?
6. What amount did the government pay for the Baroff?
7. Did the seller receive the full price at time of sale or was he paid in instalments?
8. Did the government advance any moneys before the Baroff was finally taken over?
9. Has the Baroff made any captures since being acquired by the government?
10. If so, what vessels and what amount of cargo was seized and of what value?
11. Where is the Baroff operating now?
12. How many months was she in service last year, or since being acquired?

Mr. EULER:

1. 1918.
2. College Point, New York, U.S.A.
3. No information.
4. F. W. Dickie & Company, Limited.
5. St. John, N.B.
6. $37,500.

(Note.—the Baroff was completely refitted with all new machinery (3 100 H.P. Diesel engines) heating system, wireless, searchlight, galley equipment, life-boats under agreement of purchase.)

7. Paid in instalments.
8. Progress payments made as work proceeded in connection with the installation of new machinery and fitting out boat for patrol duty.

9. No.

10. Answered by No. 9.

11. Left Halifax on April 30 for her base at Gaspe, P.Q.

(Note.—Baroff operates almost exclusively in the bay of Chaleur.)

12. Commenced patrol duty in bay of Chaleur, August 21, 1927, and continued until freeze-up, 29th November, 1927, when she returned to Halifax to winter quarters.

REVISED STATUTES OF CANADA

Mr. BLACK (Yukon):

1. Did the government authorize the commissioners appointed to revise the Statutes of Canada, Revised Statutes 1927, to insert in the Revised Statutes: (a) any amendments not enacted by parliament; (b) amendments altering the meaning and effect of statutes and not enacted by parliament?

2. If so, by what statute, order in council, direction of minister, or other means was such authority given?

Mr. LAPOINTE:

1. No.

2. Answered by No. 1.

MONTREAL PUBLIC BUILDINGS

Mr. BLACK (Yukon):

1. What buildings are rented, in whole or in part, by the Dominion government in the city of Montreal?

2. What rental is paid per annum in each case?

Mr. ELLIOTT:

Building	Rent per annum
182-186 Shearer street	$ 6,500
Chateau de Ramezay, 180 Notre Dame street, east	600
Bonaventure station (C.N.R.)	144
Windsor station (C.P.R.)	462
Place Viger station (C.P.R.)	246
283 Sherbrooke street, west	2,100
50 Westminster avenue	1,380
1023-1025 Mount Royal avenue	3,600
5623 Sherbrooke street, west	4,000
Labelle (Northeast corner St. Catherine street, east and City Hall Ave.)	20,908
704 Saint Gabriel street	1,500
La Sauvegarde (corner Notre Dame and St. Vincent streets)	600
1398 Notre Dame street, east	1,620
Gazette, 38 St. Antoine street	30,000
116 Letourneux street, (Maisonneuve)	900
1124-1126 Laurier avenue west (Outremont)	2,704
No. 2 Fire Hall (corner Verdun and Osborne avenues, Verdun)	1,000
1215 Greene avenue (Westmount)	1,500
Ames-Holden-McCready, corner Lagauchetiere and Inspector streets	3,037

[Mr. Euler.]

UNOPPOSED MOTIONS FOR PAPERS

CHARTERED BANK MERGERS

Mr. CHURCH:

For a copy of all correspondence, letters, applications, telegrams, and all other documents during the past year, relating to any application for the merger of any Canadian chartered bank with any other existing Canadian, or the merger or proposed merger of any existing Canadian bank with any American bank.

ST. LAWRENCE WATERWAY

Mr. CHURCH:

For a copy of all letters, orders in council, telegrams, correspondence, and all other documents between the government of Canada and (a) the government of Ontario, and (b) the government of the province of Quebec during the past year, regarding improvements of the St. Lawrence waterways from the navigation and power, or other standpoints. Also copies of all correspondence and other documents regarding the application of the Ontario government to erect a storage dam at or near Morrisburg in the province of Ontario, for power purposes.

LIGHTHOUSE KEEPERS

Mr. CAHAN:

For a return showing the names and addresses of all lighthouse keepers in Canada to whom medals have been awarded since January 1, 1913, stating the services for which the same were awarded.

CANADIAN NATIONAL RAILWAYS—OFFICES

Mr. CHURCH:

For a return showing the various times and dates during the past four years of the vacation of the Canadian National railway and telegraph offices at King and Yonge streets, Toronto, and their removal to King and Toronto streets; the expenditures made on renovations at both places named herein by each said change; the amount spent on repairs each time at both places, and the loss of business to the system attending.

OTTAWA IMPROVEMENT COMMISSION

Mr. WILSON (Wentworth):

For a statement showing the number of meetings held by the Ottawa Improvement Commission during the years 1926, 1927, and to date in 1928 and what commissioners were present at each of the said meetings, together with a copy of the minutes of the said commission for the period.

CANADIAN NATIONAL RAILWAYS—LANDS

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, agreements and all other documents relating to the sale of the Canadian National Railways' old belt line lands in the Humber valley, Toronto, including all correspondence with the late Sir Adam Beck and the hydro for purchase thereof, and in 1928 with any other person or persons for the recent sale of this valuable radial right of way for $18,000 without public tender.

Mr. DUNNING: Mr. Speaker, may I point out again here that this resolution contains allegations, and I have no means of telling whether they are correct or not. Surely it is not in order to make allegations in a motion for return. I would be glad to put the matter in the usual course for answer, but I wish to point out that I am in no sense agreeing with the allegations made and I question whether the motion in its present form complies with this rule.

Mr. CHURCH: At the time the Hydro Electric Power Commission wanted these lands the railway would not sell them. They declined to sell the lands. The Minister of Railways and Canals has a copy of all the correspondence. If this motion cannot be complied with there will be another way to get it.

Mr. DUNNING: The point is whether a motion for the return of documents is in order when it contains allegations, no matter whether the allegations are true or not. If such a motion is in order, all sorts of statements and allegations can be made on a motion for a return, and inferentially assented to by the house when passed. My hon. friend may be perfectly certain as to his statements, as far as he is concerned, but he certainly does not want the house to adopt a motion which inferentially agrees with these statements, even if true. The documents themselves will show whether the statements are correct. It is not in order to embody such statements in a motion for a return.

Mr. CHURCH: That will be satisfactory. I only want a return of the facts.

Mr. BENNETT: As it now reads, there are no allegations.

Mr. MACKENZIE KING: There is an allegation as to the sale without public tender. We do not know whether that is so or not.

Mr. BENNETT: I see what you mean. My hon. friend is right in that.

Motion agreed to.

CONTRACTS FOR ELECTRIC LIGHT AND POWER

Mr. CHURCH:

For a copy of the existing contract (a) between the government and the Ottawa Electric Company on which the government pays $86,524.31 annually, and (b) a copy of a contract between the government and the Hydro Electric Commission on which the government pays for electric light and power $38,964.36, annually, with rates paid for direct current in each case.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, there may be such a contract or such contracts in existence, but it is impossible to say offhand that there are any. The government is quite prepared to bring down any contract between the government and the Ottawa Electric Company which the hon. member may wish to see; but I do not think I can say in advance that the particular figures set out are correct.

Mr. CHURCH: I simply wanted a copy of the rates charged the government for direct current by the Ottawa Electric Company and the Hydro Electric Power Commission. I do not want to cause the government any trouble. I would like to know the rates charged in each case if there is no public objection. The figures in the motion were given in an answer the other day by the government to the hon. member for North Winnipeg (Mr. Heaps).

Mr. DEPUTY SPEAKER: Carried with the limitation placed on the motion by the Prime Minister.

Motion agreed to.

RAILWAY ACT AMENDMENT

On the orders of the day:

Mr. CHURCH: Mr. Speaker, I would like to ask the Prime Minister if he is prepared to give the same treatment to the bill, order No. 28, page 16 of the orders of the day, the second reading of the Bill No. 63, to amend the Railway Act, standing in the name of the hon. member for South Toronto (Mr. Geary) an act relating to all of Canada, as he has given to the bill of the hon. member for Peace River (Mr. Kennedy) this afternoon.

Mr. MACKENZIE KING: Mr. Speaker, I would point out to my hon. friend that it was the house which gave the permission and not the government.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER COMPANY AND ASBESTOS CORPORATION

On the orders of the day:

Mr. BENNETT: May I ask the Prime Minister if he is now in a position to answer the questions which I asked the other day in respect to the Beauharnois power canal, and also the one I asked yesterday with respect to the Asbestos Corporation of Canada and litigation in the United States.

Mr. MACKENZIE KING: I must apologize to my hon. friend; I had overlooked these matters. I will look into them and give an answer soon.

ALBERTA COAL TRANSPORTATION

On the orders of the day:

Mr. BENNETT: I would ask the minister whether the provisions of the order in council as to the removal of coal from Alberta are now effective.

Mr. STEWART (Edmonton): The order was effective from the 15th, I understand, by order of the railway commission.

Mr. BENNETT: There was some difficulty.

Mr. STEWART (Edmonton): They may be having a great many difficulties, but as far as I know they are getting them straightened out.

NATURALIZATION ACT AMENDMENT

The house resumed, from May 1, consideration in committee of Bill No. 19, to amend the Naturalization Act—Mr. Rinfret—Mr. Johnston in the chair.

Mr. BENNETT: Mr. Chairman, when the committee rose I was endeavouring to direct attention to the fact that the submissions we have made to the committee were that under the provisions of the statute in some of the British possessions regulations are made by the governor in council to carry into effect the provisions of the statute, but that in other countries, notably in South Africa, instead of the regulations being made by the governor in council, and subject to being rescinded at will by the governor in council, substantive provisions were introduced into the statute itself.

Last evening the Secretary of State was good enough to suggest that an amendment might be made, which amendment deals only with the question of notice. Now, having conceded the point that the giving of notice should not be done by order in council, I think the Secretary of State must be logical and introduce an amendment to indicate how he is to apprise himself as minister whether or not there has been a compliance by the applicant with the provisions of the statute with respect to residence, character, and adequate knowledge of the English or French language. If it is necessary to add to this bill a provision with respect to the posting of notice in the post office, much more is it necessary that the essential provisions which are standard throughout the empire should in some measure be dealt with in the bill so far as compliance with them is concerned. In other words, since we have now by this amendment sought to provide the means by which notice shall be given to the world, namely, by the posting in the post office of a notice, which will be torn down the day after it is put up, and which is exactly the thing they refused to do in South Africa and in other communities, where they provide that the notice shall be printed in the Gazette or in a newspaper circulating in the district where the applicant resides—if it is necessary to provide in the bill for the mere posting of the notice in a country post office where it will disappear twenty minutes after it is put up—

Mr. YOUNG (Weyburn): Why would it?

Mr. BENNETT: Because in these small country post offices that is the fate of all notices.

Some hon. MEMBERS: No.

Mr. BENNETT: Except the notices that are protected by the statute, by the Post Office Act itself.

Mr. YOUNG (Weyburn): No.

Mr. BENNETT: The hon. gentleman from Weyburn has had much more experience than I, and therefore I accept his view with respect to the matter. I can only say, having some knowledge of the fate of notices of that character, that they do not continue long in place, and we had a noteworthy example of that when we had a provision in the old electoral act under which the lists were hung up at given points, and they disappeared sometimes twenty-four hours, sometimes thirty-six and sometimes forty-eight hours after being hung up.

The point I make is that we have dealt now with only one feature, namely, the question of notice, and since we have thought it desirable to deal by legislative enactment with the question of notice, much more is it necessary that we should deal in the statute itself with the method by which the minister is to become apprised whether or not the applicant has met the standard requirements of the act. I asked the minister last evening, I ask him to-day, and I suppose we will have to continue to ask him, by what means he proposes to make known to himself as minister, in his judicial or executive capacity, whether or not these provisions have been complied with.

Recall, Mr. Chairman, that in the early discussion of this measure the minister desired to have uniformity. That was one of the words he used. He said that judicial discretion had been exercised in different ways throughout Canada, and that now he desired uniformity. Is he to get uniformity from a homestead inspector in Saskatchewan, from

a mounted policeman in New Brunswick, and from other agents in other provinces? There are nine provinces in this confederation, nine provinces in which there can be naturalization, and by what method, I ask, through what means, does the minister propose to satisfy himself, as the high executive official empowered to discharge a very great duty, as was pointed out both by Mr. Churchill and Sir John Simon, with respect to the naturalization of a person within the king's dominions throughout this empire—how does the minister propose to make known to himself whether that person named John Smith resided in Canada during the period in question? He has answered that question. He has answered it, in my judgment, in accordance with the principles that prevail in the United States. He has stated that he proposes to have those documents transmitted to the Department of Immigration, and to have them indicate whether or not there is a verification in their records of the statements made by the applicant as to the ship on which he arrived, or the train on which he came and where he crossed the border, so that a check up can be made by the department of the allegations made in the application. That is what they do in the United States, only there it is provided by statute that these documents shall be transmitted to the Department of Trade and Commerce or to the Department of Labour—I think it is both—for the purpose of having the statements verified.

I now come to the second point. How is the minister to satisfy himself that the applicant has an adequate knowledge of the English or French language? That is my difficulty. How is he going to do it? That problem I find engaged the attention of our legislators in the early days, and we concluded, with our limited form of naturalization, that instead of it being done as might have been suggested then in another way, that the responsibility should be placed upon the judges. I do submit to the Secretary of State and to the Prime Minister that this is a very difficult problem. If we take this responsibility away from the judges—I confess that I have thought of every means suggested by the minister; I have thought it over during the night—I can only point out that inasmuch as uniformity is desired, judicial decisions are the nearest approach that we can get to it in this country. The minister points out that that is not very good, but that is the nearest approach that we can get to uniformity. What are the reasons urged against it?

The reasons that are urged against it are that it puts the applicant to the inconvenience of travelling a certain distance to meet the judges. I am sorry the Minister of Agriculture is not in his place, but perhaps it is just as well that he is not. When he made light of the whole proceedings last evening, and said that it meant they were going to have a new game called chasing the judge, that was so unworthy of a minister of the crown in dealing with a matter of this kind that in the subsequent observations I made I passed it by. It is degrading to this parliament that the matter should thus be treated, because when the minister spoke of this as a new game of chasing the judge, he knew, as all members know, that there are court houses in which the judges sit, and that there are provided by the provinces buildings for that purpose, and that in the gazettes and newspapers of the provinces there are indicated the days and dates and the places at which the courts will sit. I pointed out, in answer to an interjection by my hon. friend from Yorkton (Mr. McPhee) yesterday, that the provincial governments determine where the courts shall sit, and if any inconvenience is being worked by reason of this provision, the provincial government can remedy that overnight. It can provide for a sitting of the district court at any particular point, and as I say, in the province of Alberta does so. I do not know that Alberta is at all exceptional as compared with the other western provinces in that respect, but in the province of Alberta the government gets the best information it can obtain, and then says that there shall be sittings of the district court at designated small communities, such as Olds, Okotoks and other points that perhaps mean nothing to the hon. gentlemen opposite, but they are the names of the places at which the courts will sit. Therefore the applicant is enabled to know where he will find the judge. He has the right to go to the clerk of the court and ask him; he has the right to go to the process issuer and ask him, and the sittings of the court are as provided, not by this government, for there is no responsibility upon this parliament in respect to the matter—all that this parliament has to do is to provide the judges, and the judges have cast upon them by statute the duty, and that duty they must discharge. That is part of the judicial duties imposed upon them by a statute of the parliament of Canada. The imposition of that judicial duty by statute of this parliament still leaves open to the provincial authorities the determination of the points at which the courts shall sit, and the days on which the courts shall be opened.

Mr. McPHEE: The provincial governments have nothing to do with naturalization. They only regulate the terms of the court for civil proceedings.

Mr. BENNETT: Surely the hon. member for Yorkton does not mean that seriously. There is not a naturalization court that sits as such at all. It is at a meeting of the civil court, when it is sitting, that the naturalization applications are presented, and my hon. friend, of course, knows that. There never has been, and there never will be, a naturalization court as such. What happens is that when the civil court, or it might be the criminal assize court, is opened, all those who desire to obtain naturalization have a right to appear and present their applications, and the court considers them as a matter of course. There are no special sittings of the court to deal with naturalization, although the provincial governments might arrange for special sittings at which only naturalization applications would be considered. Some of the western provinces impose upon the judges special duties with respect to provincial legislation, tax returns and matters of that kind. This parliament from time to time imposes upon the judges very onerous and special duties; and this whole problem can be solved without any difficulty by merely appointing through the provincial government a day and a place for the court sittings. For instance, away up in the Great Slave lake country it became essential for a judge to hold court. The supreme court or district court judge goes out and holds court, notice of which has been given, and at the sitting anything which may be heard by a judge exercising such jurisdiction may be presented. Objection has been taken by some friends opposite who do not practise law to my statement of what the law is, so I shall modify it in this way. I submit to the committee that when the judge opens his court every matter prescribed by statute for his consideration may be legally and properly brought before him.

Next I come to the question of character and the question of language. I am satisfied with the answer that my friend the Secretary of State has given with respect to the first question, namely, that of residence, and the checking it up through the records of other departments. But on the other two points how is he to satisfy himself? Let us treat this matter as reasonable men. There are nine provinces. Uniformity is desired. Who does it in New Brunswick, in Nova Scotia, in Prince Edward Island, in Quebec, in Ontario, in Manitoba, in Saskatchewan, in Alberta, in British Columbia?—not the same type of person. You can have no uniformity as you have under judicial decisions—such as it is. It is well said by the minister that the exercise of judicial discretion may not be the same in British Columbia as in Prince Edward Island, but it does not follow that the judicial discretion thus exercised is erroneous. In either case it may be correct. As pointed out by Chief Justice Meredith, the difficulty lies in the fact that the department of the Secretary of State has not indicated the principles which should govern with respect to it.

I do not wish to traverse this ground again, but once more I ask—and I think it will be admitted by the right hon. gentleman who leads this house (Mr. Mackenzie King) that when we are eliminating a judicial inquiry we are as a committee entitled to know what is to be substituted for it, once more I ask: What inquiry is to be substituted for it? Because it is admitted that the Secretary of State cannot do it directly; therefore he has to do it through some agency. What agency is it to be? How is it to operate? Who is the agent? Those are all the questions we ask. This amendment deals only with one phase of the many regulations that have to be made, namely, that of notice. Before the bill is passed we must deal with those phases to which I have directed attention.

There are other matters to which I might refer. For instance, last evening the hon. Minister of Agriculture (Mr. Motherwell) discussed this from the standpoint of voting. An obvious and reasonable retort might be made, but I refrain. I do consider this matter far beyond any controversy that might be entered into with any gentleman opposite with respect to any question of voting. In my judgment it is most important in view of the fact that we are bringing into this country increasing numbers of aliens. The figures presented by my friend from Vancouver abundantly establish this fact. Therefore more and more must recourse be had to this statute for the purpose of enabling those who so desire to become British subjects. And the term, "British subject" means so much that in view of the agreement we entered into when we established this standard of qualification, we cannot afford to depart from it in the sense of making it impossible for us as members of parliament to say how the minister is to be satisfied. And this parliament has the right to know. I will accept the minister's answer in respect to the first point. As to the two

points to which I have now directed his attention, I should like to ask him—he has the figures before him I trust—how many applications for naturalization have been granted by the minister himself during the last twelve months without reference to the courts at all? Have there been any?

Mr. RINFRET: No.

Mr. BENNETT: I would think not. But I gathered from my hon. and learned friend from Cartier (Mr. Jacobs) that it was much easier for him to apply direct to the Secretary of State than through the medium of the judges.

Mr. JACOBS: Not at all. My hon. friend must have misunderstood me.

Mr. BENNETT: He put it that way; I do not think he so intended. I made a retort at the time which when I read it in Hansard indicated, it seemed to me, that possibly he did not mean it in the sense expressed. He said there were dual methods, and he preferred to go to the Secretary of State direct.

Mr. JACOBS: No. I said there were two methods: that the party applying could go before a judge and then have his certificate vised, you might say, by the Secretary of State; or the Secretary of State could use his own discretion without regard to the court and issue the certificate.

Mr. BENNETT: I trust my hon. and learned friend will be good enough to look at the statute carefully, when I think he will find that the observations made by my friend from Toronto Northeast, sufficiently indicates that that is not the class of case intended. Let me illustrate in this way. When the act first came into force there were three cases in which certificates of naturalization were granted: one to the late Sir William Van Horne, the second to the late Lord Shaughnessy, and the third to my hon. friend who sits to my right (Sir George Perley). The Secretary of State granted those certificates at once without any judicial inquiry because there is a provision in the act to cover such cases. As my friend will recall, there is a special section to remove doubts. But I put this matter not only to the Secretary of State but to the Minister of Justice (Mr. Lapointe). After all, he is vitally interested in it. We have here one of his colleagues exercising practically a judicial function. In the exercise of it he must be satisfied by the evidence, and that evidence he himself cannot gather. Then the committee is asking to be informed as to how that evidence is to be gathered. I am assuming the statutory requirement with respect to the judges is repealed; there is no judicial inquiry; this bill becomes into force, and I ask him to make it clear to this committee how the Secretary of State is going to satisfy himself so that he may exercise the discretion granted to him under the statute in the manner the law contemplated with respect to character and adequacy of knowledge of English or French.

Mr. McLEAN (Melfort): Mr. Chairman, during the course of this debate we have listened to a considerable number of objections to the bill with which I do not intend to deal at length. There is flying around Canada in connection with questions of this kind a great deal of old straw, and if any useful purpose could be served by threshing it out I guess we could all engage in it. I would draw attention to the statement made yesterday by the hon. leader of the opposition (Mr. Bennett) with regard to myself, to the effect that the member for Melfort was not interested in the fleet on the high seas. I cannot for the life of me think what he meant by that, but to my mind the member for Melfort is just as much interested in it as the member for Calgary or the representative of any other constituency. I repeat, I do not know what he referred to, but whatever it may mean I repudiate it.

Some hon. MEMBERS: Oh, oh.

Mr. McLEAN (Melfort): I notice that raises a laugh, but sometimes he who laughs last laughs longest. Undoubtedly this measure has been needed for many years. I happen to have at least a little evidence of that under my hand at the moment. One letter came to me yesterday with reference to the question of naturalization, and another letter some time previously in connection with the same matter. Before that also I received a communication. The letter I got yesterday is from a gentleman whom I know well, a man who has been a resident of Canada for a good many years. I hold in my hand the original discharge certificate of this man who served as a sergeant in France during the war. He took the oath of allegiance and naturally he assumed, as many others have done, that thereby he became a Canadian citizen and a British subject. And he acted on that assumption for a number of years. The time came when he wanted to establish beyond any doubt that he was a Canadian citizen, and on indicating the circumstances which in his opinion entitled him to Canadian citizenship, he was informed that under the law he was not a Canadian citizen, and that he must go through the formalities prescribed before he could become naturalized. And this notwithstanding the number of years he had served the country in France. Not know-

ing what else to do he writes me on the subject, inquiring what I can do in the matter, and enclosing five dollars, which he understands is the requisite fee. The letter he mailed from a point 100 miles away from a court house. I will admit that he could go to a judge and ascertain when he might be heard, and I have no doubt the judge would accord him a courteous hearing. But consider the trouble, the delay, the inconvenience and the humiliation to which he is put under these circumstances.

I have here two telegrams from men of the same type. The first man has a name as British, as Canadian as is my own name or the names of many other hon. gentlemen. He is not of foreign extraction; he is of British blood. But he happened to have been born in the United States. The other man's name is equally British. He, too, was born in the United States but he served in the Canadian army, and of course he took it for granted that he was a Canadian citizen. To his surprise, however—he lives in far northern Saskatchewan—he discovered last year that he had not the status of a British subject, and this discovery was quite embarrassing to him. He is now in the same difficulty as is the applicant to whom I have already referred. He has to travel to the court nearest his residence—not in Saskatchewan but in Manitoba—and this is the statement he makes in his telegram:

Re naturalization application, am filing this application to-day. Court sessions June—

I may observe by the way that this is dated April 23.

Court sessions June and September. September too late, June too early according to three months' posting regulations. Wire collect if anything can be done to enable Smith to appear before judge in June and finish up.

It will cost this man a great deal of money to obtain something which he certainly deserves to have. I do not think that any hon. member in this chamber will suggest for a moment that he is not entitled to Canadian citizenship under the circumstances I have indicated. A man who has served in the army and fought for the empire should be entitled to all the rights of a British subject.

I have another application which came to me a short time ago from a man who writes from Lac du Brochet, which, as the hon. member for West Calgary (Mr. Bennett) observed a little while ago, may mean nothing to the majority of hon. members, being a point away up in northern Manitoba. This man writes:

I have enclosed herewith an application for naturalization on his behalf. This man is a trapper, located in northern Manitoba, near the Northwest Territory boundary line. He was advised to take the matter up with you as it is impossible for him to get out to civilization so as to make personal application for his papers. I can see no reason why this man should not receive his citizenship papers but I understood it was customary for a man to go before a judge in person.

This is signed by a police magistrate in that district. Now, it may be said that these three cases are exceptional. Well, they may be exceptional in degree, but there are many other cases more or less on a par with them. The hon. member for Mackenzie (Mr. Campbell) yesterday stated that a good many people in the northern part of his district were at a great disadvantage and considerable inconvenience, being obliged to go long distances by rail, stopping over many times; and finding it impossible to get the matter disposed of on the first occasion, and possibly after a second or a third attempt, they come to the conclusion that it is just as well to leave things as they are. I can thoroughly endorse that. Many men in western Canada to-day who would like to be naturalized and are entitled to the privilege find too many obstacles placed in their path, so that it is extremely difficult for them to obtain their Canadian citizenship. They are Canadians in sentiment as well as in interest, and they have Canadian families growing up. In many cases the children were born in this country. Sometimes the parents, not having been naturalized, feel that they cannot take that pride which they should in living in this country. It is not a matter, on their part, of wishing to avoid the responsibilities of citizenship; as one hon. member observed yesterday, these people very often are hard up financially. It is no easy matter for a man who is not very well off to spend $25, $40, $60 or $100 in order to take witnesses to a court in a matter of this kind. Furthermore—I have known this practice to prevail, and I could get evidence to back me up on the point—many judges insist that persons applying for naturalization shall attend a central court.

Mr. BENNETT: They cannot do that under the statute.

Mr. McLEAN (Melfort): I am not casting any reflection on the judges. But who regulates the judges?

Mr. BENNETT: The law does.

Mr. McLEAN (Melfort): How can the law regulate a judge who writes to the Secretary of State saying, "I should like you to interpret this law; I do not know what it means."

Mr. BENNETT: The statute provides that the governor in council shall make regulations.

Mr. HOCKEN: You want a new judge.

Mr. McLEAN (Melfort): No, we do not want a new judge, but a great deal of the law of this country, like that of Great Britain, is judge-made law. I am sure my hon. friend from St. Lawrence-St. George (Mr. Cahan) will agree with that. A great deal of the law is judge-made. The judges are building up the body of the law, and I am not objecting to that. But what I am pointing out is that many of the judges do insist that applicants shall come to a central court. Now, take a constituency like the one I have the honour to represent. The settled portion, so far as matters relating to naturalization are concerned, covers a territory approximately 200 miles from east to west and 500 miles from north to south. The letters I have dealt with come from men—at least two of them do—living approximately 700 miles north of the American boundary. One judicial district covers an area of 20,000 square miles, and it is true the judge goes into thickly settled country, up and down the lines of railway. To my knowledge, it has never happened that he has left a settled portion of the country and gone to another part, off the railroad. In fact districts served by many scores of miles of railroad often have no occasion to hold courts. These people are told to come to a central point, and when they get there they find other cases, perhaps more important than theirs, ahead of them and they have to wait. The judge perhaps receives various calls and the applicants are obliged to return. It is not fair. In the old days, about which the leader of the opposition (Mr. Bennett) spoke, when thousands of aliens were being naturalized in Canada, the result on the whole was good, as was evidenced clearly when the war struck this country. These people who had been naturalized but a short time before stood loyal and true to British and Canadian institutions; they were just as loyal as any other Canadians. If hon. gentlemen had had the pleasure and privilege which I enjoyed last year, on the first of July, they would appreciate the situation, and I fancy that their conception of this whole matter would be different. I met school children who had travelled twenty miles over roads that were not very good, and they displayed the greatest pride and enthusiasm in Canadian institutions, Canadian laws and everything British. It is a crime to put any obstacle in the way of the naturalization of such people. The majority of these people were naturalized under the old law. I will admit that in some cases the provisions of the law were not absolutely lived up to. But that is true of every other law that I have ever heard of. We have various laws against one crime and another, but these laws are not all observed in their entirety.

One point to which I take exception so far as Saskatchewan is concerned has reference to what the leader of the opposition said yesterday:

> And my hon. friends know that it was a crying scandal in Saskatchewan and Alberta, and partly in Manitoba, where thousands of men were naturalized by being huddled together in a group, and someone going in to them with a paper and asking them to sign their names—

In the twenty-five years that I have lived in western Canada I have not witnessed anything of that description nor have I heard of it. Thousands of people gathered in a group?

Mr. BENNETT: Not thousands of people in one group.

Mr. McLEAN (Melfort): That is what Hansard says and I think Hansard is right.

Mr. BENNETT: Read it carefully.

Mr. McLEAN (Melfort): I will read it again carefully:

> My hon. friends know that it was a crying scandal in Saskatchewan and Alberta, and partly in Manitoba, where thousands of men were naturalized by being huddled together in a group, and someone going in to them with a paper and asking them to sign their names—

Mr. HEAPS: That is only an inaccurate statement by the leader of the opposition.

Mr. BENNETT: The hon. gentleman knows very well that it was not meant that these men were all in one group.

Mr. McLEAN (Melfort): I appreciate that, and I would be the last to blame the hon. leader of the opposition for seriously making that statement, but unfortunately it has gone on Hansard.

Mr. BENNETT: No one reads it that way.

Mr. McLEAN (Melfort): The language is perfectly plain, and if anyone doubts my reading of it it will be found at page 2551 of Hansard. Possibly I am in the unfortunate position of not having an adequate knowledge of the English language and so not understanding these words, but there is the state-

ment. I will admit that in the past mistakes may have been made and crimes committed under the law, but I think it is a very serious thing to say that because mistakes were made we are going to continue a practice which makes it extremely difficult to obtain naturalization, to which many men are entitled. I have been advised by a gentleman who is in a position to know pretty well what is going on in western Canada that the strongest argument against the present system is that it places the right to naturalization on a basis of cost. Even that would not be so bad but for the fact that the very organization of judicial districts makes that basis of cost unequal and almost prohibitive to many men who want to become naturalized. It is not that they are unwilling to spend the necessary money and time, but they have not the money to spend.

I noticed some of the objections made by various speakers; I am not going to take up much time with them, as I said before, but the hon. member for Argenteuil (Sir George Perley) stated that people who know a man are well able to judge whether or not he should be naturalized. I quite agree with that remark, but I would disagree if the statement were made that a judge, simply by asking a few questions of an applicant coming before him, is better able to form an opinion of the qualifications possessed by that man than the neighbours among whom he lives from day to day and year to year and who know his character perfectly. Many men can go into a court room and make a fair appearance; they may be able to impress a judge who is not acquainted with them, but it might be harder to produce that impression in their own district if an inquiry were held there.

Then the leader of the opposition brought up one or two points with which I should like to deal. First I should like to know what he understands by an "adequate knowledge of the English language," which was one of the main points with which he dealt both yesterday and to-day. In my opinion it is very difficult, if not impossible, to clearly define the meaning of the word "adequate" as it is contained in this act.

Mr. JACOBS: May I suggest that perhaps it is the ability to conceal one's thoughts?

Mr. McLEAN (Melfort): Sometimes the need is for ability to control one's facial expression rather than one's tongue; that is good philosophy in certain enterprises, at any rate. The question of inadequate knowledge of the English language is one which is hard to define; for instance, take an aged couple living in Canada, with children growing up and going to school. They have resided in Canada for quite a long time and have property interests which require that they become naturalized, as in the case of homesteaders. They have quite an adequate knowledge of the English language for their own use, and for the transaction of their own local business; they have children going to school who are able to help them write their letters, and some of them write comparatively fine letters. They are able to get along all right in the ordinary way, but when they come into court one judge might rule that they have an adequate knowledge of English while another might hold the opposite opinion and consider their knowledge to be grossly inadequate. I will admit that the knowledge of English necessary on the part of a man going into professional or business life must be greater than that of a man completing work on his homestead and living out the last few years of his life. It has been said that anyone wishing to obtain the privileges of citizenship certainly should learn the English language; in certain circumstances I believe that is a duty incumbent upon such people, but in many cases it is hard for them to do so. Rightly or wrongly—and I am not discussing that question at the moment—they have been placed in districts where it is very difficult for old people to learn English; many of the newcomers to our country are more anxious to learn our language than those who have been here a long time. I should like hon. members of this house who have tried to learn a language other than their own to tell us just how hard it is. In this house we have two official languages, English and French, and I am sorry to admit that very few members speak the second of these two languages. If it were so easy for these poor foreign immigrants coming to Canada to learn our language I imagine many of our statesmen and members of parliament would learn the alternate language in this house, because that would be an accomplishment of which they might well be proud.

Mr. EDWARDS (Frontenac): Then would the hon. gentleman advocate doing away with the language qualification?

Mr. McLEAN (Melfort): No, I am not suggesting that; I am dealing with the difficulty of interpreting the word "adequate".

Mr. EDWARDS (Frontenac): It is no more difficult for a judge to do so than for an agent appointed by the department.

Mr. McLEAN (Melfort): That is so, but we have had statements from three learned

judges, and I think it is rather a peculiar coincidence that two if not all three of these judges were apointed to the bench by my hon. friends opposite. These three judges say they find great difficulty in interpreting this law, and they ask the Secretary of State to clarify it for them. The judges are on the bench to interpret the laws which are passed by this parliament, and they should not find it necessary to ask for instruction.

Another point which was brought up yesterday was the lack of ceremony obtaining in these applications for naturalization. In that connection I would just say that if the ceremonious proceedings which are followed in the United States to-day, and which have been followed for a good many years, do not produce any higher type of citizenship than that which has been shown in some of their congested cities, I prefer the Canadian procedure. Furthermore, I cannot understand why so many hon. members of this house are so anxious to go to the United States for examples and precepts rather than to Great Britain, and why they should desire to follow the United States rather than the different British dominions. I do not think the lack of ceremony in the conduct of our affairs makes any difference at all. Many of our people are not accustomed to court houses; they look upon them as places where law-breakers and wrong-doers are dealt with. When they find themselves in a court house to ask for something which the law says they have a right to obtain if they fulfil certain conditions, they are in a state of mental turmoil. I would even go further than that; many people who have an adequate knowledge of the English language for their ordinary business affairs, people who should be naturalized provided they can show a good character and a sufficient residence in the country, find it very difficult when in court to understand the learned judge who may be questioning them at the time. I will illustrate that fact by a personal reference. During the past few days I have been attending the meetings of a committee of this house; I have listened to very learned gentlemen give their evidence, men who have a thorough knowledge of the English language, perhaps much more adequate than that which I possess, and I must admit that I had to pay the closest attention and to concentrate to the best of my ability in order to understand what they were saying. I think almost every hon. member of the house has had a similar experience. I have been with men from another part of the empire; I have associated with them and spent nights in the same—

An hon. MEMBER: Bar room?

Mr. LADNER: May I ask if the hon. gentleman is referring to Scotch witnesses?

Mr. McLEAN (Melfort): I think the hon. member for Vancouver South (Mr. Ladner) knows that the Scotch tongue is pretty well understood wherever you may go in this country, but I was not referring to Scotchmen. I have associated with men from other parts of the empire at different times and have found it extremely hard to understand their speech as they went along, yet we ask these aliens, who may be semi-illiterate in the use of English, if I may use that expression, to go into a court room and fluently answer questions propounded to them by a judge whose accent may be such as they have never heard before. We find further that men have been refused naturalization in Canada because they could not answer such questions as, What is the constitution of Canada? Who is the premier of Prince Edward Island? Who is the lieutenant governor of British Columbia? Questions which many of the hon. members of this house could not answer offhand, and I am putting myself in the same class as other hon. members.

An hon. MEMBER: It is a foolish question.

Mr. McLEAN (Melfort): But there is nothing against it in the law. An hon. member the other day said some of these people came to him for advice and that he told them to go and see a lawyer. But I tell the hon. member that there are many people in outlying districts who cannot afford to see a lawyer. I am not speaking for people in cities and large towns where a judge is sitting periodically and regularly in chambers and it is easy for them to come to that place. I am speaking for those who often make a real sacrifice, and cannot afford it, in order to get their naturalization certificates. In view of the opinion of the learned judges quoted, I think the least we can do is to make a change which will make the procedure much simpler.

The hon. member for Vancouver South (Mr. Ladner) the other day, seeing he has asked a question of me now, I will deal with one remark of his—made the extraordinary statement that I think very few Canadians will agree with, namely that the high standing of the judiciary in this country has had the result of a high class of citizenship being built up. I think he was putting the cart before the horse, and that the high class of citizenship results in the high class of the judiciary. But the high class of citizenship must come first.

Mr. LADNER: I should like to correct the hon. gentleman. From my recollection of what I said, I must conclude that he has misunderstood my remark. The point of it was that the judiciary were better fitted by their training to consider and determine the application for naturalization than would be the police officers or representatives of the Department of the Secretary of State scattered throughout the whole country. That was the point of my remark.

Mr. McLEAN (Melfort): I do not know very much about the intentions of the hon. gentleman, but I remember what I heard, and that was that the high class of the judiciary was responsible for the building up of a high class citizenship. It is the other way about entirely.

The leader of the opposition is very much afraid that in the very small post offices these notices will be torn down as soon as they are put up. I think that is unfair. The hon. member for Vancouver Centre said that many of the postmasters receive only $14 and upwards.

Mr. BENNETT: I did not say that they would be torn down by the postmasters.

Mr. McLEAN (Melfort): In very many districts the postmaster is a man of more than average intelligence, one who takes pride in his office and keeps the post office for community service rather than for gain. I am quite sure that those notices may be seen, and a notice posted in a country post office will be seen and read by more people during the sixty days or three months which have to run than will a corresponding notice hung up on the wall of a court room office. I am speaking of what I know. I have seen similar notices hanging up in country post offices. For instance, a man's homestead entry is due to be cancelled, and the notice goes to the country post office and is hung up on the wall; and I have never had any complaint about the notice being torn down and the man affected not getting an opportunity to know about it.

Another thing. I have been in court houses, fortunately not very often, and have seen notices for naturalization posted there. They are not strung around the walls, because it would be impossible to find space for that kind of thing; but they are hung up on top of one another, and very few people get an opportunity to know of them at all. Certainly the people in the locality where the man lives who is making application do not get to know of it. Were the application posted in the post office in his district, nearest where he lives, the people there could be invited to communicate with the Secretary of State at Ottawa if they had any objection to the man being naturalized, and I think it would help a good deal.

Mr. BENNETT: I did not desire to interrupt my hon. friend during the progress of his observations, which dealt only with the question of notice. But how does the hon. gentleman suggest we should deal with the other two questions, those of character and language?—because those are standard qualifications.

Mr. McLEAN (Melfort): In our country at the present time the mounted police, among other duties, do visit and make investigations. They visit the homes and take note of the character of the people. The fact that a man has lived for years in a community without getting into trouble is a fairly good recommendation in itself. The matter of the language is hard to deal with uniformly; but if a mounted policeman is able to call at the home of a man who is asking for naturalization, and asks regarding the best road to town, or, where is the nearest gas filling station on the way to town, or other such usual questions, it is a fair approach to getting information on the subject. It is true that the mounted police in the old days did not use gasoline, but they do to-day; and there are many ways in which they can get information. I have no knowledge of the regulations which the minister has in his mind; but in sparsely settled parts of the country, such as in this case which I mentioned a while ago where a letter came from Lac du Brochet, where a man purporting to be a police magistrate enclosed an application form for some other man, different conditions prevail from those in well settled districts. Even in remote localities there are usually local improvement or municipality officers, ministers of the gospel and other neighbours of the applicant who can give the police a good deal of information as to the adequacy of knowledge of the English language possessed by the man, and his character, and so on, and in that way the police would be able to get a good deal of help.

Mr. BLACK (Yukon): Mr. Chairman, I doubt if any applicant has ever been refused naturalization because of being unable to answer a question as to who is the lieutenant governor of Prince Edward Island or any other such catch question. I do not think the county court judges or other judges charged with the administration of this act make a practice of asking any such foolish questions. I have seen naturalization proceedings in

various courts in Canada, but I have never seen any such proceeding as the hon. member for Melfort suggests might take place.

The only reason advanced by the Secretary of State for the necessity of the proposed amendment to the present Naturalization Act is that in some places applicants are somewhat inconvenienced by the requirements of the present act. Complying with all law and regulations ordinarily must entail certain inconvenience to some people, and a greater degree of inconvenience on some than on others; but the inconvenience of attending before a court can be largely minimized or even done away with by regulating the sittings of the courts. It may be said that the authority for regulating the sittings of courts lies in the provincial governments; but after all the Dominion government pays, and the authority that pays can regulate. There is no doubt that the provincial authorities would join in the regulation of the sittings of the courts, and most of the inconvenience could thus be obviated. There is an incident to which I should like to call the attention of the committee and which arose not very long ago in the administration of the Naturalization Act. This is reported in the Morning Star, a Liberal newspaper published at Vancouver, under date of January 12 last. It appears under the heading of a despatch from Ottawa, as follows:

"Action of Judge Grant of Vancouver, in refusing to recommend several Japanese applicants for Canadian citizenship, taking the stand that Japanese were not assimilable into the Anglo-Saxon race, was a violation of the provisions of the Naturalization Act; and in so doing the Vancouver judge exceeded his duties as these are governed by the act."

This was the comment to-day of high officials of the Department of the Secretary of State, when attention was drawn to the Vancouver despatch quoting Judge Grant's decision. It was pointed out that the Naturalization Act of Canada lays down no requirements from an applicant as to whether his racial origin is of a nature that would make him assimilable or not.

It was further declared by the officials here that the act stated plainly that grant of a certificate of naturalization was in the absolute discretion of the Secretary of State. A judge's report, the officials declared, should be based upon inquiries into the applicant's fitness and qualifications as these were governed by the act; it should deal with facts and not opinions.

Then the article continues:

As far as the Naturalization Act is concerned, it throws upon judge before whom applicants appear the duty of deciding whether such applicant is a fit and proper person to be given a certificate of naturalization. Judge David Grant made this statement Wednesday night in reply to the foregoing despatch, adding that he has never hesitated to pass upon persons who come before him.

As a matter of fact the act as it stands to-day gives judges discretion in deciding whether or not an applicant is a fit and proper person to be naturalized and if for no other reason than that the act as it now stands gives the judge that discretion, it should be left as it is. We have in the Dominion of Canada at least one judge who is Canadian enough and courageous enough to decline to recommend an oriental as a fit subject for naturalization in this country, and I think the majority of the people will agree with his decision on that point.

Mr. RINFRET: Is there in the statute anything directing the judge to act like that, or is that not rather a matter of policy that should be left to the government to decide?

Mr. BLACK (Yukon): Section 26 provides:

If the court decides that the alien is a fit and proper person to be naturalized and possesses the required qualifications a certified copy of such decision shall be transmitted by the clerk of the court to the Secretary of State of Canada together with the application and such other papers, documents and reports as may be required by any regulation made hereunder.

The wording is:

If the court decides that the alien is a fit and proper person to be naturalized.

Surely that is as broad a discretion as anyone could have. The judge decides whether the man is a fit and proper person, and the fact that he will never make a proper citizen of this country is sufficient to justify any judge in declining to recommend an oriental for naturalization. They cannot be assimilated into our nationality, and Japan does not extend to us equal privileges in the way of naturalization. The law in Japan requires that an applicant shall, as a consequence of acquiring Japanese nationality, lose his original nationality. Our Naturalization Act does not require anything of that kind. In fact Japanese, notwithstanding the fact that they may go through the form of naturalization in Canada are not released by the Japanese government from their allegiance to Japan. The Japanese government never regard them as aliens; they are still subject and liable to the kingdom of Japan. For that, if for no other reason, we should not change our Naturalization Act. If the evidently inspired despatch from Ottawa expresses the policy of the Secretary of State in regard to naturalization of orientals, there would be no check on them at all. If it is left to the Secretary of State to say whether or not an oriental should be naturalized, his

opinion and that of the department is that a judge has no right to refuse such naturalization. I believe the Canadian people as a whole will say that the judges are right and that orientals are not fit and should not be allowed to be naturalized in this country. They are not assimilable here because they cannot properly and successfully intermarry with Canadians. Is there a member in this house that would like to see his son or his daughter intermarry with an oriental? Certainly not. That means that they are not assimilable; they are not fit and proper persons to be citizens of this country, and probably no oriental would want to see his children intermarry with ours. That is a feature of the act that is of value to the Dominion of Canada. I will go this far, that if the government will by a definite statutory provision prohibit the naturalization of orientals in this country I for one will be prepared to support the legislation.

I do not think the amendment suggested by the minister improves his bill as originally introduced. It may be that the posting up of notices in post offices will give notice to more people interested in an application for naturalization than the present system of posting the notice in the office of the clerk of the court. If that is so I would say that that requirement should be added to the present one and that the applicant should be required not only to have a notice posted up in the office of the clerk of the court but to have a notice posted up in the post office; but we should not remove any safeguards which the act at present provides.

Mr. CAHAN: There is just one phase of the bill now before the house to which I should like to direct the attention of the government. Prior to 1914, naturalization in Canada and in all the other British dominions, in fact in all the possessions of the crown throughout the world, was a matter of purely local jurisdiction. Prior to 1914 in this country application was first made to the clerk of the court. It was supported by affidavit, passed upon pro forma, and a certificate issued to the applicant making him, if you please, a Canadian citizen and entitling him within the legislative jurisdiction of this parliament to the rights and privileges of a Canadian citizen. Prior to that time we had had arising from time to time in Canada a constitutional discussion which is symbolic of the discussions that have occurred since the late imperial conference, and indicative of the class of discussions which are bound to arise in the future in regard to a number of subjects which are within the legislative jurisdiction of this parliament but yet are within the legal legislative jurisdicton of the parliament of Great Britain and also within the legislative jurisdictions of the other dominions, as regards all their citizens and property rights within those dominions.

After the British North America Act was passed providing in section 91, subsection 25 that the parliament of Canada should have legislative jurisdiction with regard to naturalization and aliens, I remember very well that the question then arose of the necessity of preserving the autonomy of Canada in respect of all legislation respecting the naturalization of aliens within the jurisdiction of the Canadian parliament. No doubt after the British North America Act of 1867 was passed, there was the legal right on the part of the imperial parliament, so-called, to legislate that British subjects naturalized under the laws of Great Britain or under the laws of other British dominions should have the rights of British subjects and Canadian citizens within the legislative jurisdiction of the parliament of Canada. But by conceding to the parliament of Canada, under the section of the British North America Act which I have just quoted, the exclusive right to legislate with regard to the naturalization of aliens, the parliament of Great Britain, in a constitutional sense, placed it beyond the constitutional right and power of the parliament of Great Britain to legislate upon that subject by the enactment of statutes which would apply within the territorial jurisdiction of the parliament of Canada. These discussions proceeded from year to year until the imperial conference of 1911. It was then decided that some way out of the difficulty should be found by mutual agreement between the parliaments of the dominions and the parliament of Great Britain, and that it must be found by such a compromise as would not impose upon Canada, an autonomous dominion, imperial legislation without the consent of the parliament of Canada.

That compromise was framed by the drafting of the imperial act of 1914. That imperial act for the first time made provision that an alien who had become by naturalization a Canadian citizen might also have the rights and privileges of a British citizen throughout the empire. I remember many instances happening which showed how necessary it was that naturalized aliens should have those rights. I remember the case of a young child of German parentage coming with his parents to British Honduras, receiving his education in the schools of British Honduras, becoming

a member of the legislature of that colony, and subsequently becoming the acting governor of the colony, a man of the utmost probity and ability. He happened to pass across the border into a neighbouring state, and there he was seized upon and placed in gaol, and upon his appeal to the British government for the assistance of British diplomacy, under the circumstances, this man, who had been the representative of the sovereign in his own colony, was refused by the British government the right to ask for their intercession in the premises because, although a British citizen within the territory of British Honduras, he was not a British subject and a British citizen outside of that territory. That and many other similar instances led the imperial conference of 1902 to discuss the matter. Later it was considered at the imperial conference of 1907, and again at the imperial conference of 1911, in which the late Sir Wilfrid Laurier participated. That conference of 1911, while protesting against the proposed legislation as laid before it at that date, under which imperial legislation with respect to naturalization would apply to the dominions, nevertheless agreed—by mutual agreement between the dominions, each legislature in its own behalf insisting upon its own autonomy—that the alien who obtained Canadian citizenship, for instance, within Canada, should have the right of British citizenship throughout the empire. That compromise was embodied in the act of 1914 of the British parliament, which was thereafter adopted by each of the parliaments of the British dominions. So that our autonomy was not interfered with in any way, but these several dominions, by agreement among themselves, by associating together and adopting the same stipulations, agreed, so long as those same conditions might exist, that we in Canada by conferring Canadian naturalization upon any alien would at the same time give to that alien the rights of a British citizen in Australia, the rights of a British citizen in South Africa, the rights of a British citizen in Great Britain and in all her colonies and possessions. Therefore, at the present moment it seems to me that we should not depart in any way, except under absolute necessity, from the agreement which the associated dominions and Great Britain then came to, which was embodied in the imperial act of 1914, and in the bill submitted to this parliament in 1914; because we are now entering upon the consideration of a large sphere of subjects of inter-imperial interest, in which such association and such general agreement must be arrived at in order to ensure the continued association of the dominions, and the maintenance of the rights of citizens of one dominion within the territory of another as well as within Great Britain.

If we were merely legislating to-day with regard to the naturalization of aliens in Canada, certain considerations would apply. It may be necessary, in order that naturalized citizens may have the right to land titles, perhaps to the franchise and other local privileges, that we should again maintain in a separate classification those who are admitted to Canadian citizenship but who are not admitted to British citizenship throughout the dominions of the empire. But when we amend this act in the form in which the present proposed amendments are brought down we are not only legislating for the admission of aliens domiciled or resident in Canada to the rights of Canadian citizenship within the territorial limits of Canada, but we are legislating, under the reciprocal agreement with Great Britain and the reciprocal legislation passed by the dominions since 1914, to admit those naturalized aliens, domiciled and resident in Canada, into British citizenship, into Australian citizenship, into citizenship in the South African state, into citizenship in Newfoundland and in every other dominion or colony.

If you will look at the statistics you will find that I am within the limit, I think, when I say that the aliens admitted to citizenship in Canada annually aggregate in number about four times the number of aliens admitted to British citizenship throughout all the rest of the British Empire. The reason was explained by one of my hon. friends in the debate of yesterday, that very few aliens go in to take up their residence in Australia, or in South Africa or in New Zealand. But in Canada we are offering very great inducements to immigrants from foreign states. We are putting forth efforts in that direction which are unequalled by all the other British dominions. Therefore it behooves us, I think, to consider not only that we are admitting these aliens as Canadian citizens, but that under a reciprocal arrangement made with the sister dominions and Great Britain we are admitting them to rights and privileges, which are highly prized by many of us, of British citizenship throughout the whole British Empire. Consequently we should proceed with a certain degree of care and circumspection.

It seems to me as the debate proceeded that the difficulties to which the hon. Secretary

of State referred, and which apply almost exclusively to the provinces of Saskatchewan and Alberta, might be remedied if the justices of a lower class in those provinces, especially in the remote sections, were permitted to make the examinations and reports now made by the judges of a higher court. I do not know sufficiently the local arrangements in those provinces, but I understand there are district magistrates in almost every remote community, and if not there are at least justices of the peace, two of whom might act, and who under the criminal jurisdiction now exercise large powers in those remote districts. While I grant that every opportunity should be given to those residing there to become Canadian citizens and British subjects, I think the difficulties mentioned by the Secretary of State might be obviated in the manner I have suggested.

I remember the debate that took place in 1914, because as a student of this matter from early days I took a great interest in those negotiations. In Great Britain the power to refuse a certificate to an applicant for naturalization, which has vested in the Home Secretary since 1844, was exercised, as one hon. gentleman said, for diplomatic purposes. Very few people have been naturalized in Great Britain. From the earliest times up to 1844, when the king in the exercise of his prerogative could accept the allegiance of a foreigner and grant him naturalization, the status of a British subject was regarded as a very high and unusual privilege. In 1844 Great Britain, with that diplomatic subtlety for which she is distinguished, vested in the Home Secretary the absolute right of refusal to grant naturalization, so that the government, without enacting invidious distinctions as between aliens, might through the exercise of this discretion by the Home Secretary, effect its purpose without giving any excuse for its action.

Now, the imperial act of 1914, the framework of which to a large extent was in accordance with the suggestions made by Sir Wilfrid Laurier at the colonial conference of 1911, sought to maintain and preserve the autonomy of this country. This framework was agreed upon in negotiations between Canada, Great Britain and the other dominions, and the form in which it was submitted to this parliament in 1914 reserved to the Secretary of State of Canada the right to refuse naturalization to any alien. But that right was so vested for a particular purpose—so that the government through him might refuse to certain alien races the right to become naturalized Canadian citizens, without making invidious distinctions by statute which might prove irritating to other races in various parts of the world with whom we must preserve at least a certain degree of amity. But that statute of 1914 did provide for a preliminary examination into the qualifications of the applicant by a judge, who decided whether the applicant was a fit and proper person to become a Canadian citizen and a British subject. This removed from a political authority such as the Secretary of State and placed under a judicial tribunal the duty of investigating and the right of deciding whether applications for naturalization should be granted.

I do not wish to go into this at length but if my hon. friends will look at the debates of May, 1914, and particularly at pages 4146, 4179 and 4181, they will find that Sir Wilfrid Laurier made the strongest possible pronouncement against the Secretary of State, under the draft bill then before the house, exercising any discretion whatever in the matter, except that diplomatic discretion which it was deemed necessary to vest in him, in case certain exceptional difficulties arose, to refuse naturalization, and so avoid diplomatic conversations with foreign states. For instance, with regard to the exercise of those powers by the Secretary of State, Sir Wilfrid said:

> If a man applies to a judge for a certificate, and a neighbour comes and says that he is not of good character, that he is a fugitive from justice, or has been liable to police punishment, the judge is bound to take cognizance of those matters and refuse the certificate. But what we object to is the vesting of such a discretion in a man who is not a judicial officer, but who has political responsibility only. I quite conceive there are many occasions when a discretionary power has to be exercised by the Secretary of State, but the possession of such power is always liable to very serious abuses.

He made an even stronger statement at page 4179. In moving to strike out the clause of the bill of 1914 which gave this discretion to the Secretary of State, the clause which now appears in the act, Sir Wilfrid Laurier said:

> In other words—
>
> After quoting the section.
>
> —you provide machinery for aliens who desire to become citizens, but when the alien passes through that machinery, when he has gone before the judge and has the judge's decision that naturalization should be granted him, the Secretary of State may, without reason given and without possibility of appeal, deny him that privilege. The reasons given for this by the Minister of Justice yesterday do not seem to me to be adequate. I understand him to say that there may be cases in which, for reasons which cannot be told, it may be conducive to the public welfare that a man should not be given naturalization.

That was the class of cases to which the Minister of Justice of that day, Hon. Mr. Doherty, had referred. There might be a Japanese, a Chinese, a Hottentot or a person of some other nationality who might qualify under the statute, and who might be able to speak either English or French; moreover, he might have had residence in this country for a term of years, yet it might be advisable in the public interest to exclude him. Sir Wilfrid goes on to say:

> In other words, you re-establish in the hands of the Secretary of State the power which at one time was held by the King of England but which no longer exists. I do not know any justification for that. This section provides that a man must be of good character in order to be naturalized and when he establishes his good character before the judge I do not see why he should not be naturalized.

And then, referring again to the same subject, Sir Wilfrid at page 4181 says, as to the powers of the Secretary of State:

> He can do as was done for some time in England before the law of 1844 passed, when naturalization would be granted to some rich Jew, to a foreign prince, or to an important personage from a foreign country. But it will not be King George IV as it was in the days of old—it will be King Louis Coderre—

Referring to the then Secretary of State.

> —who will grant the naturalization to anybody he pleases. I move that this section be also struck out.

Now, lying at the basis of that whole discussion was the apprehension on the part of Sir Wilfrid that if the entire machinery of investigating applications for naturalization in Canada were placed within the control of the head of a political department it would give rise to the suspicion and the fear that from time to time the political heads would use that power for strictly partisan purposes. If you read these debates you will see that Sir Wilfrid, of all men, insisted that there should be a judicial inquiry. He interpreted the law as it then passed to mean that the procedure enacted by the 1914 act was binding upon the Secretary of State, and that, preliminary to the exercise of any discretion by the Secretary of State, there would be findings and decisions by a judge, after due inquiry in which all parties would be heard. And he felt that that judicial inquiry, to a very considerable extent, withdrew from the political head, the Secretary of State, the exercise of his discretion of admitting all foreigners who claimed qualification under the act. But it did not take from the Secretary of State the power to refuse, for high motives of political policy, the admission of some who may have been qualified under the act, and who may have been passed by the judge of the court to which application was first made.

Then, in order to remove similar apprehensions to-day, in order that my hon. friends opposite may adhere to the policy so clearly announced by their esteemed leader in past days, it seems to me that they might attain that which they desire to attain, they might remove those difficulties which are now obvious in certain unsettled parts of the provinces of the middle west, by authorizing some minor judicial authority to undertake a judicial inquiry in those remote districts, and at the same time place it, at least apparently, beyond the jurisdiction of the Secretary of State to admit thousands of people wholesale on his mere ipse dixit, and upon an inquiry made by him alone.

There is no difficulty in a city like Montreal. I do not know the statistics, but I venture the suggestion that in the city of Montreal we admit as many aliens to citizenship within a year—on the average—as are admitted in either of the provinces of the middle west. While I have the greatest confidence in the Secretary of State I should not like, when I am running an election in my own constituency, if ever I should again run an election in St. Lawrence-St. George, to have the Secretary of State, thirty or sixty days before the election, admit a thousand or two persons there, on his own ipse dixit, thus increasing the electoral lists of the St. Lawrence or the St. George subdivisions. A judicial inquiry such as is prescribed gives all confidence to the other dominions that we are living up to the very essence of the agreement which was made between the associated dominions and Great Britain in 1914.

Mr. JACOBS: In what other country of the British Empire is a judicial inquiry insisted upon?

Mr. CAHAN: In no other country. In Canada we have insisted upon it simply because we in Canada are admitting, year by year, to Canadian and British citizenship, four times as many people as are admitted by Great Britain and all the other dominions together. Admissions are very few and exceptional in Great Britain to-day in proportion to its population.

Mr. JACOBS: But is it a question of numbers?

Mr. CAHAN: It is a question of numbers, because the fact that 17,000 are admitted on the average each year to Canada—this has

been the average in recent years—precludes any satisfactory inquiry being made by the Secretary of State as an officer of the government. But the judicial inquiry does distribute among the courts of the country the duty and responsibility of investigating applications. Look at the sections of our act which it is proposed to repeal at the present time. Sir Wilfrid Laurier, I think, in the discussions that took place on the subject, regarded them as the safeguard of the system, giving confidence to the people in this country that aliens were not being improperly admitted wholesale. Prior to our act of 1914, the act in the revised statutes of 1906 as amended by the subsequent act of 1907 did not state in such clear and positive terms that the judge of the court should investigate and make a decision. At that time in Canada there was a great deal of dissatisfaction in both political parties with the way in which that act was being administered, and it was then felt that a larger duty should be placed upon the judge. Therefore section 22 of the act of 1914 provides:

> An alien desiring to be naturalized shall apply for a decision establishing that he is qualified and fit to be naturalized under the provisions of this act to any judge. . . .

And so on. That placed upon the judge the duty of ascertaining from the evidence before him not only the qualifications under certain sections of the act but the general fitness of the applicant to be naturalized under the provisions of the act. Then section 25 said:

> The applicant shall produce to the court such evidence, that he is qualified and fit to be naturalized under the provisions of this act, as the court may require. . . .

Mr. JACOBS: Does my hon. friend know that that evidence is produced by the department of the Secretary of State?

Mr. CAHAN: I have seen many of these cases. I am not in any position to make this statement with the accuracy of the Secretary of State, but in hundreds of cases of naturalization in our Montreal courts the Secretary of State never hears of them until after the decision of the judge is given, and of course I am dealing with the Secretary of State personally in that case.

Mr. RINFRET: If my hon. friend will allow me, that is the very point I was trying to make last night. I repeat what I then said, that in every case a copy of the application sent to the court is at once sent to the department, and the department immediately starts an investigation.

[Mr. Cahan.]

Mr. CAHAN: I am glad to hear that, but I am sure that in many cases these investigations prove most futile. I have seen applications made by the score to the judges of our courts in Montreal when the only evidence before the court was the application itself and such witnesses as the applicant produced to give evidence as to his qualifications and fitness. I have been present in court many times, but as far as I remember attention never was called to any special report from the department of the Secretary of State dealing with the matter, as being evidence pertinent to the inquiry which the judge was conducting. That is as far as I go. Of course I know that the Secretary of State receives a copy of these applications but I did not know that in every case he immediately began an inquiry. I am sure that is a new method which perhaps my hon. friend has inaugurated.

Mr. RINFRET: No, that has been the practice of the department right along. When the department receives the report from the court, by the inquiry which has been conducted by the department itself we are in a position to pronounce on the case.

Mr. CAHAN: I understand. Have I the correct interpretation of my hon. friend's statement when I say that the inquiry which is started by the minister is not really for the purpose of submitting evidence to the judge but for the purpose of enabling the minister to exercise his ministerial discretion when the report of the judge reaches him?

Mr. RINFRET: That is the point exactly.

Mr. CAHAN: Then I undertand the case, and we are not apart at all. I have always understood that, but my point is that the wide discretion given to the minister under the act as a matter of public policy was given to him not that he should take the place of the judge, not that he should make an inquiry similar to the judicial inquiry which takes place before the judge but to enable him as a high officer of the crown, exercising the ancient prerogative right of the crown to admit aliens to allegiance, to determine whether there were objections of high policy to the admission to British citizenship of certain peoples whom we have not been wont to admit to citizenships in this country although they may be able to speak English or French and may possess the residence qualification. Now the minister is changing the whole policy, apparently; instead of retaining the exercise of that high discretion as a part of the prerogative right of the crown, he is making himself and his appointees the

instruments of inquiry and investigation, and is usurping to that extent the functions which have been previously exercised by the courts of the land.

The CHAIRMAN (Sir Eugene Fiset): The hon. gentleman's time is up.

Mr. WOODSWORTH: The hon. member for St. Lawrence-St. George has been urging that we in Canada should live up to the agreement made with the other British countries. I do not believe there is anything in the proposed legislation which would tend to violate that agreement. It is now proposed merely to change the method by which we ascertain whether or not a man is qualified for naturalization, and notwithstanding some statements which have been made the hon. gentleman must admit that the method existing in other British dominions is that of investigation by the department of the Secretary of State, so in adopting legislation of this character in reality we are falling in line with the methods used in other British dominions and in the motherland as well.

The hon. member suggests that on account of the differences existing in Canada we should have another method, and I quite agree that possibly this may be so. I believe we should consider these matters on their merits as they apply to Canada, rather than consider conditions which exist with regard to the Hottentots or some other race in another part of the world. In fact, I find it a little difficult to get back to the actual realities in Canada after having listened for forty minutes to the hon. member for St. Lawrence-St. George.

The hon. gentleman has been talking about diplomatic considerations, and has been explaining to us how a man who could qualify under the statute might not be allowed to become naturalized because of matters of high political policy. That might be in accordance with diplomatie practice, but I would rather be inclined to urge that individuals who can qualify under our statutes by all means should be permitted to enjoy the rights which are there provided. I think we have found ourselves in all kinds of trouble through these devious methods of preventing people from getting what they have every right to expect. The hon. member for St. Lawrence-St. George has gone back to 1844 and has dealt with the question of how a foreign prince might have bestowed upon him the high privilege of becoming a British subject. I submit that we are a long way from England in 1844.

We are receiving hundreds of thousands of immigrants. We are spending millions of dollars in trying to bring immigrants in. We are offering them inducements to come, in the way of free homesteads. Our regulations, however, provide for naturalization, and I submit we are not keeping faith with those whom we are inviting to come to this country unless we make it possible for them to qualify in order that they may receive free homesteads and in order that they may enter into the full rights of Canadian citizenship.

I quite admit that our naturalization must be safeguarded, but I am firmly convinced that there is more danger of shutting people out from naturalization than there is of admitting too many of them to naturalization. We have definite rules and statutes governing the classes of people who are to be admitted to naturalization. We are not discussing these at the present time; we are discussing merely the most desirable method by which such naturalization may be granted. Let us consider the actual situation in respect to these hundreds of thousands of people who are coming to our shores. If we deny them naturalization we postpone for them any opportunity of participating in our common political life. Sometimes there are those in this house who object to what is known in industrial circles as "direct action"; they say that these men ought never to strike. They say that these men who are out of work ought never to parade. If you deny to them the rights of citizenship, if you deny to them the right of endeavouring to bring about desired reforms by means of constitutional action, can you wonder that sometimes they are driven to take unconstitutional action? Surely we must admit that the strongest safeguard we can have in this country—if we believe in democracy at all—is to have the freest participation by all in our common national life, and if we deny to these people who come to our shores—people who are not criminals by any means, people who come from countries which are just as high in the political scale as our own—if we deny to them the right to participate in our national life we are only laying up to ourselves trouble in the years to come. We must not be placed in the position of urging people to come in, of promising certain things when they do come, and then failing to keep faith with them. We do so at our risk.

I am not quite sure whether or not this proposed legislation is for the best, but I do know that the present arrangement is not at all satisfactory. I suppose we should not discuss here some of the questions that do not immediately come up for consideration. The

language question has been already referred to, and with regard to that I should like to say that, while I suppose it is a good thing for us to insist, in a general way, that immigrants should learn English or French, there are a good many people coming here who are well educated, but do not know and have no opportunity to learn English or French and I do not think we should be too rigid about those matters. Take one class of people, the Icelanders; they are years and years ahead of us in political consciousness and political education. For a thousand years they have had democratic political institutions. I know some of the men who have come to this country in mature life who find it extremely difficult, when placed in remote places in the west, to learn the English language. I think it is a great hardship to prevent such people acquiring citizenship. I had an instance come to my knowledge in this connection, where an elderly Icelandic woman, who is well educated in her own language, has not been able to become naturalized; she is now seventy years of age and yet she is prevented from receiving an old age pension because of lack of naturalization. I think that is a great hardship. She has done much pioneer work in the west. I think it is stupid, if not indeed cruel, to prevent her being naturalized because of some technical requirement.

It has been stated that our practice is uniform, because in every case the judges have to deal with this matter. I would suggest that the lack of uniformity is one of the reasons why some of us would like to see the act changed. Judges have been very arbitrary, in some cases that I have known, in refusing to grant naturalization certificates. They themselves, in my judgment are prejudiced. They have the right to their own opinions, but they are personally very much prejudiced against certain types of foreigners; in some cases it is against orientals, in others it is against Greeks and Italians, and they have absolutely refused to grant naturalization to people of these nationalities. I cannot think that is a good thing. I number among my own friends people of these nationalities, people who stand just as high in the social scale as people we meet in this parliament. Why should they be refused naturalization because some ignorant judge, and there are some such, or some prejudiced judge, and there are some such, has decided not to admit foreigners? If we ask aliens to come to this country we must be prepared to go through with the undertaking and see that they are incorporated into the life of this country.

[Mr. Woodsworth.]

It has been suggested that complaints come only from a few districts. Personally I have comparatively few newly arrived foreigners in my own constituency, but during the last few years I have had the opportunity of lecturing to labour groups pretty much across Canada, and from Glace Bay, Montreal, Toronto, Fort William, Regina, Saskatoon, Calgary, Edmonton, all through the Crowsnest right through to Vancouver, I have had the frequent experience that men of foreign extraction would come to me after my lecture and say, How can we become Canadian citizens? We have been here five, ten or fifteen years but we have no opportunity of becoming Canadian citizens. I have made inquiries in some cases, and it is true that some of these men have had police records; and I have lived long enough among the immigrants to know that it is very easy for a foreigner to acquire a police record. He may have broken a municipal ordinance—and it is very easy for a new arrival to break one of these ordinances —and then he acquires a police record. Or one of them may have taken part in a strike and some charge have been laid against him, and although that took place ten, fifteen or twenty years ago it has been recorded against him and prevents him becoming a Canadian citizen. I have investigated some of these cases and have found that they stand high in the local community; I could produce certificates from reputable citizens of all classes in the community, that these immigrants are in every way qualified for naturalization, but nothing can be done under the existing arrangements. That means that there is a bitter feeling growing up on the part of thousands of people who otherwise might become good Canadian citizens.

I venture to suggest to the minister an amendment that I think would be desirable if legislation such as he proposes is to be carried. There might be a danger that the Secretary of State might act in an arbitrary manner, not merely that he might be willing to naturalize thousands of people, as the hon. member for St. Lawrence-St. George has suggested, but on the other hand that he might be inclined to deny citizenship to others who have a perfect right to it. Therefore I would suggest that provision should be made in his bill for some sort of a court of appeal. If the Department of the Secretary of State, because of an adverse report concerning a man, refuses to grant naturalization, I would say that if the man himself or anyone opposed to the man's naturalization wants to appeal against the decision there should be some place where such an appeal could be

heard. It might be an appeal to the Secretary of State himself who might send out a commissioner to hold some sort of public investigation. Edmonton, Saskatoon and other cities in the west are a long way from Ottawa and you cannot expect the ordinary citizen, whether he be a workingman or a farmer, to come down to Ottawa. If he has to employ the services of a lawyer that means a considerable expense. He ought to have the right of stating his case before a final decision by the Secretary of State. It might be that a minor official has made a mistake. Surely the man ought to have the right to appeal to a commissioner or judge who might be sent out or selected in the district to hold a public hearing. In that way the interests of the public as a whole would be safeguarded. Such an appeal should be granted either when the complaint came from the man who felt that he was not being given a fair chance or from the community who felt that the department of the Secretary of State had made a mistake.

At the present time investigations are made by the mounted police, and so far as I can see the proposal is that that duty will still be expected of them. Personally I want to enter a protest against that procedure. To a great many people the police are people who come to protect their homes, but to other classes in the community they are officials who may be coming to cause their arrest. Away out on the plains of Saskatchewan when a policeman appears at the home of a private individual the opinion generally gets abroad that there is something wrong at that home; that the officer is there to investigate; that the settler may be suspected of bootlegging or something of that kind, and people do not like that. Some hon. member says: "No." I know enough about the prairies to know that is a very common sentiment among certain classes of most reputable people. I believe the hon. member for Melfort (Mr. McLean) said that some people had the same feeling about going to the courts. Ordinary people do not go to the courts unless they are forced to go there in connection with some trouble. It may be all very well for lawyers to sit here and say that the courts are the great safeguard of our liberties. The courts are very profitable for them; they enjoy being around the courts, but for many people the courts mean places in which they are mulcted of their hard-earned money. A court means a place where they may get into trouble and which they want to avoid as far as possible.

I would suggest that citizenship is not in the nature of a crime. I hope the time will come when the duty of policemen will not be largely to suppress crime but rather to do everything possible in the interest of the public. When I see a policeman doing point duty, safeguarding little children as they cross the street, I see exemplified the ideal with regard to a police force which I should like to have generally adopted. But I conceive that is not the ideal most people have to-day with regard to the police and under existing circumstances it would seem to be wise that someone other than a policeman should be used to make these investigations. If a person has a criminal record, by all means have a policeman investigate; but if there is no criminal record and if Canadian citizenship is a high estate to which the applicant seeks to secure admission, the least we can do is to send to him someone who will not in any way be associated in his mind with crime.

I offer what may seem a very idealistic suggestion, but I have sometimes wondered whether it might not be well to have a little more ceremony connected with the admission to citizenship. I have sometimes considered whether we might not add real value to Dominion day if we would arrange that aliens might be admitted to full citizenship, say, on Dominion day, or on some other fixed day when some little ceremonial could be connected with the matter. In that way naturalization would not be granted in a corner after investigation by a policeman as to whether or not the man was guilty of anything, but the new citizen would be made to feel that he was getting something worth while. I am suggesting Dominion day because it is the national holiday. We should say to these people: We grant you this Canadian citizenship; and we might give them some little token in the way of a card or a medal or something of that kind that would remind them of the occasion.

Mr. CHAPLIN: They receive their papers.

Mr. WOODSWORTH: I am not very much in favour myself, of ceremonial, but it is a big thing for an alien to have all the rights of Canadian citizenship.

Mr. BENNETT: British citizenship.

Mr. WOODSWORTH: British citizenship, and while this may seem a little idealistic it might result in a great deal of good especially amongst people who come from countries where ceremonial is very common and where the populace revels in anything that involves a pageant.

I would however return to my main contention that the Secretary of State might consider the bringing in of some amendment by which an appeal could be made to his department and an investigation held in the locality where the applicant himself or the objectors to the application might appear to state his or their side of the case.

Mr. ADSHEAD: As one who homesteaded thirty years ago I must differ somewhat from the leader of the Labour party when he says that a mounted policeman is regarded by citizens as a man who is investigating a crime, and that if a policeman visists a home everybody thinks there must be something wrong with that home, or the policeman would not go there.

Mr. WOODSWORTH: I spoke particularly about Saskatchewan.

Mr. DUNNING: With regard to that libel on Saskatchewan I may say that the police have many times been dispensers of various forms of relief. They have been very welcome too and no such slur has been cast upon households which they have visited.

Mr. ADSHEAD: During the days of my homesteading in the district in which I laboured we were very glad to see the mounted policeman come along. He was our friend; he would inquire if there was any difficulty and he always helped us out. My purpose however in rising is to make a plea for the alien homesteader. I would not do away with the provision that the man, before he votes, must know the English language; but it is a hardship to an alien, after he is brought into this country, goes on the land, plugs away for five years, builds a house, stable and barns, grubs the roots out of the land and brings it into cultivation, to be told that before he can get his patent or deed for his land he must do something else, he must learn another language. That is not fair. After he has fulfilled his homestead duties you should give him his patent in order that he may be able to carry on. If he has not his deed he cannot mortgage his land, and he cannot come in under the Farm Loans Act. You tie him up, although he has earned and well earned that property. I think this restriction might very well be taken out of the Naturalization Act and put instead into the Elections Act, where you could provide that before a man should be entitled to vote he must be able to read and write one of the two official languages, and that should apply to Canadian settlers as well as to aliens. I have known Canadians many a time, when I was in business in Ontario, who could not sign a receipt and had to mark a cross. I think the same qualifications for exercising the franchise should apply to Canadians as well as aliens, much more so in the case of the Canadian, who should be better able to read and write the English language than an alien. So I think we might very well consider in this act the granting of naturalization to aliens who have fulfilled their homestead duties and are of good character, and leave the question of being able to read and write the English language to be dealt with in the Elections Act. Then you do away with the discrimination, and you say to the settler, as you ought to do: After you have fulfilled your homestead duties, if you are of good character, we will grant you your patent and naturalization. I know that men who have lived in the frontier districts will endorse this statement, that the first five years are the hardest on the homestead. During the first five years of my life on the homestead I was fully occupied with my homestead duties, and if I had been told that I had not only to live on the homestead and fence and break thirty or forty acres, and have so many cattle, and build a house and barn, but must in addition learn the German language, I would have said: Take back your homestead, because learning a new language would have been harder to me than all the other work, and by the way, we did not say to these aliens when they came here from Hungary or Iceland or Norway: We will grant you a patent after you have finished your homestead duties and made a good citizen of yourself, and in addition you must learn a foreign language. That language qualification was not mentioned when they came here, and it is not fair to bring it up now.

Mr. ROSS (Moose Jaw): I would like to answer a remark made by the hon. member for Winnipeg North Centre (Mr. Woodsworth), Mr. Chairman, and then I would ask you to call it six o'clock. The hon. member spoke of the feeling of the people of Saskatchewan towards the mounted police. As one born in that province and having lived there all my life, perhaps I can speak with some authority as to how our people feel about the Royal Northwest Mounted Police, now the Royal Canadian Mounted Police. I do not think there is any class of citizen in the whole of Canada that is more looked up to by our western people than the Northwest mounted police ever since they were organized in 1872. When a policeman comes

to their doors, it is never thought by anyone that it is because of some wrong-doing that has been done, but it was the natural thing for these policemen to call at the homes of all the homesteaders in turn, to see if everything was going well with the homesteader, and if everything was not going well it was the duty of the policeman to report accordingly, and see that help was brought, doctors, nurses, and any other assistance that might be required, and that assistance was supplied by the Royal Northwest Mounted Police so far as possible. Therefore, I do not think that anybody upon the prairies is at all adverse to having one of the riders of the plains come to his door. I have never seen one that objected. On the contrary, the policeman is always welcomed and invited in for a meal, and although the settler has the right to charge the man for a meal, in very few cases is that ever done. The people of Saskatchewan are proud of the Northwest mounted police, and they know that any job they are put at by the Secretary of State or by any department of the government will be looked after, and looked after well, by that splendid body of men.

Progress reported.

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

Thursday, May 3, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Seventh report of the select standing committee on miscellaneous private bills.—Mr. Parent.

Seventh and eighth reports of the select standing commitee on banking and commerce. —Mr. Hay.

PENSIONS AND SOLDIER PROBLEMS

Mr. C. G. POWER (Quebec South) moved that the fourth and final report of the special committee on pensions and returned soldiers' problems be concurred in.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps I had better make a statement with reference to this report. It is now in six parts, four of them containing draft bills with respect to pensions, land settlement, canteen funds and insurance respectively. It is the intention of the government to introduce at this session of the house legislation based upon the bills that are recommended by the committee. The bills as recommended by the committee will be referred immediately to the law officers of the crown in order that they may be drafted in accordance with the rules which govern in these matters so that they may contain the proper safeguards.

Mr. McGIBBON: When may we expect the bills?

Mr. MACKENZIE KING: I should hope that the resolutions might appear on the order paper immediately and that the bills would be introduced at once.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPORTS OF BRAN AND SHORTS

Mr. BENOIT:

1. What quantity of bran and shorts was exported to the United States of America during fiscal year ending March, 1927?
2. From what several Canadian ports were these exported?

Mr. MALCOLM:

1 and 2. Exports (Canadian produce) of bran, shorts and middlings to the United States, with ports of exit from Canada, during the fiscal year ended March 31, 1927:

Customs ports of exit	Quantity cwt. (100 pounds)
Athelstan	1,000
Beebe Junction	8,125
Coaticook	62,136
Lake Megantic	500
St. Armand	178,105
St. Johns	326,793
Sutton	356,494
Bridgeburg	437,609
Fort Frances	1,285
Niagara Falls	59,500
Prescott	500
Windsor	101
Emerson	12,000
Gretna	39
North Portal	11,271
Abbotsford	500
Grand Forks	92
Vancouver	68,360
Total	1,524,410

PARLIAMENTARY MAIL

Mr. SPENCER:

1. What proportion of the mail of parliament is handled: (a) by the commons post office; (b) by the senate post office?

2. Is there a postmaster and an assistant postmaster in both commons and senate post offices?

3. What are their salaries in each case?

Mr. VENIOT:

1. House of Commons about ninety per cent; senate about ten per cent.

2. Yes.

3. House of Commons postmaster, $2,130; House of Commons assistant postmaster, $1,440. (Position now vacant); Senate postmaster, $2,220; Senate assistant postmaster, $1,800.

GOVERNMENT MARINE EQUIPMENT AND SHIPPING

Mr. CHURCH:

1. Does the government own the flotilla of old barges, scows, tugs, dredge Rideau, row boats and other marine equipment in the Rideau canal by the Chateau Laurier, and undergoing repairs and fitting out and occupying government property?

2. If not, is the government aware who the owner is?

3. If the government is not the owner, what rent is being paid the government for the use of these locks as a ship yard?

4. What money has been spent on that portion of the Rideau canal and the locks within the limits of the city of Ottawa within the past three years, and what is the revenue from this canal?

5. What does Canada's navy consist of and what ships?

Mr. RINFRET:

1. Yes.

2 and 3. Answered by No. 1.

4. Money spent on the eight locks, canal basin, and two bridges within the limits of the city of Ottawa during the last three years:

Ottawa locks (eight in number) and canal basin and wharves

Years	Operation	Maintenance	Totals
1925-26. .	$ 6,806 59	$ 5,267 78	$ 12,074 37
1926-27. .	5,871 38	7,535 23	13,406 61
1927-28. .	6,514 09	7,072 77	13,586 86
	$ 19,192 06	$ 19,875 78	$ 39,067 84

Pretoria avenue electric lift bridge

Years	Operation	Maintenance	Totals
1925-26. .	$ 1,839 60	$ 358 49	$ 2,198 09
1926-27. .	1,745 00	145 55	1,890 55
1927-28. .	1,848 77	1,708 36	3,557 13
	$ 5,433 37	$ 2,212 40	$ 7,645 77

Bronson avenue swing bridge

Years	Operation	Maintenance	Totals
1925-26. .	$ 756 25	$ 53 50	$ 809 75
1926-27. .	752 50	145 55	898 05
1927-28. .	760 00	223 31	983 31
	$ 2,268 75	$ 422 36	$ 2,691 11

Concrete retaining walls along canal basin within limits of city of Ottawa

Years	Totals
1925-26. .	0 00
1926-27. .	$ 43,299 66
1927-28. .	289,993 72
	$ 333,293 38

Canal Revenue

Year	Totals
1925-26..	$11,869 21
1926-27..	12,699 00
1927-28..	12,566 01
	$37,134 22

5. Royal Canadian navy, authorized strength, five hundred and fifty officers and men; Royal Canadian naval reserve, authorized strength, five hundred officers and men; Royal Canadian naval volunteer reserve, authorized strength, one thousand officers and men.

The ships of the Royal Canadian navy comprise:—

In commission: H.M.C.S. Champlain and Vancouver, torpedo boat destroyers; H.M.C.S. Festubert, Ypres, Armentieres and Thiepval, minesweepers.

In reserve: H.M.C.S. Patriot and Patrician, torpedo boat destroyers.

MR. W. E. WHITE

Mr. FRASER:

1. Has W. E. White, fire ranger, of Chase, British Columbia, been dismissed by the government?

2. If so, on what date?

3. What is the reason of his dismissal?

4. How long had he been in the employ of the government?

5. Were his services as fire ranger satisfactory to the department officials?

Mr. STEWART (Edmonton):

1. Yes.

2. June 30, 1927.

3. Active political partisanship.

4. During fire seasons since 1914.

5. No complaints about his service were received by officials of the department.

BEDFORD BASIN POWDER MAGAZINE

Mr. BLACK (Halifax):

1. Who is the contractor erecting the powder magazine at Bedford basin, Halifax?

2. What is the contract price?

3. How many tenders were received?

4. What were the figures of each tender?

Mr. RALSTON:

The Department of National Defence is now preparing to call for tenders for a portion of the work of constructing this magazine.

The last contract was awarded to Messrs. A. S. MacMillan and C. A. MacNearney, Halifax, N.S., for the sum of $107,900. Two tenders were received, viz:—Messrs. MacMillan and MacNearney, $107,900; Standard Construction Co., Ltd., $109,556.

BRIGDEN, ONT. POSTMASTERSHIP

Mr. MANION:

1. Regarding the appointment of William MacDonald to the postmastership of Brigden, Ontario, why was the recommendation of the Civil Service Commission not favoured?

2. Who did the Civil Service Commission recommend for this position?

Mr. VENIOT:

1. Because it was considered that the appointment of the applicant first selected by the Civil Service Commission would not be in the best interest of the public service.

2. First, John William Such; second, William Howard MacDonald.

HOME BREW LICENSES

Mr. CHARTERS:

How many home brew licenses were issued in the province of Ontario by the Dominion government for the calendar years 1925, 1926, 1927?

Mr. EULER: Licenses are not issued in the province of Ontario giving them the right to manufacture beer or liquor to be consumed at their homes. Under the provisions of Section 195 of the Excise Act nothing further is required than notification of possession of utensils for brewing and of intention to brew.

To prepare a statement giving the number of such notices will require considerable time and correspondence and the inquiry should be made a return.

FREIGHT RATES ON AGRICULTURAL IMPLEMENTS

Mr. EVANS:

1. What is the freight rate—per 100 pounds, carload lots on agricultural implements—(a) from Toronto to Saskatoon over the Canadian Pacific railway and Canadian National railways; (b) from Toronto to Winnipeg; (c) from Toronto to Montreal; (d) from Hamilton to Saskatoon, Winnipeg and Montreal?

2. Are the freight rates over Canadian Pacific railway and Canadian National railways the same in all cases between any two given points?

3. What is the freight rate—per 100 pounds—from Chicago to Winnipeg, Saskatoon and Montreal, respectively?

Mr. DUNNING:

1. The freight rate per 100 pounds in carload lots of agricultural implements from Toronto to Saskatoon is 139½ cents, to Winnipeg 82½ cents, and to Montreal 37½ cents. From Hamilton to Saskatoon 139½ cents, to Winnipeg 82½ cents and to Montreal 40 cents. These rates apply either via the Canadian Pacific railway or the Canadian National railways.

2. When both the Canadian Pacific railway and the Canadian National railways operate between two points the rates are generally the same.

3. The rate on agricultural implements in carloads from Chicago to Winipeg is 81½ cents per 100 pounds, to Saskatoon, 135½ cents per 100 pounds, and to Montreal, 56½ cents.

HOUSE OF COMMONS—INTERIOR ALTERATIONS

Mr. KAY:

1. What officer or committee is authorized to make changes or alterations in the construction of the interior of the House of Commons building?

2. Who authorized the conversion of the committee room on the fourth floor into offices for the Minister of Public Works?

3. Who authorized the reduction in the area of the cafeteria on the fifth floor, in order to make an office, and: (a) at whose request was this done; (b) was the restaurant committee consulted?

4. Are any other changes in offices or rooms contemplated at the present time, and if so, what are they?

5. Will the members of the House of Commons be consulted before any changes are made in future?

Mr. SPEAKER:

1. The Privy Council in consultation with the chief whip.

2. The Privy Council in consultation with the chief whip.

3. Answered by No. 2 (a) no special request was made, (b) yes.

4. No.

5. Yes.

FEDERAL DISTRICT COMMISSION—EXPROPRIATIONS

Mr. GARLAND (Carleton):

1. What price was paid by the government for the property bounded on the north by Wellington street, east by the post office, west by Elgin street, and south by Sparks street, and from whom purchased?

2. What legal fees were paid in connection with the acquiring of this property?

3. What was the cost of the tearing down of buildings on the said property?

4. What commissions, if any, were paid in connection with the acquisition of this property, and to whom paid?

Mr. ELLIOTT:

1. (a) Price to be fixed by Exchequer court. (b) Ottawa Electric Company Limited. W. J. Irvine, Estate of C. W. Bangs, Matthewman Estate.

2. $843.55.

3. The buildings were torn down by contract, the contractors paying $8,311 to the government for the buildings.

4. T. Foley, $3.250; C. W. Ross, $3,250: on account services as valuators of property.

QUESTION PASSED AS ORDER FOR RETURN

TEXTILE IMPORTS

Mr. EDWARDS (South Waterloo):

1. What was the value in dollars of the textile goods imported during the years 1925, 1926, and 1927, from: (a) Czechoslovakia; (b) Esthonia; (c) Hungary; (d) Latvia; (e) Lithuania; (f) Portugal; (g) Roumania and the Serb, Croat, and Slovene kingdom?

2. What is the itemized list of such imports, showing values?

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER COMPANY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend on April 27 asked the following question:

Whether or not application has been made by the Beauharnois power interests to have determined the principles upon which the waters of the St. Lawrence are to be diverted from their present channel into a canal.

I replied on that date that I did not know of such an application but that I should not wish my reply to be regarded as final. When my hon. friend asked the question I did not know just what he meant by the word "principles," whether he was referring to legal principles or engineering principles.

Hon. R. B. BENNETT (Leader of the Opposition): Did I use the word "principles" at all?

Mr. MACKENZIE KING: Yes. The question reads:

. . . . to have determined the principles upon which the waters of the St. Lawrence are to diverted.

I do not know whether my hon. friend refers to legal principles or engineering principles.

Mr. BENNETT: I attach no importance to the word "principles." If the question reads 'upon what conditions," that will be quite satisfactory. What I desired to know was whether the question of the diversion of the water was to be referred to the International Joint Commission.

Mr. MACKENZIE KING: Possibly the reply that was given in the house on March 22 to the hon. member for East Toronto (Mr. Ryckman) answers the question my hon. friend has in mind. The answer was given by the Secretary of State to this effect:

Applications have been received of the Beauharnois Light, Heat and Power Company and are of date March 17, 1927, and January 17, 1928.

Preliminary plans have been submitted to the Department of Public Works and to the Department of Railways and Canals.

That I think is all that I can state to my hon. friend beyond this, that I am informed that no further communications have been received from the Beauharnois interests.

Mr. BENNETT: I may say to the Prime Minister that my question was whether or not an application had been made to the International Joint Commission as distinguished from the government, or referred by the government to that tribunal. That was what the question had reference to and not to the question asked by the hon. member for East Toronto.

Mr. MACKENZIE KING: That does not appear according to the question.

Mr. BENNETT: Does it not refer to the International Joint Commission?

Mr. MACKENZIE KING: No reference is made to the commission.

Mr. BENNETT: I used the words "International Joint Commission" in my reference. I did not look at Hansard afterwards.

Mr. MACKENZIE KING: That evidently missed the reporter. I am not aware of any reference having been made but I will make inquiries.

ASBESTOS CORPORATION

THREATENED LEGAL PROCEEDINGS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The day before yesterday my hon. friend asked the following question:

I was going to ask whether the attention of the Secretary of State for External Affairs (Mr. Mackenzie King) has been directed to threatened proceedings against the Asbestos Corporation of Canada and the United States, whether there was any correspondence, and what action it was proposed to take.

I am advised that a formal communication has been received by the Department of External Affairs from the solicitors of the Asbestos Corporation of Canada giving particulars as to a pending suit in the United States, but that this communication does not request any formal action on the part of the government. I might say, however, that there appear to be some important matters to be considered in connection with this litigation and the Departments of Justice and External Affairs are conferring on the question at the present time.

ALLEGED POLITICAL PARTISANSHIP

APPOINTMENT OF MR. CHARLES CROCKETT COMMISSIONER TO INVESTIGATE CHARGES

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, I asked for information in regard to the commission appointing Charles Crockett, of New Glasgow, a commissioner to investigate charges of political partisanship against government employees in the province of Nova Scotia; also the names, evidence and report of the commissioner in each case, and so on. May I ask the minister in charge when I may expect a reply to this question, as it is now six weeks since the question was asked?

Right Hon. MACKENZIE KING (Prime Minister): In respect to the return asked for, I am sorry that I did not catch at the time what my hon. friend said, but whichever minister is concerned, I will direct his attention to it, and ask that the return be brought down as soon as possible.

MUSKOKA LAKES MAIL SERVICE

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to direct the attention of the Postmaster General to the fact that summer service on the Muskoka lakes will not be started until the 15th instant. In view of the importance of the service, I would like to ask if it could not be started on the 5th.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, in reply to the hon. member for Muskoka regarding the mail service to the summer resorts of that district—

Mr. McGIBBON: There are a lot of villages as well as summer resorts.

Mr. VENIOT: It is a mail service which commences at the opening and ceases at the close of navigation as carried on by the steamship company. These facts have been brought to my attention: Last year navigation opened on the first of May. Our contract calls for the payment of fifty dollars a day to the steamer which performs the service. I considered last year that there was not a sufficient quantity of mail matter to warrant the payment of fifty dollars a day before some time later in May. I had an investigation made and a check placed upon the mail matter received during that period, especially at those summer resorts, and that check bore out that contention. This year I had another check made and I found that the only mail service required there between the first of May and the fifteenth was for attendants who are getting the summer resort houses and other equipment ready for tourists.

Mr. McGIBBON: I would like to draw the minister's attention to the fact that there are a lot of business places there.

Mr. VENIOT: The service to those business places is not hampered at all by the fact that the summer service will not begin until the 15th May. I may say that the decision has been taken that the usual summer service will not begin until the 15th May, and I do not intend to change the decision.

Mr. JAMES ARTHURS (Parry Sound): The hon. member from Muskoka is not the only person interested in this question. There are in Parry Sound, not tourist resorts, but permanent villages that demand the service from the opening of navigation, whatever date that may be, whether it is the 15th of April or the 15th of May, and they have a perfect right to that. The minister has not taken these people into account, but is talking of the tourist and summer residents who may be there only from June to September.

Mr. VENIOT: Mr. Speaker, I may answer that I have taken the reports of the officials of my department after a thorough investigation, and if I cannot depend upon those reports I cannot depend upon the word of anybody else.

INTERNATIONAL PEACE

DRAFT OF MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I sent a note to the right hon. the Secretary of State for External Affairs asking whether or not the Secretary of State of the United States had forwarded a copy of his note on the outlawry of war, sent to Great Britain, and whether the Prime Minister has had notice of that.

Mr. MACKENZIE KING: My hon. friend was kind enough to advise me in advance of his intention to ask a question on this subject on the orders of the day.

On April 13 the United States ambassadors in London, Berlin, Rome and Tokyo delivered notes stating that the government of the United States was prepared to conclude with the British, German, Italian and Japanese governments a single multilateral treaty, open to subsequent adherence by any or all governments, binding the parties thereto not to resort to war with one another. Copies were also transmitted of a preliminary draft of a treaty which the government of the United States would be prepared to sign.

The government of France, with which the United States had originally discussed the question of the renunciation of war, has indicated its views in an alternative draft.

We were informed by the British government that the United States note had been received and the French note was expected shortly, and that copies of these documents and the view of the British government would be communicated shortly. This further information has not yet been received.

Meanwhile the correspondence between the United States and France, and the draft treaties submitted by both countries as made public are being carefully considered from the standpoint of possible Dominion participation.

Mr. BENNETT: But the note was not sent to our minister or to our government by the Secretary of State of the United States?

Mr. MACKENZIE KING: No, only to those I have mentioned. I understand that our minister at Washington did forward to us a copy of the document sent to London.

INQUIRY FOR RETURN

On the orders of the day:

Mr. C. H. CAHAN: Mr. Speaker, some time ago an order of the house passed for a return of certain documents relating to applications for the construction of a dam between lake St. Francis and lake St. Louis. The return has not been brought down, and I would like to direct the attention of the government to it.

Mr. MACKENZIE KING: My hon. friend may rely upon his request receiving attention.

[Mr. Bennett.]

CIVIL SERVICE

RECLASSIFICATION OF OFFICIALS IN POSTAL SERVICE

On the orders of the day:

Hon. R. J. MANION (Fort William): I would like to read a telegram which I have just received, from the Civil Service Association at the head of the lakes:

> Kindly advise if any action will be forthcoming this session in regard to promised re-classification of postal service salaries.

Mr. VENIOT: I would say, in reply to the hon. member, that it was only this morning that we received the decision of the Civil Service Commission, not to make any reclassification of those services this year. The Post Office department laid the matter before the Civil Service Commission some months ago, we ourselves having no power to classify, and the commission dealt with the matter and gave us their decision this morning.

Mr. MANION: Might I just ask the minister if the department is bound to take the recommendation of the Civil Service Commission?

Mr. VENIOT: If we do not, the Auditor General will not pay the additional amount.

Mr. MANION: The reason I asked the question is that I have just received a reply to a question on to-day's order paper showing that the Civil Service Commission recommended a returned soldier for a job, and my hon. friend and his department refused to accept him.

Mr. VENIOT: Under the act the Postmaster General has the power to refuse to accept the certificate of the commission, but the act does not give him power to classify the employees.

ALBERTA COAL TRANSPORTATION

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I was going to ask the Minister of the Interior whether or not any action had been taken to expedite the operation of the order in council for the movement of coal from Alberta to Ontario. The railways appear to have taken the position that the charge of $6.75 does not include inter-line haul and switching charges. The matter was referred to the railway commission, but no judgment has been given, and the movement is to that extent being impeded. Can the government do anything in the matter?

Hon. CHARLES STEWART (Minister of the Interior): The order in council was turned over to the Board of Railway Commissioners for administration. The question which my hon. friend mentions has arisen, and they have asked for a conference with the fuel board on the matter. The discussions are now going on, and I expect that a decision will be arrived at in a day or two.

Mr. BENNETT: In the meantime the movement is impeded.

OLD AGE PENSIONS—YUKON

On the orders of the day:

Mr. GEORGE BLACK (Yukon): Some time ago an order of the house was passed for a copy of the agreement between the government of Canada and the administration of the Yukon with respect to old age pensions. When may we expect that agreement to be tabled?

Hon. PETER HEENAN (Minister of Labour): I intended to say to my hon. friend, but overlooked it, that I should be glad to show him a copy of the document in my office. The agreement has not yet been completed, and it is not really an agreement until it has been completed. I shall be glad, however, to let the hon. member see it at any time.

Mr. BLACK (Yukon): I understood the minister to say on a former occasion, when the motion was being considered, that the agreement was complete except for the affixing of the seal of the Yukon, and he agreed to produce it without the seal. It would not take fifteen minutes to make a copy of the agreement. It did not take the minister fifteen minutes to give notice to the press that he had signed it.

Mr. BENNETT: A member of parliament is not compelled to run around the departments to see documents.

Mr. HEENAN: It would not be right for the minister to bring down the document until it is completed.

Mr. BENNETT: If he can give it to the newspapers, he can give it to parliament.

Mr. HEENAN: The newspapers said that the commissioner for the Yukon had completed his part, but the agreement has not yet been fully completed.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—St. John quarantine station —Partridge island—repairs and improvements, $13,600.

Mr. HANSON: I would ask the minister if this is the only vote for any public building in the whole province of New Brunswick for the present year.

Hon. J. C. ELLIOTT (Minister of Public Works): This is all in the main estimates.

Mr. HANSON: Surely the minister has had requests for other public buildings in the province of New Brunswick. I should like to ask the minister for a statement at the outset as to the policy of the government with respect to this very important matter.

There is in my constituency the town of McAdam, with a population of 2,500. It is a border port of entry for the province of New Brunswick and the neighbouring state of Maine. The Department of Customs maintains a large staff there, some eight or ten officers, who are on duty for twenty-four hours during the day. The Immigration department and the Post Office department both have offices there, and these various offices are housed in quarters rented from the Canadian Pacific Railway and other people. The post office is quartered in a shack. McAdam is an important railway junction, and I understand that the people of that community have been asking for a public building. They have not approached me, but I myself have been interested in the matter. The public revenue returns from that town are very important, the customs revenue being at least $40,000, and the postal revenue at least $5,000 per annum. It is important that the government services there should be properly housed. McAdam is a Canadian Pacific Railway town, a very important junction for trains from the north, east, south and west. It is not a divisional point, but it is the point at which all repairs on the Atlantic division are made. The principal industry in the town is the Canadian Pacific Railway shops. I would ask the minister if he would be good enough to look into the situation at McAdam with a view to the proper housing of the public services at that point. I am sure that if he does he will find that the remarks I am making are borne out by the facts, and that we should have a proper Dominion government building for the public services there. It is the first point at which the American tourist touches Canadian soil, and when he asks where the customs house is so he may pass his baggage, or where the post office is located, it is really a shame that he should be directed to such quarters. The Customs department are paying a good rental to the Canadian Pacific Railway Company for the

quarters now occupied, but they are wholly inadequate for the business of the port. This state of affairs should be remedied. I would ask the minister to be good enough to look into the matter and give me an answer at a later stage when his estimates are under discussion. I am sure he will find that this is one of the most progressive little towns in New Brunswick and that it is entitled to proper facilities for the conduct of the public business.

Item agreed to.

Maritime provinces generally — Dominion public buildings — improvements, repairs, etc., $43,000.

Mr. McQUARRIE: What are the details?

Mr. ELLIOTT: This is the usual annual vote for works of improvement, repairs and renewals throughout the province.

Mr. GRIMMER: Will the minister explain the delay in making improvements to the post office at St. Stephen? Four or five years ago the government took the matter into consideration and at that time were fully aware that the building was altogether inadequate to carry on the public business satisfactorily. Tenders have been called for alterations, but although this has been the annual procedure for five years past, nothing whatever has been done to improve the accommodation. A gentleman who is supposed to control the county patronage has sought to excuse the delay by stating that in the fall it is too late and in the spring it is too early to make the necessary alterations; but the people of the locality cannot see why work of this character—inside work—should not be undertaken at any season of the year. The government is well aware that since the inauguration of the parcels post the accommodation at this point is altogether inadequate. Perhaps the minister will state why these much-needed alterations have not been taken in hand.

Mr. ELLIOTT: I have not in mind the case mentioned by my hon. friend, but I shall be glad to ascertain the reasons for the delay.

Mr. HANSON: I can confirm what the hon. member for Charlotte (Mr. Grimmer) has said. St. Stephen is the principal town in the county, and manufacturing is carried there extensively. It is a border town and an important customs port. The customs staff occupy the second floor of the public building. It is a nice substantial building, but it was built more than forty years ago and has become inadequate for the business of the community. Four or five years ago the government did undertake to increase the capacity of the building, but nothing has been done in the meantime, and we have never been able to get a satisfactory reason for the delay. I am sure the Postmaster General (Mr. Veniot) is fully acquainted with the local condition and, if appealed to, will tell his colleague that there ought to be increased postal accommodation at St. Stephen. I ask the minister to let the item stand so that he may have ample opportunity to collect the necessary data.

Mr. GRIMMER: I also should like this item to stand until the minister has made inquiries. The increased accommodation to which I have referred is absolutely necessary to carry on the public business.

Mr. ELLIOTT: This building, in common with many other public buildings, I have no doubt has become inadequate for the business of to-day. As was intimated when these estimates were under discussion on a previous occasion, the policy of the department has been to undertake no new work that could be postponed. No doubt some time in the future we shall have to undertake an extensive program of public buildings at a good many places that are not now adequately provided for. I am quite prepared to accept the statements made by my hon. friends, but I do not think it is necessary that this item should stand. Later on when we are dealing with Dominion buildings generally I shall be quite willing for them to bring up the question again.

Mr. HANSON: Mr. Chairman, I am not quite satisfied with the minister's policy to delay the erection of needed public buildings for the conduct of the country's business when I recall that two years ago we voted a very substantial sum of money, just on the eve of an election, to provide a public building at the little village of Kensington, in the county of Prince, Prince Edward Island, where the postal revenue in twenty years would not be as much as the revenue of the St. Stephen post office in one year. Furthermore, I am reminded that quite recently we have voted a very large sum of money to level buildings in Ottawa in order to beautify the capital, and now we have the confession of the minister that there is no money available to improve the postal and customs facilities at a border point like St. Stephen where the present facilities are absolutely inadequate. He has only to refer to his colleague the Postmaster General to ascertain that this fur-

ther accommodation is essential to the proper conduct of the country's business. We are not asking for a new post office. We are only asking that the present building be extended to give more floor space. That is all that is necessary and the expense involved would not be large. I am satisfied that $10,000 would probably be quite sufficient. That is only a guess on my part but I am sure that a modest expenditure would suffice to put that building into proper shape to carry on the public business, as it cannot to-day. It is idle to talk to me about not having any money to spend on these buildings, after the spectacle we have had of voting money for Ottawa. I am sure the government will hear from the country about that matter if they refuse localities such as St. Stephen, McAdam Junction and other places I might mention, the necessary small votes to enable them to carry on the public business adequately and to house public officials satisfactorily. I wish I had a photograph of the post office at McAdam Junction to exhibit here to-day. I have no doubt the Postmaster General would blush, as would also the Minister of Public Works if they could get an idea of the state of affairs there at the present time.

I am not quite satisfied to let this item go through unless I have a promise that the situation will be taken care of in the supplementary estimates. If the minister will go after the thing properly and get satisfactory data from the Postmaster General or from the district superintendent in St. John, he will realize how urgently this work is needed. Why there has been a delay of four or five years, and the repeated calling of tenders that have never been recognized, has always been a mystery to me. I do not suggest that there is anything political about it; so far as I know there is not. The town of St. Stephen is Conservative, always has been and always will be. There will never be any question about the government getting or losing votes by reason of anything they may do in that town. The town will vote against this government whenever the opportunity may arise.

An hon. MEMBER: That may be the reason.

Mr. HANSON: That should not be the reason, and I am sure the minister would never take such a stand. I want to impress upon him the necessity of increasing the postal facilities at that point. I have not beside me at the moment anything to show the revenue from the post office at St. Stephen, but it must be large for a town of that size and the magnitude of the business done.

Mr. VENIOT: $17,000.

Mr. HANSON: Then the customs revenue at that port must be many times $17,000 per annum because the importations must be large. I would ask the minister to let this item stand over until he has time to make the necessary inquiries. I am not blaming him; probably he has had no notice of our intention to point out these facts. It is only fair to him that he should be made aware of the situation. The minister is courteous to me and I want to be fair to him. I will therefore ask him to let the item stand over until he has the necessary information, and we can return to the subject later. I appeal to him to consider as favourably as possible the placing of a vote in the supplementary estimates in order to have the work done once for all, so as to stop the present state of affairs, of calling for tenders and then disregarding them.

Mr. GRIMMER: This is nothing new; the department and the government are well aware of the facts. It was the department that contemplated making the alterations in the first place. They sent engineers down there and had plans and specifications prepared, which were approved by the government. They are on file in the department to-day. The people were led to believe that the work would begin away back in 1923 or 1924 and they have been looking forward to these alterations. They cannot understand the attitude of the government in calling for tenders and, when two or three tenders are sent in, not recognizing any. The government understand the situation thoroughly; they are perfectly well aware of the facts. Why should not something be done in this matter? That is all we ask. Give us some information as to when the work will be proceeded with. If the government are not in a position to make a definite statement at the present time I would request that the item remain over until that information is available, so that we may have something specific to tell the people who are looking forward to this work being done. If the government do not intend having the work done why do they not say so, and the people will endeavour to make the best of the situation. But why continue to tell them each year, as has been done for the last five years, that the work will begin in the spring and tenders called for? As a matter of fact it makes no difference when the work is done because it is inside of building; and where there are not enough boxes

to supply the people who are willing to pay for them. And the government know this. I ask that the item stand over until we have further information.

Mr. PRICE: I would also respectfully ask the minister to let the item stand. With regard to the Moncton post office, is it the intention of the government to do anything during the coming year?

Mr. ELLIOTT: With regard to the Moncton post office, I may tell my hon. friend it is in the same category as a number of other places under consideration. I cannot go further than that at the present time. As regards the remarks of my hon. friend (Mr. Hanson), I have no doubt the place he mentions enjoys all the advantages to which he has referred, although I doubt whether it suffers from the disadvantages he suggests, to the extent implied at any rate. I do not think it is as hopeless politically as he says. I want to assure him that before the supplementary estimates are brought down I will look into the matters touched upon by himself and the hon. member for Charlotte (Mr. Grimmer), as well as the situation at Moncton. I recall the circumstances in connection with Moncton, but offhand I cannot recollect them so far as the other two places are concerned. I hope my hon. friends will realize that I am quite serious when I say that all these matters are receiving the best consideration we can give them at the present time, and will continue to receive that consideration between now and the time the supplementaries are brought down.

Mr. HANSON: I thank the minister for the undertaking he has given as regards McAdam Junction. But with regard to St. Stephen, the deputy minister is here and he knows all about the matter. He knows that tenders have been called for and have never been awarded. He can tell the minister and the minister can inform us why the situation in St. Stephen has not been taken care of. I am sure the Postmaster General will at once admit that the facilities at St. Stephen are wholly inadequate. True, he has no say as regards the housing facilities for the post office; that is under the Public Works department. But why have these tenders not been acted upon, particularly when it was on the initiative of the department that they were called for in the first place? I for one am willing to give the minister every reasonable opportunity to get any information which he has not at the moment, but I certainly think this item should stand over until that information is obtained. I do not want the minister to think that I am trying to obstruct his estimates; I never do that sort of thing. But this is the only item from New Brunswick on which we can discuss this matter, and I do think we should have the information before the item goes through.

A word about the Moncton post office. I remember in 1921 when the promise was definitely made by the party now on the treasury benches. In the election of that year, in the month of September—I can almost give the day—the present Senator Copp promised a new post office at Moncton. Seven years have gone by; the site has been purchased for a very considerable sum from a friend of the government, and a house occupies that location at present. The grounds are there, the beautiful location is there, and the house was rented for $40 a month to a friend of the government. Moncton is a very important centre; it is the hub of the maritime provinces. The postal revenues from that city are very large in comparison with other cities in the maritime provinces; they are much larger per capita than any other city, due to the fact that Eaton's have a very large distributing centre there. There is no question about it; Moncton is entitled to the post office. I quite realize that this building will have to be very substantial and rather costly; that may be one reason why progress has not been made, but I do not understand why nothing has been done in view of the promise which was made to the people of Moncton by the Liberal candidate in the election of 1921, in the presence of the present Prime Minister.

Mr. PRICE: I would ask the minister if he would be good enough to let this item stand for the present.

Mr. ELLIOTT: I do not want to take an arbitrary position, but item 132, which probably will not be reached for some time, covers public buildings generally, and I would be quite willing to consider the recommendations of my hon. friend and other hon. gentlemen when that item is being considered; perhaps in the meantime I may be able to secure the information required. Just while I am on my feet, I would like to refer to the action of the department in calling for tenders and then not letting a contract, which was referred to by one of my hon. friends. I know of only two reasons why contracts have not been let since I have been connected

with the department. If after the tenders were called for some changes were brought about possibly in connection with the size of the building, as occurred in one case, or if the tenders received were beyond the estimate of the architect of the department, probably a contract would not be made. In a number of cases where the estimates ran from $12,000 to $15,000 and the tenders received were for amounts considerably in excess of those sums, contracts have not been awarded, but I do not know of other reasons.

Mr. HANSON: What was the situation with regard to St. Stephen? That is what we want to know, and that is why I am asking the minister to let the item stand. I think if he would give us the information we would be willing to let the item go through, on his undertaking to look into this matter in the meantime.

Mr. ELLIOTT: Would it meet the wishes of my hon. friend to pass this item and consider the matter again under item 132?

Mr. HANSON: I do not think that would be the appropriate item; I think the minister should accede to my request. I do not intend that as a threat, but it is simply a courteous request. I think the minister will be well advised to do as we ask.

Mr. GRIMMER: I would ask the minister if he has the estimates of the engineers under his hand, together with information regarding the tenders received during the last four years? Is there any difference between the tenders received in 1924 and those received in 1927; are they smaller or larger? Could the minister give us that information?

Mr. ELLIOTT: Surely my hon. friend does not expect me to have that information now, when this matter does not come up under the item we are considering. Do I understand my hon. friend to ask if I now have a recollection as to the terms of the tenders in these particular cases? If so, my answer is no, because this happened before I was connected with the department.

Mr. GRIMMER: Then in a case of this kind, where the minister has not the information under his hand, is not able to say what were the estimates of the engineers and has no idea of the terms of the tenders received during the last four years, I think the item should stand until we obtain some definite information. Certain improvements were to be made in connection with this office; engineers were sent there to secure the necessary information, and the plans and specifications are on file together with the tenders received. Now we cannot get any information as to what were the amounts of the tenders or the estimates, so I think the item should stand until we can get that information.

Mr. PRICE: I very much regret that the minister cannot see his way clear to let this item stand. This is an old story; for the last five or six years we have been endeavouring to get a post office in the city of Moncton, which turns into the exchequer of this country a net revenue of about $400,000 per annum. This is nothing more or less than a political move; it is simply a matter of politics. This city, one of the finest in Canada, is permitted to carry on with a service which is very inferior, housed in a building which really could not pass the examination of the board of health. Yet the minister is not willing to allow this item to stand until further consideration can be given to the public buildings in the county of Westmorland. It is all very well to say that you have no money to spend for a post office for the city of Moncton, which stands fifth or sixth among all post offices in Canada with regard to the revenue turned in to the government, although it has only a population of about 22,000 people; the government seem to have plenty of money to spend in connection with the Federal District Commission. We have $8,000,000 or $9,000,000 available to beautify this city of Ottawa, and a great deal more for public parks, but when it comes to the public buildings throughout the country the government absolutely fall down, especially in constituencies which happen to be represented by members opposed to the present administration. This matter has been taken up on the floor of the house time after time, and it must be very clear to the electors of the country that the government do not intend to do anything in constituencies which are represented by members who are opposed to the government. The only exceptions have been the harbours of St. John and Halifax, and then the government made comparisons between these open harbours and others which are frozen up for six months every year. I do not understand why the government will not look to the necessities of the public works of the country; the breakwaters in my constituency are very inadequate, particularly at Cape Bauld, as has been pointed out re-

peatedly both to the present minister and to his predecessor. I protest against the small amount allowed for public buildings in the province of New Brunswick; the government have alloted only $13,600 to that province although they can find plenty of money for the Federal District Commission to spend in order to cut through a business section of the city and destroy buildings which cost many thousands of dollars for a boulevard to allow the erection of a monument to the Prime Minister of the country. Again I want to say that I regret very much that the minister will not allow this matter to stand until further details can be brought to his attention which I feel sure will influence him to change his decision and place a sufficient sum in the estimates to make sure that the province of New Brunswick may be better looked after.

Mr. MORRISSY: The only thing I can see in the remarks of my hon. friend (Mr. Price) is his regret that he does not exercise the same privileges in the Post Office department that he exercises in the Department of Railways and Canals with regard to the appointment of officials in the city of Moncton and in the county of Westmorland. Furthermore, let me say to the hon. member for York-Sunbury (Mr. Hanson) who asks the Postmaster General why so many postmasters were dismissed in the constituency that I have the honour to represent, Northumberland county, in which the hon. leader of the opposition got his first insight into politics on the Miramichi river, that I assume all responsibility for the dismissal of those postmasters. I did so following the example of the Hon. J. B. M. Baxter, because he put out every road supervisor and every scaler in the county of Northumberland.

Mr. HANSON: Mr. Chairman, I very respectfully ask the minister to allow this item to stand until we get the information, and then we will get it through perhaps in three minutes. He will not be losing any time if he complies with the request.

Mr. ELLIOTT: We will consider it under item 132.

Mr. HANSON: I would ask that item 125 stand. We are entitled to have it stand, and I would make this request as courteously as I can.

Mr. ELLIOTT: Mr. Chairman, I would say that it is very hard to resist the hon. member for York-Sunbury when he asks in this way.

[Mr. Price.]

I cannot see the difference between it and item 132, which we will consider later on, when I would have had the opportunity of looking up the files and obtaining the information. I am going to show myself a little more reasonable than the hon. member when I say I will agree to let it stand and consider it later on.

Item stands.

Quebec public works—chargeable to income, $1,304,647.

Mr. QUINN: Mr. Chairman, I notice in this vote an item of $150,000 for Quebec city. I am not criticizing or opposing that vote, but I would like to ask the Minister of Public Works if his attention has ever been drawn to the condition of the Halifax citadel. The masonry walls have tumbled down and the whole fort is in a disgraceful condition. The slopes of the hill have become such an eyesore, that the citizens of Halifax, in co-operation with the Service Club, have this year undertaken to plant shrubs and trees on the slope. The condition of the moat and the walls inside is disgraceful. I realize it is too late now to have that matter investigated thoroughly and to have a vote in the estimates of this year; but might I ask the Minister of Public Works if he will confer with his colleague the Minister of National Defence with a view to having the condition of the citadel of Halifax investigated, and then place an item in the estimates for the next session of parliament.

Mr. ELLIOTT: I might say to my hon. friend that the citadel of Halifax is entirely under the jurisdiction of my hon. colleague the Minister of National Defence. I do not see him in his seat at the moment, but I will be very glad to call to his attention representations made by my hon. friend the member for Halifax.

Mr. ROSS (Kingston): Mr. Chairman, if anything is to be done with any of these ancient fortifications, I think the government should establish a policy as to them. There are three important ones, Halifax, Quebec and Kingston; and it is very difficult for us to sit quietly in our seats and see this amount of money spent on one of them without asking the government to state its policy as to the other two. I do not believe they should be under the jurisdiction of the Minister of National Defence; they should come under the Department of Public Works. If the department considers one of them, I think the minister should establish a policy applicable to all three.

Mr. ARTHURS: Mr. Chairman, the item has to do with the province of Quebec. What is the postal revenue at Baie St. Paul? How much of the vote of 1927-28 has been spent, and for what purpose?

Mr. ELLIOTT: The expenditure to March 31, 1928, is $14,639.

Mr. ARTHURS: For what purpose—site, et cetera?

Mr. ELLIOTT: Paid for the site, $4,000; that was in the previous year. The expenditure for the year ending March 31, 1928, was $14,639. The balance required, $9,000, is for the completion of the contract, for the erection of the building, for the installation of fittings, lock boxes, sidewalks, and so on, and it is apportioned as follows—

Mr. ARTHURS: I do not want that and I did not ask for it; I want the population and revenue.

Mr. ELLIOTT: The population is 2,291. The postal revenue is $3,465.

Mr. ARTHURS: Is that all the revenue from that particular office?

Mr. ELLIOTT: That is all the postal revenue.

Mr. ARTHURS: Is that all the revenue to the government from that town or that office?

Mr. ELLIOTT: I presume so.

Mr. McQUARRIE: Mr. Chairman, it has been the custom to take up votes of this kind item by item. I understand you now put the large item which includes the smaller items. I submit that is not in accordance with the usual practice and is objectionable. We should take up the individual items as they appear in the resolution.

Mr. ELLIOTT: I am quite agreeable. I think the usual practice is to call the large item and then, if anybody so desires, to take it up item by item.

The CHAIRMAN: The vote is all one resolution. Is it the desire of the committee to take this up item by item?

Some hon. MEMBERS: Carried.

Chicoutimi public building—addition, $3,500.

Mr. ARTHURS: I ask the same information regarding this office, namely, the population of the town and the revenues either postal or from any other part of the public service.

Mr. ELLIOTT: The population of Chicoutimi is 10,158.

Mr. ARTHURS: At what period?

Mr. ELLIOTT: 1927.

Mr. ARTHURS: What was it in 1921?

Mr. ELLIOTT: It was 8,937. It had grown from 3,826 in 1901. It is a rapidly growing town. In 1926-27 the postal revenue was $28,348 and the customs revenue $108,611.

Mr. LAVIGUEUR: Has the minister taken into consideration the question of a public building at Beauport, which comprises six parishes and quite a large population. A site was bought in 1913 for the erection of a public building at that point. I understand tenders were called for and I have asked the minister and the government to provide the necessary amount for a building. I should like to know from the minister what has been done.

Mr. ELLIOTT: I quite agree with my hon. friend that he has made frequent and urgent requests for a public building at that point, but no decision has been reached as yet. The matter is in the same category with a number of others and I am sorry I cannot give my hon. friend any definite answer.

Mr. LAVIGUEUR: The minister informed me some time ago that he would recommend to council the insertion of the amount in the supplementary estimates. I have been told the same thing for many years. Owing to the fact that large amounts of money are being spent for public buildings, and considering the great importance of Beauport, I think the people there should be granted their request. If we take into consideration the eight or nine million dollars voted for the embellishment of Ottawa, there seems to be a good deal of money available and a small amount such as we are asking for should not be refused. I understand the estimate for a public building at Beauport is only $9,200. Therefore I would ask the minister to consider the request seriously and to see if possible that the proper amount is inserted in the supplementary estimates so that we may go ahead with the building.

Mr. KENNEDY: I should like to ask the minister in connection with applications coming before him for public buildings if there is any general rule or basis on which he decides that a public building is or is not

required at a certain point, or if the decision to build a public building at one point and not at another is simply a question of choice by the minister?

Mr. ELLIOTT: When an application comes in for a public building—and many of them have come in during the time I have been in charge of the department—we endeavour to secure all information possible. If after considering all the information, we come to the conclusion that some other expenditure is more urgent and that the erection of the building in question can be postponed for a time, in all probability the application is not granted. When the hon. member for Quebec-Montmorency (Mr. Lavigueur) mentions that I said to him that I would recommend a public building, I do not want to contradict him, but he must have misunderstood the interview because I never undertake to recommend anything in connection with public buildings. I know the people with whom I have to deal, namely, the treasury board and council, are not favourable to erecting any public buildings which are not absolutely necessary and for that reason I am careful about making any commitments. We are endeavouring to construct only such public buildings as are absolutely necessary. That is the best answer I can give my hon. friend.

Mr. ARTHURS: Does the minister mean that he does not make any recommendations?

Mr. ELLIOTT: I do not promise to make any recommendations.

Mr. ARTHURS: The minister does make recommendations regarding public buildings?

Mr. ELLIOTT: Occasionally.

Mr. ARTHURS: In considering these recommendations, does he take the files of the past or only those immediately before him from friends on his own side of the house?

Mr. ELLIOTT: I look into the files of the past. I never take the files of the future. I endeavour to go over the files as closely as I can. I do not just get the purport of my hon. friend's suggestion that I take only files relating to friends of the government. Is that what my hon. friend said?

Mr. ARTHURS: Yes.

Mr. ELLIOTT: I read the other files.

Mr. BENNETT: The minister reads the titles of the other files.

Mr. ELLIOTT: I read the other files pretty carefully.

[Mr. Kennedy.]

Mr. ARTHURS: Will the minister state how many items are included in the present estimate which have been put forward in previous years by members opposed to the government?

Mr. STEVENS: How many escape the minister's scrutiny?

Mr. ELLIOTT: When my hon. friend looks over the estimates under consideration, I do not think he will find much in the remark he has made. If he will take note of the ridings for which money is being granted, I think he will see that political considerations have not governed.

Mr. BOYS: The minister has just informed the committee that he has received many applications; that they are all considered on their merits, and then either granted or refused as the case may be. Do I understand that that has reference to applications which are made verbally, as well as to applications which are made in writing? I would like to ascertain from the minister whether it would give him or the officers of his department much trouble to give the committee some idea of the number of applications which have been made since he has been minister, together with the amount of each proposed building. I do not think that would entail very much work, and the information would be very interesting. I do not care whether it is given under this item or under the general vote, but I certainly would like to have that information if I can get it.

Mr. ELLIOTT: I think perhaps I can give a reasonably accurate answer. Within the last year we have considered applications which either have come in or were in the department already for public buildings running to well over one hundred, and in amount running to something over $5,000,000. That is only approximate.

Mr. BOYS: What I would like to get would be a statement indicating the cities and towns and villages whence these applications came, and the amount of money involved in each. I learn now that there are only about one hundred, and of necessity it is not going to take a clerk in the department very long just to give that additional information as to the place and the amount involved.

Mr. KENNEDY: I take it from the minister's answer to my last question that these are expenditures which in his judgment are absolutely necessary.

Mr. ELLIOTT: Yes, I take the responsibility for these expenditures.

Mr. KENNEDY: I also take it that in his judgment these expenditures are more necessary than other expenditures that have been asked for.

Mr. ELLIOTT: More necessary than the expenditures which have been refused.

Mr. KENNEDY: It is just a question, then, of the minister's judgment. There does not appear to be any general rule, and the matter is left to the judgment of the minister after all the facts have been submitted to him. Is that the case?

Mr. ELLIOTT: Yes.

Mr. BOYS: I noticed that the minister listened very attentively to me, but he has not said whether or not he will let me have the information I asked for.

Mr. ELLIOTT: I will have no difficulty in supplying my hon. friend with a list of I think over one hundred applications for public buildings, together with a reasonable estimate of the cost, but where we have not seriously considered the granting of the application, I would not be able to give the architect's estimate of the cost. I think, however, I could give an approximate estimate.

Mr. BOYS: I would be quite content to have the ones which have received serious consideration, and I understand that the one hundred to which the minister refers are the ones that have received serious consideration. Am I right in that? Are those one hundred applications cases where the application has been seriously considered but refused?

Mr. ELLIOTT: I would not say refused. They are under consideration at the present time.

Mr. ARTHURS: Is one hundred the limit? Why not all of them? Why should the minister pick out one hundred?

Mr. ELLIOTT: If my hon. friend had listened to me, he would know perfectly well that I did not limit myself to one hundred, nor to the amount of $5,000,000, but I am satisfied that the applications will run to that number, and the amount involved to $5,000,000.

Sir EUGENE FISET: I would like to ask the minister if it is not a fact that all the applications he receives in his department have come through his engineers, with their recommendations?

Some hon. MEMBERS: No.

Mr. MANION: I remember some years ago —I mention this as a matter of information —taking up the case of Fort Frances, which was in the constituency I then represented. The department, away back in 1911 or 1912, had purchased at Fort Frances a site for a public building and the people were naturally anxious to have the building erected. I remember taking up the matter with the Department of Public Works, and I was informed that throughout Canada at that time—this was since the war—there were about ninety or one hundred places where sites had been previously purchased by the government of the day with the intention of putting up public buildings, but then the war came and delayed construction. I think probably during the war there was a good excuse for not going on with these public buildings, and probably there is yet, but I would point out that if public buildings are to be built throughout the country, these places where sites have been already purchased and are now standing idle, should receive consideration. I remember distinctly sometime between 1917 and 1921 the Minister of Public Works, or perhaps it was the Postmaster General, telling me that one hundred sites had been purchased for public buildings but our government of that day did not see their way clear to proceed with the work, and I remember taking the attitude that so long as it was the general rule that none of these places should get a public building, there could be no complaint from Fort Frances. I took that attitude on the platform in Fort Frances during the election, but I said that if public buildings were to be erected, all should be treated in the same way.

Mr. ARTHURS: I take the same attitude as the hon. member for Fort William. There are many cases where money was voted for public buildings and sites purchased immediately preceding the war, and in many cases the appropriation would be revoted the next year. Many of these sites were in highly industrial towns, with large public revenues, and in my opinion they should take precedence over places like the two mentioned by the minister in the province of Quebec, and over many more which I shall ask for information about later on, where the postal revenue amounts on the average to only one dollar per head. I have in my riding a town whose postal revenue averages $15,000 or $16,000 per annum, and whose customs revenue during the last twelve or fourteen years has averaged close to $500,000. The town has various other government services,

and a site has been purchased, but there is no evidence that the government is willing to undertake the putting up of a public building.

Mr. EVANS: What is the public building that is to be erected at Limoilou, Quebec?

Mr. ELLIOTT: This is a revote of $4,500 to complete the payments for the building, which has already been erected. Limoilou is practically a part of the city of Quebec, and a very rapidly growing district.

Mr. ARTHURS: The whole amount is a revote.

Mr. ELLIOTT: Yes.

Mr. BENNETT: Mr. Chairman, we recognize two things with respect to these appropriations. First, that the government has supreme control in determining (a) the community in which public moneys are to be expended, and (b) the extent to which those moneys shall be expended. In selecting their own favourites, constituencies that return their supporters, they indicate the common humanity of all members of this house. And in determining how much money shall be spent they usually have regard to the ability of the representative to extract money from the exchequer. If a member is sufficiently strong to get the government to build a $25,000 building in a community where a $10,000 building would do, he usually gets a $25,000 building; and if he cannot get the $25,000 expenditure he is satisfied with the $10,000.

Now, we take the position that some regard should be had to the necessities of the public service. It cannot possibly be that the only communities in which there is any necessity for the expenditure of public moneys are in constituencies which are represented by supporters of the administration. That must be clear. It is also true that in recent years representations have been made to the government by members on this side of the house that would involve the expenditure of very much larger sums than appear in the estimates. The question the minister has to decide is whether those representations have behind them any sound basis of fact, or whether they are merely made for the purpose of members appearing to be doing their duty by their constituencies; for most members are very insistent in their demands that something should be done for their localities. The question to be determined is whether or not these representations are based on a clear appreciation of the real necessities of the public service, or are merely made to enable the member to point to a page in Hansard where his remarks are recorded. I think the Minister of Public Works, a very old and adroit and experienced politician, is well aware of the fact that both cases are always coming before him. A member who has a doubtful seat desires to be sure of his re-election, and he insists upon having money expended for purposes that cannot possibly be justified by the necessities of the case compared with what is being done in other parts of Canada.

This is a large country and there are many communities in which public money should be expended; the minister cannot provide for all of them; but if we find him providing a public building in a small community already very well served, while a large community supplying substantial revenues is obliged to carry on the public service with inadequate facilities, then we know that the consideration governing the minister's decision is mostly political. For instance, if thousands of dollars is spent on a wharf to serve one small industry located on a river where an occasional boat is apt to run into a mud bank before it reaches the wharf for, say, a cargo of salt —we will take that merely as an illustration— then we know the considerations that govern are not solely in the public interest. In 1925 I was driven in an automobile through some small communities in Ontario, and I recall very distinctly one place that was provided with a public building, certainly most beautiful to look upon, but I could not find there was very much local revenue to justify its erection; but the member had been a very firm and ardent supporter of the administration since 1921, and his devotion to a great cause could not be lightly overlooked.

In the west we have several communities that are contributing very large revenues to the exchequer. Everyone will admit that upon the success of the farming operations in western Canada—the creation of new wealth—to no inconsiderable extent rests the prosperity of the two great eastern provinces. Take, for instance, the community in which I live. Last year the minister saw the site for a post office that was bought prior to the war. It is in the centre of the city. Two, if not three of the lots were contributed by the citizens when the town was first laid out. A high building was erected upon it with not much floor space—a post office requires a great deal of floor space. Between 1911 and 1913 the site was acquired for something over a couple of

hundred thousand dollars. It is a very large site, because, as I have said, a post office requires plenty of floor space, having regard to the business transacted at that centre. The old building was removed and the cellar partly excavated. The $250,000 that was in the estimates the year the war broke out was not revoted, and of course no one expected anything would be done until after the war. Since that time there have been repeated partial promises—I do not say undertakings in any sense—that this matter would be dealt with, and the board of trade and other public bodies had occasion to bring it to the attention not only of the Minister of Public Works but of the Minister of Finance and the Minister of Railways when they visited the community. The location is on the principal thoroughfare of the city. While the government could not be expected to provide for the new building in a single year, because I dare say it will involve the expenditure of a million dollars, $250,000 annually for four years would be sufficient to provide the accommodation. General plans were prepared, but nothing further was done. At present premises are occupied at a rent, mark you, that would more than pay interest and sinking fund upon the investment I have mentioned for putting up a new building that would house all the departments of the federal public service. That is a case which, I submit, should be dealt with. There are other similar cases throughout the Dominion.

I appreciate the difficulties of the minister. He has to make selections, and, being only human, he cannot resist the pressure of his political friends. But while I do not expect him to do that, I think it is not unreasonable to ask that the public service itself should be looked after. The other day the Postmaster General pointed out with respect to the situation at Le Pas that steps had been taken, very properly, to provide a public building because it was a new community transacting considerable business out of which the country was deriving substantial revenues. But surely the fact that communities which are supplying large customs and postal revenues do not for the moment return supporters of the administration, should not be a reason for their demands for public buildings being entirely overlooked. Now, if for ten long years since the war the community that I mention has been compelled to carry on under the conditions described, has not the time come when proper accommodation should be provided? What I have said of that community is true of some of the towns on the Pacific slope, and in the interior. An extension to the post office at Edmonton was started last year. Tenders were called for public buildings at other places in the west, but since the war expenditures for this purpose have been very limited, and those new buildings that have been constructed have not always been needed to meet the demands of the public service, but rather have been provided for the reasons that I have mentioned. The minister, I know, may have the best intentions in the world, and it well may be that when his recommendations reach council those who look over them may say: Why should a public building be built in the constituency of A; why should that Conservative riding have any money spent in it? There are members of council who would look at it in that way. Then again there is a second difficulty to overcome, and that is the opposition of the Minister of Finance. The Minister of Finance says, "We cannot provide further moneys this year for this particular service". That being so, and since you have to cut down the amount that is to be expended, it is those communities that support the administration that are remembered, while the others are blotted out from the book of remembrance. That is the situation in relation to these matters. Certainly if you left the question to business men they would never think of leaving two or three communities I know of in western Canada in their present condition so far as public buildings are concerned.

In Ottawa you pay in rentals at the present time over $700,000. That, I think, is approximately the amount. Then you pay for light and heat. That represents interest and at least a reasonable sinking fund, having regard to modern construction, of $15,000,000. Why have we not spent $15,000,000 and stopped paying rentals, so that at the end of twenty-five or thirty years we might own these buildings and be no longer under the necessity of paying further rent? Why not establish a policy in this regard? The same thing might be done in Calgary. If we borrowed under a special form of security this could be done. You might call it a public works four and a half per cent sinking bond, continue paying rents, as you are now doing, to be used to pay interest and sinking fund on the securities for the next twenty-five years or so, and at the end of that period you would have paid off the securities and would own the property. The country would then be free from rentals for the future. This should have been done long ago; everyone

realizes that. But it has not been done. Is there any reason why such a policy should not be adopted?

You have laid in this city the cornerstone of a building to commemorate the sixtieth anniversary of confederation—and this anniversary, by the way, seems to have afforded an opportunity for the conception of many monuments in the way of buildings and other works. The cornerstone of this particular building is there. The land on which the building will be erected we have owned since before the war—a long stretch of property. Certain buildings are still there, and in the ten years that have elapsed since the war we have squandered more money than would have sufficed to put up proper buildings. Now if the difficulty is as great as is suggested, with respect to taking the money out of current revenue—and it may be considerable—I would point out that some years ago I suggested to the Minister of Finance, as I do again to-day, a simple method of dealing with the matter. How are great business enterprises dealing with a similar situation? The day before yesterday you saw the issue of certain securities, $16,000,000 of preferred shares, by a great industrial enterprise in Canada. They contained sinking fund provisions. Certainly some issued the same day, with respect to preferred shares—I am not saying which I have in mind at the moment, for I may be confused—did contain a provision of that character. Another enterprise the other day issued bonds for $4,000,000 or $5,000,000, five and a half per cent, which also contained a sinking fund provision. Now with this $700,000 which is paid here in rentals—it is, I think, nearer $750,000; the deputy minister can tell the minister—you can go to any trust company in this country and they will lend you about $15,000,000, taking the securities from you, and taking your rental; and after a period of time, I should say approximately twenty-three years, doing it by mental arithmetic at the moment, you will be able to retire the loan and have acquired the property, having paid no higher rental in the meantime. Certainly you will not pay less. At any rate, you will not have paid a dollar more and by that time you will have owned the buildings. But instead of pursuing such a policy we are going on in the same old way. And what is true in Ottawa is true in the city in which I live. There they are paying thousands of dollars in rents—the exact figure I obtained from the deputy minister two years ago, and I will not state it at the moment because it may not now be correct. With that money, why not arrange with some trust company in Canada or in the United States to finance the matter in the way I have suggested? The companies in the United States would tumble over one another for the opportunity to do it. They would take that money per annum for the next twenty-three years, put up the buildings, expend a million and a quarter, and consider themselves well repaid.

Take the structures which the banks are building. Does anyone realize how these buildings are being put up? Some of my hon. friends no doubt think that the banks put up these buildings out of profits. That is not so. These great buildings are the properties of realty companies, which are owned by the banks. This is not so with respect to all banks, but I am speaking in a broad way. The realty company owns the lot, and the building is erected. It issues its bonds, which are bought by the great insurance companies—six millions, five millions, four millions, or whatever it may be. They have a trust deed, the bank rents the property on a proper rental basis, paying the money into the realty company as though it were renting the building from a stranger, and at the end of the period the bank owns the building because it owns the company, the rentals paid by the bank and other tenants of the building being sufficient to pay interest and sinking fund on the bonds.

If the banks do this—and it is the only way in which they could acquire the magnificent structures which they possess, inasmuch as they could not build them out of profits—why should not the country conduct its business on a similar basis, having a reasonable regard for the experience of others? Then you come to the railways, in the matter of equipment. The day was when the first transcontinental railway in this country used to buy its equipment every year on the theory that out of revenues a car going out of commission had to be replaced. That day has gone. What happens now? Instead of paying for their equipment all at once, they purchase, we will say from the Baldwin Locomotive Company, if it is in the United States, or the American Locomotive Company or Kingston Locomotive Works if in Canada, assuming that they do not build in their own shops. Any hon. gentleman, when passing from the car at the rear of the train to the door of the station, will observe on most locomotives a little plate upon which there is a number indicating, something by inscription, that the particular locomotive is covered by

an equipment trust mortgage. Every year they pay a certain sum of money and at the end of a fixed period the locomotive is paid for in full. Equipment securities have a high value on the markets in New York. Part of the money for equipment trust obligations of the Canadian National lines, the Canadian people paid last year, which is usually paid out of revenues, was paid out of a loan which the national railways obtained, in respect of which the government of the country gave its guarantee.

Now if as a matter of business, in other walks of life, this procedure which I have briefly outlined is followed, why should we not do it in respect of these great public buildings? There is the site to which I have already alluded: no building is on it, no taxes are paid, and we own the land. Nothing is done about it. If the Minister of Railways were dealing with the matter as his friends in the grain business in Saskatchewan are dealing with their problems, he would issue securities as they do. They issue securities in connection with elevators. How are the terminals built in Vancouver? They sell their securities in the way I have indicated. A short statute passed at this session, providing for this special form of loan, would give this country these public buildings, which would be far more advantageous than this piecemeal nibbling at it. Every busines man in the country would be grateful to the administration for adopting business principles in connection with these public matters, and such a policy would leave more money available for the pressing necessities of the smaller communities. And that is an important phase of the subject. I urge the minister and the administration to give this matter their serious consideration. It is true that some of us would probably suffer and our communities might be overlooked, but we could afford to have them overlooked temporarily if we knew that ultimately they would be reached by some process such as I have suggested, which would put the business of the country on a proper basis.

The time has gone by when we should continue to play with the matter. We on this side can do but one thing: we can ask for explanations as to these expenditures, and inquire what population is to be served and what the revenues are to be and whether or not it is in the public interest that the money should be expended. We can put on Hansard our views on the various items, but we cannot effect any change, although we may move to reduce any item. We might move to reduce the item, but we know perfectly well that the majority of the government is sufficient in strength and availibility to vote down any suggestion we might make in that regard. We might make suggestions that other communities be looked after, and all that will be done is that the evidence will be gathered together so that in the next election hon. gentlemen opposite will say, "Look at them; they are extravagant. They say we should spend more money instead of less." That is the way we are dealing with these things, and is it not time we should cease?

Just one thing more while I am on my feet, because I do not propose personally to discuss these estimates in detail. We have in Ottawa a supreme court building with a library the value of which has been estimated by a gentleman who seemed reasonably proficient in matters of that kind, at not less than $450,000. Part of that library is contained in steel stacks, surrounded by highly shellacked white pine, which is most inflammable. Some of these books are absolutely irreplaceable, because the editions are exhausted and we could not buy further copies regardless of the amount of money we might care to spend. In the meantime we have plenty of money for other things, but the supreme court building remains as it is. I apprehend that the supreme court probably will be included in that long row of buildings which is to be built eventually, but in the meantime there it is. What a reflection it is upon us as business people! In what I am saying I am not trying to attach all the blame to this administration, but what a reflection that is upon us as a people and upon parliament! We have offered these suggestions to my hon. friend in the most kindly manner, and with no hope of making political capital out of them. As far as we are concerned we will receive no benefit from so doing; instead we may alienate some of our friends in Ottawa, yet we must face this condition and unless we do so it seems to me we are recreant to the duty imposed upon us. I am talking now just as I would talk if I were attending a meeting of a board of directors and discussing a business matter; if my friend the Minister of Public Works were there together with my friend the Minister of Railways, advised by the Attorney General, and if we were a business corporation, we would do just as I suggest. We would make the best possible terms with the financial houses to take our securities; we would put up our buildings, pay our interest, set aside every year the amount of money we would otherwise pay for rent; we would amortize the securities and own the buildings. Is it unreasonable if I ask the Minister of Public Works to deal with these matters during his

brief tenure of office in such a way that his successor may find what he himself did not find, that is, the business of the department placed upon a sound, economic and common-sense basis? My hon. friend from South Huron (Mr. McMillan) would deal with it in that way if he were dealing with a cheese factory; why cannot we follow that method in carrying on the business of the country? My hon. friend from Laprairie-Napierville (Mr. Lanctot) would deal with it in that way, and every day business men are following the same practice. We are not doing so, but I think we should ascertain if it cannot be done.

Mr. LANCTOT: In answer to my hon. friend I will tell him that I do not need to do that, because I have no public building in my riding.

Mr. ELLIOTT: I have no desire to delay the passing of these estimates, but I do think I should express my appreciation and I think the appreciation of every other hon. member for the very helpful suggestions which have been made by hon. gentlemen opposite and for the manner in which they have been made. I cannot entirely agree with the first part of the remarks of the leader of the opposition, but I very sincerely appreciate the tone of his criticism, if it can be so called, as well as that of the other hon. gentlemen who have expressed themselves on this subject this afternoon.

The suggestion has been made that these estimates are prepared with some political end in view, and at the risk of having to meet my hon. friends on this side of the house from Quebec at six o'clock, I am going to refer hon. members of the house to the vote which we are considering now. We are dealing with an amount of $1,304,647, and in this vote are included a number of separate items. I hope all my hon. friends have copies of the estimates before them; if they will look at the vote they will see that it covers buildings in the province of Quebec. I think it is a fine thing for the country, if I may say so, that in votes for the province of Quebec no man even on the other side of the house will expect to find a great many items covering ridings represented by gentlemen across the way. However, I believe there are three Quebec ridings represented by hon. gentlemen opposite, and hon. gentlemen will notice that included in this vote is a Montreal postal terminal building.

Mr. KAISER: The minister should not reduce our numbers; we have four members from Quebec.

[Mr. Bennett.]

Mr. ELLIOTT: I apologize to my hon. friend.

Mr. BENNETT: And 260,000 people voted for us.

Mr. ELLIOTT: If my hon. friend will look at the amounts being spent in Quebec, he will find that a postal terminal building costing $650,000 is to be constructed in the riding of St. Antoine.

Mr. BENNETT: Of course that is where the building must be.

Mr. ELLIOTT: That is where the government intend to construct it.

Mr. MANION: We hope the rest of the people of Quebec will profit by this lesson.

Mr. ELLIOTT: I think all the people throughout Canada profit by the actions of this government. Then, in the constituency of St. Lawrence-St. George $14,005 is being spent, and an armoury costing $13,000 is to be constructed in the constituency of Mount Royal.

Mr. ARTHURS: How did the hon. gentleman square himself with the hon. member for Southeast Grey?

Mr. ELLIOTT: I will just have to do the best I can, that is all. However, of a total amount of $1,304,647 which is being spent in the sixty-five ridings of Quebec, about $677,000 or more than half is being spent in three ridings represented by hon. gentlemen opposite. Of course I do not mean to say that these items were included because these constituencies were represented by these three gentlemen.

Some hon. MEMBERS: Hear, hear.

Mr. ELLIOTT: I want to make that perfectly clear to my hon. friends from Quebec. These items were included because they were in line with the policy which this department is trying to pursue; they were necessary for carrying on the business of the country. I think these figures are the best answer to the criticism that these estimates have been prepared for the sake of helping our friends in certain political ridings. So much for that; I do not think this argument can be readily controverted, because the figures speak for themselves. Coming to what my hon. friend said with regard to the city of Calgary, it is quite true that a site for a building was purchased—a site which I

examined when I had the opportunity of paying a visit to that very delightful city last fall. The site is well located for the building.

Mr. BENNETT: Everything except the building.

Mr. ELLIOTT: Except the building. And I think my hon. friend was well within the mark when he said it cost $200,000; my recollection is that that site cost in 1914 about $340,000.

Mr. ADSHEAD: $312,465.

Mr. ELLIOTT: Well, I am very close to it. The city of Calgary is one of the places doing a large business—

Mr. BENNETT: My memory is that a plan of expropriation was filed on the property.

Mr. ELLIOTT: In 1913, I think it was; it was not adjusted until the latter part of the year or the beginning of the next year.

Mr. BENNETT: Yes, that is right, just before the war.

Mr. ELLIOTT: I took occasion to inquire as to the revenue from the post office, the customs and government services generally and there is no doubt that it is one of the towns whose revenues are growing rapidly.

Mr. BENNETT: Cities.

Mr. ELLIOTT: I beg the pardon of my hon. friend from the city. The revenues are growing very rapidly; but I took occasion to go to the post office, where the clerks and the postmaster and all the rest of the people performing the government services there are housed, and I inquired from the postmaster himself, and it was quite apparent that they were comfortably and commodiously located. There is no doubt about that. We could not perhaps nearly so well omit Calgary from our consideration at the present time, if they were located as some of the other services have been. If my hon. friend goes around through the offices and asks the postmaster or the assistants, I believe they will all tell him that they are well housed.

Mr. BENNETT: Except that they are not all under the one roof. They are scattered all over the community as they are in Ottawa.

Mr. ELLIOTT: It is not very convenient, but they are well accommodated at the present time; and there are so many places where the services are not so well accommodated that I do not think my hon. friend will find anything unfair in deferring the building of the post office at Calgary until some of these other places have been dealt with.

Now with regard to the policy of erecting public buildings. Allusion has been made to the confederation block, and while it does not arise directly under this item, I perhaps might refer to it. That is a building which when completed we hope will be a credit to the city and to the Dominion. It is a building that will cost in the vicinity of $3,000,000.

Mr. BENNETT: Is that all?

Mr. ELLIOTT: That is the first of a series, the one we have started. Considering the size and character of this building my hon. friends, if they inquire from any architect, will, I think admit that there has been no delay in the preparation of plans and details and the laying out of the building. I may tell my hon. friend that we expect to advertise immediately; if the advertisement is not already in the papers it will be within the next week; the plans and specifications and everything have been prepared.

Mr. BENNETT: That is the first unit?

Mr. ELLIOTT: That is the first unit.

Mr. ADSHEAD: Who is the architect?

Mr. ELLIOTT: The Department of Public Works architect.

Mr. ADSHEAD: For what building, may I ask?

Mr. ELLIOTT: The first of the units for the confederation block. I am very glad to have had the views of my hon. friends in regard to the policy to be adopted in the future. With many of the things that they have said I think it is difficult to disagree. The government has certain advantages, that is, it escapes taxes which the people who rent these buildings have to pay. I was not altogether correct in answering my hon. friend in regard to our being free from taxes down here where we propose to erect this building. We have a number of the buildings now on the site leased. Once we lease a building to someone who is not in the government service and get a rental for it, we become liable for taxes; and it is only that portion of that property that has been liable for taxes in the past. I think the government ought to consider very seriously, in view of the great increase in business since most of the buildings now housing public services were constructed, whether or not at some time in the not

distant future they should attempt to embark upon a fairly extensive policy of building. I think it is helpful to have suggestions from the other side of the house. I want to say that I appreciate the manner in which they have been given, and I want to assure the house that this matter is receiving very serious consideration not only from my officials in the department, but from myself.

I might just call attention to the fact that wisely, I think, our predecessors in office decided to defer until the war was over and for a period after the war the construction of buildings which they undertook in 1914. I have no doubt that all the members of this house are fairly familiar with the fact that in the year 1914 for public works in Canada the sum of $27,991,000 was actually expended. That was the last normal year before the war. Public works are facilities for carrying on the trade of the country and must always bear a certain relation to that trade. The total trade of the country at that time was $1,074,000,000. It was $2,353,000,000 for the year ending 31st March last. Wisely or unwisely the government only saw its way clear to spend on public works $17,000,000. They considered that a reduction of taxation and of debt was so imperative that they could not well go on with public buildings, except those that were absolutely necessary. Then there is the other theory, and perhaps both governments were wrong in regard to that. The expenses of construction it was thought were abnormaly high after the war. I think the government which was in power at the end of the war thought that those expenses would be reduced very materially before now. I know that the present government were of that opinion, and thought it was wise to defer the construction of public buildings until the cost of building had reached a lower level. It has not decreased as was expected, and accordingly rents have not decreased, but they have increased. I think they have increased more than they should have increased but it is a fact that they have increased. But it is very helpful to the department to have the expressions of opinion given in the way these expressions have been given indicating what our hon. friends in all sections of the house think is a wise policy to adopt in the public interest at the present time.

I do not think there is anything further I can say, except again to assure my hon. friends that we have not reached the period in connection with the finances of the country when we can afford to play politics to the extent that some hon. gentlemen have suggested.

[Mr. Elliott.]

Mr. CASGRAIN: Mr. Chairman, may I be permitted to say a few words in regard to the building at Baie St. Paul which was spoken of a few minutes ago? If I remember well, the hon. member for Parry Sound (Mr. Arthurs) asked some questions as to the population and revenue of that place. I hold in my hand the report of the Postmaster General for the year ended 31st March, 1927, and I find that the revenue is $3,465.53. Moreover this place serves a district which comprises a much larger population. The people of at least seven parishes come to Baie St. Paul for their mail and many rural services emanate from that point.

Mr. CHAPLIN: The service is not very great if the revenue is only about $3,400.

Mr. CASGRAIN: It is a divisional point and it serves for the delivery of mail for other parishes. It has been pointed out that there was so much congestion in years past that this item had been long contemplated. For the last twenty-five years at least the federal government has been more or less sponging on the city council or the town council in having a small place where the work of the post office was carried on and it is considered a disgrace that the post office should be given such poor facilities. All the people who know the district, the Minister of Justice, the Solicitor General and others who have visited it, are well aware that what I say is correct.

Mr. ARTHURS: I was not objecting at all to the appropriation for Baie St. Paul and I have no intention of objecting to a vote of that kind. I was simply asking for information as to population and the revenue from the post office. What I intend to say later on has no relation to my hon. friend's remarks. He is quite right in protecting the community of Baie St. Paul, and I have the same right regarding any district or town about which I may speak in future. Baie St. Paul is only one of many places which are similarly situated with larger populations round about. I should like similar information as to population and so forth in connection with Kenogami.

Mr. ADSHEAD: I did not expect at this time that the question of the Calgary post office was coming up. I thought it would be discussed under the particular item; but since the hon. member for West Calgary (Mr. Bennett) and the Minister of Public Works have discussed the question at considerable length, I think I should be allowed the privilege of continuing the discussion so that I need not take the matter up again.

The CHAIRMAN (Sir Eugene Fiset): Is it the desire of the committee that we should consider the estimate item by item?

Mr. CHAPLIN: We have already decided that.

The CHAIRMAN (Sir Eugene Fiset): Then this discussion is out of order.

Mr. ADSHEAD: Then the other discussion was also out of order.

Mr. ELLIOTT: As regards Kenogami the postal revenue for 1926-27 was $8,106, and the population is 2,557, according to the 1921 census, the last that we have.

Mr. GARDINER: What item are we dealing with now?

The CHAIRMAN (Sir Eugene Fiset): Dominion public buildings—improvements, repairs, etc., $102,000.

Mr. GARDINER: May we have the details of that?

Mr. ARTHURS: And the details regarding Limoilou.

Mr. ELLIOTT: Perhaps I had better give them one at a time. My hon. friend asked for the general details in regard to the amount of $102,000. That is the amount that has been spent annually for a number of years for improvements and repairs in connection with Dominion public buildings in the province of Quebec, including those in the city of Montreal. Perhaps while I am on my feet I had better answer with regard to Limoilou. Limoilou is practically part of the city of Quebec at the present time. This building is in a rapidly growing part of the city.

Mr. CHAPLIN: What is the population?

Mr. ELLIOTT: It is practically part of the city. There are fifty-six industrial establishments, six religious institutions, 152 stores and 3,200 residential buildings served by this building. I have not the population of this part separately, but it is a rapidly growing suburb of Quebec.

Mr. ARTHURS: I should like a few details regarding the way in which the item of $102,000 was spent last year for improvements and repairs to Dominion public buildings.

Mr. ELLIOTT: The amount spent last year is $101,985, made up as follows:

Actonvale, post office, $1,323.44; Arthabaska, post office, $656.90; Aylmer, post office, $74.82; Berthierville, post office, $335.84; Buckingham, post office, $193.19; Cap de la Madeleine, Fortin building (post office), $16.50; Chicoutimi, post office, etc., $117.55; Coaticook, post office, etc., $2,172.82; Cookshire, post office, $342.70; Drummondville, post office, etc., $94.51; Dundee, custom house, $144.45; East Angus, post office, $267.10; Farnham, post office, $746.79; Gaspe, Carter building (post office, etc.), $38.20; Granby, post office, $540.16; Grand Mere, Banque Nationale building (post office), $2; Hull, post office, $1,937.74; Iberville, post office, $40.05; Joliette, post office, etc., $714.88; Jonquieres, post office, $139.52; Knowlton, post office, etc., $223.07; Lachine, post office, $110.54; Lachute, post office, $146.75; Lac Megantic, post office, $339.38; La Malbaie, post office, $108.22; La Prairie, post office, $90.06; L'Assomption, post office, $735.08; Levis, post office, etc., $352.33; Longueuil, post office, $96.83; Loretteville, post office, $127.78; Louiseville, post office, $208.95; Magog, post office, $201.42; Maniwaki, post office, $72.65; Marieville, post office, $62; Matane, post office, $82.12; Mont Joli, Levesque building (post office), $4.30; Montmagny, post office, $605.93; Montreal, Ames building (D.S.C.R. etc.), $152.50; Montreal, custom house (old), $1,979.94; Montreal, custom house (canal office), $16.65; Montreal, examining warehouse (new), $7,544.14; Montreal, examining warehouse (old), $537.08; Montreal, forest products laboratory, $99.60; Montreal, Gazette building temporary E.W. (old), $1,502.54; Montreal, generally, $5,546.78; Montreal, old inland revenue building (P.W.O.), $1,108.48; Montreal, post office, etc., $14,526.61; Montreal, postal station A, $459.60; Montreal, postal station B, $179.52; Montreal, postal station C, $1,113.74; Montreal, postal station D, $486.73; Montreal, postal station E, $246.09; Montreal, postal station F, $247.35; Montreal, postal station L (Westmount), $3,121.13; Montreal, postal station G, etc., $175.35; Montreal, postal station H, etc., $650.75; Montreal, postal station N, La Patrie building, $110; Montreal, Labelle building postal station N, etc., $6,184; Montreal, postal station O (St. Laurent), $2,002.73; Montreal, postal station R, $103.93; Montreal, postal station S, $2,577.76; Montreal, postal station Delorimier, 1023-25 Mount Royal ave., $9.71; Montreal, postal station Hochelaga, $75.02; Montreal, postal station Notre Dame de Grace, 5633 Sherbrooke street, $136.89; Montreal, postal station St. Henri, $1,374.45; Montreal, postal station Verdun, $26; Nicolet, post office, etc., $109.43; Pierreville, post office, $45.39; Plessisville, post office, $627.12; Quebec, Carrel building (Seeds branch), 55 cents; Quebec, Citadel, Governor General's quarters, $26.32; Quebec, city, generally, $199.69; Quebec, custom house, etc., $1,641.73; Quebec, examining warehouse, $454.99; Quebec, marine agency, King's wharf, $1,904.15; Quebec, Molson's Bank building (old), $73.57; Quebec, Oliver building (R.C.N.V.R.), $54.50; Quebec, post office, etc. (main), $4,099.18; Quebec, postal station B, $22.70; Quebec, postal station St. Roch, $242.66; Quebec, postal station St. Sauveur, $805.97; Richmond, post office, $669.28; Rigaud, post office, $1,196.80; Rimouski, post office, etc., $270.33; Riviere du Loup, post office, $406.50; Roberval, post office, $101.72; Rock Island, post office, $343.48; Ste. Agathe des Monts, post office, $103.15; Ste. Anne de Bellevue, Pilon building (post office), $11.80; St. Gabriel de Brandon, post office, $212.70; St. Hyacinthe, custom and excise building, $593.59; St. Hyacinthe, post office, etc., $1,109.78; St. Jean, custom house, $177.70; St. Jean, post office, $954.44; St. Jerome, post office, etc., $172.19; St. Joseph de Beauce, Cliche building (post

office), $3; St. Lambert, post office, $301.20; Ste. Therese, post office, $70.55; St. Tite, L'Heureux building (post office), $12.65; Shawinigan Falls, post office, $103.09; Shawville, post office, $64.80; Sherbrooke, Gregoire building W. & M. O. 130 Wellington street, $374.50; Sherbrooke, post office, etc., $5,381.60; Sorel, post office, $1,067.41; Terrebonne, post office, etc., $210.05; Thetford Mines, post office, $143.70; Trois Rivieres, drill hall, $5,034.77; Valleyfield, post office, $3,900.22; Victoriaville, post office, $365.80; Minor offices throughout Quebec province, $213.80; Generally, $2,344.98—Total, $101,985.17.

That has been practically the annual expenditure for the last three years.

Mr. ARTHURS: Was any of this work done by contract, and if so, for what amounts? Naturally we would suppose that contracts would be let for anything over $5,000.

Mr. ELLIOTT: I understand that most of this work was done by day labour.

Mr. ARTHURS: Regardless of the amount?

Mr. ELLIOTT: Yes.

Mr. STEVENS: This doing of work by day labour is an old, I was going to say, controversy. As a matter of fact, parliament for many years agreed that all work over $5,000 should be done by contract; indeed, I believe there is a statutory provision to that effect, and it says that works under $5,000 "may"—not "shall"—be done by day labour if in the opinion of the minister it is in the interest of the country to do so. Would the minister please give us the contracts in regard to five of the places he mentioned, and which I noted down, although I may not have the exact amounts: Sherbrooke, $5,381;Three Rivers, $5,034; Montreal examining warehouse, $7,500; Montreal post office, $14,000; Labelle, $6,000.

Mr. ELLIOTT: I shall be glad to obtain for my hon. friend the details he has asked for.

Mr. STEVENS: This is a very large item, and we ought to have that explanation. I think the Minister of Justice and other members of the government will appreciate what I am saying. The item amounts to $102,000. We are not complaining about that, but as we are voting this in a lump sum, and it has all been spent, I understand, except $15, we ought to have an explanation. Perhaps the best thing would be to let this item stand and take up the others, and the minister can give us an explanation as to these other large items where, under the statute, the work should be done by contract.

[Mr. Elliott.]

Mr. ELLIOTT: If it is considered, by reason of any special circumstances, that the work can be more advantageously performed by day labour, we are not limited to the amount of $5,000. I think the Sherbrooke post office and the work at Three Rivers were both done by day labour.

Mr. ADSHEAD: Is there anything in the Ontario vote for a building for the Dominion Bureau of Statistics? It is now in a wooden ramshackle building, and the floors, as I said last year, are more like the waves of the ocean than anything else. Thousands of priceless documents are housed there which should really be in a fireproof building. Is it the intention of the government to put up such a building?

Item stands.

Drummondville public building — addition, $5,000.

Mr. McQUARRIE: Is this for the completion of the building?

Mr. ELLIOTT: This amount is required for fittings and lock boxes, $3,750; repairs to concrete retaining wall, $190; iron fence, $290; granite steps, $390; contingencies, $318.

Item agreed to.

Maisonneuve—public building, $125,000.

Mr. McQUARRIE: What is this for?

Mr. ELLIOTT: This is a revote.

Mr. McQUARRIE: I see it is a revote, but the amount has been revoted for several years.

Mr. ELLIOTT: This is to provide for the purchase price of the old city hall in Montreal. Apparently they were unable to get the transfer completed before, and the money had to be revoted.

Item agreed to.

Mont Laurier—public building, $3,000.

Mr. ARTHURS: What is the population and revenue of this place?

Mr. ELLIOTT: In 1921 the population was 1,813, and the postal revenue $15,145.

Mr. McQUARRIE: How is the item made up?

Mr. ELLIOTT: To complete the contract, $1,000; grading and sidewalks, $1,000; contingencies and inspection, $1,000.

Item agreed to.

Montreal—postal terminal building, $650,000.

Mr. McQUARRIE: This is a large item and requires some explanation.

Mr. ELLIOTT: This is required towards the construction of a postal terminal building for the handling of the mails in connection with the railway terminals at Montreal. At the present time the mails are taken from the railway terminals to the general post office for sortation, and are then returned to the railway terminals for transmission to their destination. The city collections are taken to the post office for sortation, and the outgoing mail is then transferred to the railway station. Foreign mail is taken to postal station "A" for sortation. The general post office is well located and equipped for handing the mail of the financial and business district of Montreal, but is not suited for the sorting, and to overcome the present inadequacy and difficulty it is proposed to erect a building in the vicinity of the railway terminals.

Mr. ARTHURS: Where will it be located? I thought the site for the terminals had not yet been decided upon.

Mr. ELLIOTT: In the vicinity of the Bonaventure and Windsor stations.

Mr. FRASER: I have before me the Auditor General's report of last year, and I find in part V, section 14, the following:

Montreal postal station site, corner Prince Arthur and Clark streets, to cancel agreement of sale, etc.:—H. Auerbach, in trust for the Montreal Joint Board of Amalgamated Clothing Workers, $5,000.

What is the explanation of this?

Mr. ELLIOTT: I have no knowledge of it personally, but I am advised that it was proposed to construct a building on the site; then it was decided not to do so and the land was sold for that price.

Mr. FRASER: This is a payment of money.

Mr. ELLIOTT: The purchasers did not proceed and were paid back their deposit. We still have the site.

Mr. GARDINER: Has the site for the postal terminal building been purchased?

Mr. ELLIOTT: No.

Mr. EDWARDS (Frontenac): Has the site for this building been purchased?

Mr. ELLIOTT: No.

Mr. EDWARDS (Frontenac): This item of $650,000 is just for the building; no part of the money is to be used in purchasing the site?

Mr. ELLIOTT: Yes, it is towards site and building.

Mr. EDWARDS (Frontenac): This is supposed to include the site and the building?

Mr. ELLIOTT: Not all. The intention is to construct a building that eventually will cost a million and a half. This is the start.

Mr. EDWARDS (Frontenac): That is exactly what I wanted to get at. The item may be all right, but such a large sum should not go through in too short a space of time, for it gives the appearance of undignified haste and would leave us open to the criticism of being indifferent to the voting of large sums.

Mr. ELLIOTT: Quite so.

Mr. EDWARDS (Frontenac): Taken in connection with the expenditure for tearing down city blocks in Ottawa and for other purposes, it creates a bad impression throughout the country. I understand from the minister that this is only the start of an expenditure which roughly will total a million and a half. Does not the minister think we are pretty safe in following past experience and doubling the estimate?

Mr. ELLIOTT: Not in this department.

Mr. FRASER: I understood the minister to say that he had not yet purchased the site. What does this item mean in the Auditor General's report?

Montreal, towards purchase of Lavut building for postal station "G":—(Purchase price, $62,500, and $25,000 mortgage assumed, interest at 7 per cent: balance still due, $10,300 and $25,000 mortgage) Royal Trust Co., trustee for London and Scottish Assurance Corp., fourth annual payment out of five, $10,300.

Mr. ELLIOTT: No, that is a small postal station.

Mr. LAPOINTE: It is the fourth item later in that reference.

Mr. EDWARDS (Frontenac): What does the minister estimate the site will cost?

Mr. ELLIOTT: It is pretty difficult to say at the present time.

Mr. McQUARRIE: Is the site selected?

Mr. ELLIOTT: No.

Mr. GARDINER: Have there been any negotiations for the purchase of a site?

Mr. ELLIOTT: No.

Mr. KENNEDY: The minister stated that this is a third of the ultimate expenditure. Does the same remark apply to some of the other items we have passed? If so, it is very misleading.

Mr. ELLIOTT: No, most of the items referred to are final.

Mr. GARDINER: Where it is proposed to make expenditures to this extent, and further expenditures will be necessary to complete the building, the minister should inform us of the total cost.

Mr. ELLIOTT: I will.

Mr. GEARY: Does the minister intend to have this building erected in conjunction with one of the terminal stations of the railways?

Mr. ELLIOTT: That is not the intention.

Mr. GEARY: That is the usual practice, is it not?

Mr. ELLIOTT: No. It is intended to get the buildings as near the station as possible for sorting purposes.

Mr. GEARY: You have not selected the site?

Mr. ELLIOTT: No.

Mr. CANTLEY: In view of the fact that the terminal station has not been determined on, it seems to me the minister does not know where he will spend this $650,000. We have great difficulty in getting very small amounts when the need is admitted and the plans for the buildings have been completed for years. The minister asks us to vote him $650,000, although he does not know where the building will be located and he has not bought the land; in fact there is no definite basis for the vote. I think he had better leave it over for another year.

Mr. ELLIOTT: If my hon. friend knew the condition he would not suggest letting this vote stand over for another year. I might read him part of the memorandum submitted by the postal department for these facilities, which are greatly needed:

> To place the large mail-handling area of the city of Montreal in a position to cope with the increase in mailing, it was necessary to consider the form of relief that would provide the most efficient service at this time. It was therefore decided to build a main transfer building located contiguous to the railway station.

I do not imagine my hon. friends will think it advisable to be told exactly what property the department has in mind.

[Mr. Elliott.]

Mr. CANTLEY: Where is the railway terminal to be?

Mr. ELLIOTT: In the vicinity of Windsor and Bonaventure stations.

Mr. CANTLEY: I know it is in the city of Montreal somewhere; but I do not think the site is determined on yet.

Mr. ELLIOTT: It is. It will be in that particular vicinity. I cannot give any more definite information at the present time.

Mr. EDWARDS (Frontenac): Has the minister any options on any property there?

Mr. ELLIOTT: No.

Mr. EDWARDS (Frontenac): Then the voting of this $650,000 now is by way of informing all the real estate agents and property owners to get busy.

Mr. ELLIOTT: We will keep it general enough so that no particular lot will be designated, and I do not think any harm will be done. We cannot buy the site until we have the money.

Mr. EDWARDS (Frontenac): But you are getting money for the building before you have bought the land.

Mr. VENIOT: Mr. Chairman, perhaps I can throw a little light on this vote because I have assisted in choosing the site. The site is on the street opposite Bonaventure station down towards the lower part of it.

Mr. LAPOINTE: St. James street.

Mr. VENIOT: It is situated in such a way that when the projected terminal of the Canadian National Railways is built and the change is made in the Canadian Pacific Railway terminal, we anticipate this will be central to them and will give the necessary accommodation that we require in Montreal for the handling of the large quantity of mail going through there, which is increasing daily. Construction will be on the same lines as the terminals of Toronto, the only difference being that the new building will be put up and we shall not be compelled to buy a building and make the numerous changes which we had to carry out in Toronto in order to give us proper accommodation and a suitable location.

Mr. EDWARDS (Frontenac): Did I understand the minister to say that he had assisted in the selection of the site?

Mr. VENIOT: I assisted in the selection of the site extension and I wish to say that we now own the property there. It is not sufficient for the whole of the building, but sufficient to begin the work and give us the

accommodation at the commencement of the season. We own quite a large property on this site now, and the additional sum required to purchase the rest of the property sufficient for the construction of this building should be voted. I do not think it would be right to ask us to make this information public because we shall have to arbitrate on the remainder of the property contiguous to the site we require.

Mr. McQUARRIE: I understood the Minister of Public Works to say the site had not been selected.

Mr. VENIOT: The Minister of Public Works does not select sites for post offices.

Mr. McQUARRIE: He said—

Mr. VENIOT: If it has been the practice in the past under former governments to have sites for post offices selected independently of the Post Office Department, that practice will not continue. The Canadian National used to do that in the past, looking after mail terminals in their stations, but that is not so now. Their engineers are practical men so far as railway matters are concerned, but they are not practical in the handling of mails and in the preparing of plans for mail terminals. That work to-day falls to the engineers of the Post Office department.

Mr. EDWARDS (Frontenac): I am sure there is one gentleman in the house who will appreciate what I said a little while ago on the inadvisability of rushing through these large items with undue haste. The Minister of Public Works is indebted to us on this side of the house for supplying him with a bit of information which he said himself he did not have when he rose to ask for this amount of money. We have at least obtained the information that the site has been selected; we had that from the Postmaster General. That is news to the Minister of Public Works. All he has to do now is to put up the building. I was wondering why they would ask for money to put up a building without a place on which to put it. The Minister of Public Works could not inform us on that very important particular; he did not know. But we have it from the Postmaster General that he has taken part in selecting the site and apparently the Minister of Public Works did not know about it.

Mr. VENIOT: I may add for the information of my hon. friend that besides assisting in the selection of the site we submitted these items afterwards to the Minister of Public Works. The site, in the selection of which I assisted, was the extension. The first site which was chosen and purchased, and is now owned by the Department of Public Works, was chosen and purchased by my hon. friends opposite—the old Carslake hotel.

Mr. EDWARDS (Frontenac): The Minister of Public Works will be glad to know about it. Apparently he did not know. Here we have a minister getting up and asking the committee to vote $650,000 to put up a building and he does not know where it will be, while the Postmaster General has been informed all the time that a part of this was purchased years ago. All this is news to me and apparently it is news to the Postmaster General's colleague, the Minister of Public Works.

Mr. MANION: May I ask the Postmaster General a question? He said that he helped to choose the site. How did he come to be called in by the previous government?

Mr. VENIOT: I can easily answer that. If my hon. friend had been paying attention to what I said—

Mr. MANION: I always do.

Mr. STEVENS: We have to.

Mr. VENIOT: I said I assisted in the selection as regards the extension. I used the word "extension"; Hansard will show it.

Mr. MANION: You can extend only what you already have.

Mr. VENIOT: The hon. gentleman asked a question and I was trying to answer it. That extension is now a part of the site chosen by our friends when in power.

Mr. MANION: I was at one time Postmaster General and I was wondering how I had been overlooked.

Mr. VENIOT: My hon. friend was there so short a time that he knew nothing about it.

Mr. MANION: I was there a short time, it is true, but I do not see why my hon. friend should be called in over my head.

Mr. VENIOT: I certainly would not attempt to go over the head of the hon. gentleman; the task would be too difficult.

Mr. EDWARDS (Frontenac): The Minister of Public Works, from his want of knowledge, has also been there a very short time.

Mr. ELLIOTT: I want to say for the information of my hon. friend from Frontenac that the selection of the site for the building

we put up is made by the Department of Public Works. The Postmaster General or someone else may have in mind, perhaps the very best site in the world, a site which he thinks is the proper one, and we are glad to have his recommendations and any other information we may have on the subject. But the site is not acquired, so far as this department is concerned, until we select it. I might add for the benefit of my genial friend from Frontenac that I have here a map showing the property which is owned at the present time as well as the property suggested by the Post Office department, and which is probably the proper site. So far as this department is concerned, if that addition cannot be purchased at a price that is reasonable, either it will be expropriated or the building will go up somewhere else.

Mr. GEARY: Who selected the site immediately adjacent to the site already selected?

Mr. EDWARDS (Frontenac): I say again that the Minister of Public Works is under a debt of gratitude to me—

Mr. ELLIOT: I always am.

Mr. EDWARDS (Frontenac): —and to others as well, and I hope he will not forget that debt.

Mr. ELLIOTT: Never.

Mr. EDWARDS (Frontenac): I could not for the life of me accept the statement of the Postmaster General that he selected this site. I remember fourteen years ago going with a representative of the Department of Public Works to select a site for a post office in the village of Sydenham. I was there in a sort of advisory capacity, but it was the Public Works department that selected the site. My impression always has been, the Postmaster General to the contrary notwithstanding, that these sites were selected and purchased by the Public Works department. In this regard the Postmaster General is in about the same position as anyone else: he may offer suggestions or advice, but he cannot issue any commands. He has represented himself in this house as the big Poo-Bah in connection with these buildings; but after all he is only in the position of anyone else who may offer a little advice or some suggestions. But the Minister of Public Works is the all-powerful man who really does the purchasing, the Postmaster General sitting by, thinking he is running the whole show.

Item agreed to.

[Mr. Elliott.]

Montreal—Craig street drill hall—government's share of cost of local improvements, $1,742.

Mr. EDWARDS (Frontenac): This item should carry, especially because it is in Montreal and it is for drill purposes. I respectfully suggest that the Minister of Public Works take the Postmaster General down there and put him through a series of drills before he brings on his estimates.

Mr. McQUARRIE: Is it the policy of the Dominion government to pay for local improvements in front of properties owned by the government, not only in Montreal but in other places as well?

Mr. ELLIOTT: That has been the practice.

Item agreed to.

Public Works—postal station in Outremont division, $53,000.

Mr. CHAPLIN: What is the history of this property? Evidently this is a revote. What was the amount of contract?

Mr. ELLIOTT: The revote is $30,000. The site has been purchased.

Mr. CHAPLIN: How much was spent last year out of the $50,000 then voted.

Mr. ELLIOTT: Up to March 31, $20,507 had been spent.

Mr. CHAPLIN: Was that for the site?

Mr. ELLIOTT: The site cost $19,200, which is included in that amount.

Mr. CHAPLIN: And $53,000 will complete it?

Mr. ELLIOTT: Yes, it will complete everything.

Item agreed to.

Public Works—towards purchase of Lavut building for postal station "G", $14,005.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This is the item to which reference was made a moment ago, covering one payment on the purchase of a building for postal station "G".

Item agreed to.

Quebec citadel—Governor General's quarters —additions, alterations and improvements, $150,000.

Mr. CHAPLIN: What is the explanation with regard to this amount? We voted $100,000 last year.

Mr. ELLIOTT: This amount of $150,000 is required to complete the remodelling and

refurnishing of the quarters of the Governor General in the Quebec citadel. The work is of a miscellaneous character and consists of the entire renovation of the existing building, which was erected about a century ago and was in a very bad state of repair, part of it practically gone to decay. The work to be undertaken during the year is of two kinds: Renovation and alterations such as renewal of floors, window panes, sashes, doors, alterations to stairs, new plumbing, new roofing, alterations to the heating plant, painting and replastering. This is estimated to cost $80,000.

Mr. GEARY: Outside of that the building is all right?

Mr. ELLIOTT: Outside of that the building is as good as any building a hundred years old. The balance of the amount, $70,000, is for furnishing such as carpets, draperies, furniture and so on. It means almost a complete refurnishing of the quarters.

Mr. CHAPLIN: Where did former governors general go?

Mr. ELLIOTT: To the same place.

Mr. CANNON: But not since 1915 or 1916.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Quebec citadel—Governor General's quarters —additions, alterations and improvements, $150,000.

Mr. CHAPLIN: Mr. Chairman, when the committee rose at six o'clock I was asking the minister for some information in respect to this vote. Was the money spent that was voted last year, and what commitments, if any, have we in respect of this vote of $150,000.

Mr. ELLIOTT: The money voted last year is practically all spent. Certain further work has been proceeded with, on account of its being urgent, and the desire to have the alterations and improvements completed by next June.

Mr. CHAPLIN: Then part of the money which we propose to vote now has been already spent?

Mr. ELLIOTT: We are practically committed to it, subject to its being voted by the house.

Mr. CHAPLIN: I do not know just what sort of bug gets into the minds of ministers when they set out to spend money on a proposition of this kind. We have one official residence for the governor general; now we are to have another house at Quebec, and I hear rumours around the house that there is one proposed on the west coast, at Vancouver or somewhere in British Columbia. Where is this thing going to end? For my part I have not spoken to the ministers regarding any appropriation in my county, neither last year nor the year before, although I could point out to many places both in my county and in the adjoining county where it is necessary to spend money. Although there are hundreds of constituencies where the expenditure of money is necessary in the interests of the public service, we are met here with an unnecessary and unwarranted expenditure, and I for one object to it.

Mr. WOODSWORTH: I should like to add my protest against the expenditure for this purpose. I quite concede that something should be done to maintain the citadel at Quebec. I remember a few years ago visiting it and noting with some regret that the old walls were in a very bad condition. I was shown the governor general's room there, and undoubtedly it was not a fit place in which to place the governor general. But why is it necessary to erect new residence for him at the citadel? There is a chateau there in which he can be very well provided for. He has his own private cars—about which perhaps we may have an opportunity of hearing something a little bit later—and in these very frequently he can remain with a good deal of comfort. It seems to me we are simply copying some of the least desirable practices of Great Britain, where the king has castles and houses here and there across the country. The governor general will more and more, become, as I understand it from the constitutional standpoint, purely the representative of the king in Canada, and I do not see why we should attempt to provide for a style of living, in respect to the governor general's quarters that is not in conformity with the ideals of the vast majority of the Canadian people. We do not need to set up a kind of semi-feudalism in this country. As has been said, there are a very large number of perfectly legitimate expenditures of which we stand in great need. I fancy we shall be told before very long that we cannot possibly put into operation such a scheme as unemployment insurance because we have not the funds at our disposal. We are told again and again that certain items are being cut down—items which are very necessary, involving expenditures which would really help the people—because we must preserve the

treasury against the raids being made upon it. In the face of all this it seems to me it is absolutely unjustifiable for us to vote such a large sum for what is after all quite an unnecesary purpose and a purpose which is not in harmony with the best thinking of our Canadian people. I want to add my protest against such a vote.

Mr. GARDINER: Will the minister give the committee the information as to what the expenditure is for?

Mr. ELLIOTT: I will give it again; perhaps my hon. friend was not in the chamber when I gave it. The amount asked is for work on the building, renewals and alterations, such as window frames, sashes, doors, alterations to the stairs, new roofing, alterations to heating, painting and replastering. To complete the alterations, covering practically everything connected with the building, it is estimated that $80,000 will be required. The remaining $70,000 is for furnishings, such as carpets, draperies, furniture and fittings, for the existing building.

Mr. BENNETT: Does that complete the furnishings?

Mr. ELLIOTT: It is hoped so.

Mr. ROSS (Kingston): Just before six o'clock the minister assured us that his department made no mistakes in estimating. I am sure we were under the impression last year that $100,000 would complete this work, so that there is a slight error, to the extent of 150 per cent, in the estimate of cost. Now there is a little doubt as to whether or not even this further appropriation will complete the work. I have no objection to this vote if it is absolutely necessary, but I think the money is being spent on a pretence, because I am sure the governor general will not spend a week at the citadel. It is simply to make it a sightseeing place in Quebec and a means of renewing part of the old fortifications. As I said this afternoon, there are two other places nearly as old as Quebec and unless the minister comes forward with a scheme which will prevent the destruction going on in those places, we shall have to make a stronger opposition to this next year.

Mr. LAPOINTE: My hon. friend is wrong in his assumption, because I know it is the intention of His Excellency the Governor General to spend in Quebec a part of the year both in summer and in winter.

Mr. ROSS (Kingston): There are other capitals.

[Mr. Woodsworth.]

Mr. LAPOINTE: But I did not rise for the purpose of saying that; I wish merely to read to the committee the comment last year of the then leader of the opposition when this appropriation came before the house. These are as his words as reported on page 1113 in Hansard of last year:

> Mr. Guthrie: I agree with the minister in regard to this vote. I think we ought to preserve this historic monument of past days for it is something in which every citizen of Canada should take a just pride. I have not visited the citadel since the Duke of Devonshire was here as Governor General, and even at that time the whole premises were sadly out of repair. If nothing has been done in the intervening years the place must be in a very dilapidated condition to-day. Possibly the amount asked for, $100,000, is large, but having regard to the fact that this is one of the outstanding historic sites in Canada I believe that the people of the country desire to have it maintained in a condition befitting our wealth and consequence in this land. While I am disposed to criticize much of the outlay proposed in these estimates, while I do oppose political expenditures throughout the country on post offices and other buildings for which there is no need at the present time, I am inclined to commend this vote, and I hope that the money we are now granting will place the Quebec citadel in proper shape, not only for the comfort of Their Excellencies, but also as a monument in which the Dominion at large is interested.

After such nice words I am not surprised that the Minister of Public Works was keen to go on with the work.

Mr. CHAPLIN: It seems to me that the remarks just read by the minister constitute one of the severest criticisms that could be made of this government.

Mr. LAPOINTE: My hon. friend has a queer way of appreciating things.

Mr. CHAPLIN: The hon. member spoke last year as leader of the opposition and even then he thought $100,000 was an extravagant expenditure. The government are now asking for an additional $150,000 to do practically the same work over again. It seems to me that the citadel must be deteriorating very fast when the government have to come to parliament each year asking for a certain amount. How much is it going to cost for the upkeep of the citadel year after year? How much will the furniture and all the furbelows cost and what will be the cost in the way of people to look after the place? I object to our having two or three places for our very much respected Governor General. We have one place of residence now and a great deal of money has been spent on it. While money is needed elsewhere throughout the country I object strongly to this expenditure.

Mr. ADSHEAD: Do any of the other British dominions provide two homes for their governors general?

Mr. ELLIOTT: I may say very frankly I have not visited the homes of governors general in any of the other countries, but my information is that in India, at any rate, where Their Excellencies were at one time, there is more than one place of residence.

Mr. ADSHEAD: Why should we follow India's example?

Mr. ELLIOTT: We are following Canada in this respect. This is not something new. We have had the two residences for Their Excellencies for many years. We are simply putting back into repair one of the residences.

Mr. ROSS (Kingston): Is there anything of the old citadel left?

Mr. ELLIOTT: Yes, the walls. But there is no question that the building that was erected more than a century ago at great expense is in a very worn and decayed condition. We are not starting out on something new. When the war was on, repairs were required and it was not considered that was the proper time to make them. The condition became so bad during the period of the war that the place could not be occupied. Things were just allowed to drift along and the time came when the government had to decide whether or not that the great old historic landmark, a beautiful building constructed at great expense years ago, having been kept up for a number of years as a residence for a part of the year at any rate of the governor general, should be permitted to fall into decay and lost to the people of Canada as an historic landmark. The government believed it was not advisable to allow it to deteriorate. I do not want to refer to the wishes of any of the parties concerned; but the government, considering all the circumstances, believe this was an expenditure not only that they were justified in making, but that under the circumstances they could not avoid making. They felt it was their duty to see that the old citadel was not allowed to be lost to the people of this country.

Mr. ADSHEAD: I have no objection to keeping the old citadel of Quebec as an historic landmark; but will all deference to Their Excellencies, who are very popular and whom I would not wish to see suffer any discomfort, I must say that they have one good home provided for them in Ottawa, and I think it is going beyond our province to supply two homes for them when we cannot afford it and when no other dominion is doing likewise.

Mr. WOODSWORTH: It seems a most extraordinary thing that, as the minister has really admitted, because Their Excellencies lived in India and had more than one home there, we should afford them more than one home in Canada. If anyone will consider the conditions of the ordinary peasants and workers of India and compare them with what we have here, I should say it is a great deal better that we should maintain decent standards for all the people of Canada than that we should take India as our example. It is a most extraordinary thing that, as the minister has really admitted just now, this is being done because of the personal ideas of Their Excellencies who at present occupy the position at Rideau Hall. If we are going to have a governor general's residence in Quebec there is every reason why we should have a governor general's residence in each of the other provinces. The minister is endeavouring to confuse the committee between the question of maintaining an historic landmark and that of providing a sort of vice-regal residence that will be occupied for a few weeks in the year. Do we need curtains, carpets and elaborate furniture in order to maintain an historic landmark? Do we need the very heavy expenditure, that will be necessary for the upkeep of this place? We have almost reached the limit along this line, and speaking for my constituents and for a large number of people with whom I am in close contact across the country and whom I am trying to represent, I want again to protest against this expenditure and to suggest that instead of expending the money in this way, we should vote it for some purposes that are really necessary for the welfare of the people at large.

Mr. CANTLEY: When this matter was before the house a year ago the hon. member for Quebec South (Mr. Power) made a very moving appeal in regard to the restoration of the walls of the citadel of Quebec. Partly as a result of that appeal we agreed to an amount of $100,000 being appropriated on that occasion. Now, if the minister would be good enough to speak a little louder, because as a rule the recording angel could not hear what he says, much less we on this side—

Mr. ERNST: He does not want the recording angel to hear him.

Mr. STEVENS: Use Gabriel's trumpet.

Mr. CANTLEY: I ask the minister what proportion of the amount voted last year was spent on the walls of the citadel at Quebec.

Mr. ELLIOTT: I explained before my hon. friend came in that all the amount had been spent, or commitments made for its expenditure.

Mr. CANTLEY: For what purpose?

Mr. ELLIOTT: For the building in connection with the citadel, and for quarters for the servants of the Governor General.

Mr. CANTLEY: The understanding last year was that the major portion of this amount should be expended on the walls of the citadel.

Mr. LAPOINTE: No. I have last year's debates in my hand; I will send the volume over to my hon. friend, and he will see that he is wrong.

Mr. CANTLEY: The understanding was that it was to be spent on the restoration of the walls of the citadel, rather than on the governor general's quarters. If we are going to restore fortifications, we have fortifications at Halifax, to which reference was made today by the junior member for Halifax, and I submit that the fortifications there are just as important and have just as great an historic interest as the fortification at Quebec. If we are going to have the governor general residing a portion of each year in different provinces, I think it is just as important that he should visit the "bluenoses" as the people of Quebec. We have at Halifax the Admiralty House, which has not been kept up for some considerable time. If you spent a quarter of a million dollars on the citadel building, that sum is a great deal more than the whole fortification works at Quebec cost when first built. As a resident of Nova Scotia I claim that justice be done us in this as in other matters which we have brought to the attention of the house.

Mr. BOURASSA: Last year I reminded, not the Minister of Public Works particularly, but the government, of the state of the walls of the citadel. I am more interested in the preservation of the citadel wall than in the embellishment of that horrible thing which is called the governor general's residence in the citadel, and which has no value of any kind whatsoever, neither historical nor architectural. It is the ugliest thing that could be imagined. It desecrates the citadel and honours neither the governor general nor the people of Canada. It seems to me that small repairs to the amount of a few thousand dollars would be sufficient to keep that horrid thing in proper condition for the lodging of Their Excellencies for three or perhaps six weeks of the year, if they happened to be there. As far as the citadel itself is concerned, every time I am at Quebec, if it is fine weather, I take pleasure in going round the citadel, climbing the stairs from Dufferin terrace, walking round the walls, and coming back by the plains of Abraham, or going round the other way. The last time I was there I noticed that the walls, which were beginning to tumble down two years ago, were tumbling down still further. Nothing was done last year to save them. Not one cent of the $100,000 voted last year for the embellishment of that ugly thing which will never be capable of embellishment was used for the maintenance of what is really beautiful and historic in the citadel. I would ask the government to do something more for the maintenance of the citadel, and all that it carries with it of valuable remembrance of the past, and to devote a little less to the upkeep of that gubernatorial—I do not know what to call it—it is certainly not a palace—

Mr. LAPOINTE: Mansion.

Mr. BOURASSA: If it is suggested that it is a proper thing to supply some lodgment for Their Excellencies when they come to the province of Quebec, I entirely agree with the members from the other provinces who have spoken, that the governor general should be supplied with a residence in each province. That might become a little costly. It seems to me that the governor general might well reside in the various houses or mansions that are at the disposal of the lieutenant governors of the provinces. I do not think the governor general should feel humbled or that his dignity or office would be lowered in any way by the fact that he lodged under the same roof as the lieutenant governor.

While I am on my feet I wish to make good a promise that I made to my good friends of Cape Breton when travelling through that very fine part of the province of Nova Scotia last summer. I revisited Louisburg after an interval of some thirty years, and I found there a notice to the public, asking them to do their share in maintaining that historic spot, but, of course, the people who pass there are not very many. It seems to me that the government and parliament of Canada, representing the whole people, should do something for what remains of Louisburg, and I would say the same for Amherst and Beausejour. They are all

historic spots, though perhaps not to the same extent as Quebec, but much of historic value attaches to them all. I was amazed to compare what remains of Louisburg to-day with what I saw there thirty years ago. I drove there from Sydney thirty years ago—there was then no railway on the island of Cape Breton,—and it was a delight to enjoy the spectacle of the rocks stretching out into the sea on that bright summer morning. With proper guidance you could follow the traces of the old town and see what remained of the foundations of the governor general's residence, the old church, and so forth, but all that is fast disappearing. The earth and refuse and manure from the animals passing by has covered up practically all that remains, except the powder magazine. The burying places of both the English, the French and the Bostonese are in a terrible state of abandonment, and I suggest that the members representing that part of Canada do their little bit in attracting the attention of parliament and the government to the necessity of preserving this historic spot.

Mr. STEWART (Edmonton): That is being done.

Mr. BOURASSA: I am glad to hear it. I hope some intelligent work will be done with regard to Louisburg. It would be futile, I think, to attempt to rebuild any of the old buildings on a large scale, but at least the ground could be cleared, and what remains of the old foundations could be preserved so that one passing through the streets of the old town could recall its history. To a certain extent, all things being relative, it would be like passing through the ruins of Pompeii. It has the advantage of being outside the new town so that it can be preserved in a decent state, and its historic features will be of interest to tourists and stimulate in the youth of the district a desire to acquaint themselves with the history of their country. There is now a considerable foreign population in that part of the country working in the mines and other local industries, and by preserving these ruins we may also do useful work in arousing in them a desire to study the past of their adopted country.

Mr. EDWARDS (Frontenac) : Mr. Chairman, for the first time—and perhaps for the last—I find myself in agreement with the hon. member for Labelle (Mr. Bourassa). I do not think there is any difference of opinion in this house as to the advisability and propriety of maintaining these old historic landmarks in Quebec, Louisburg, Halifax and Kingston. I think we all agree that they should be maintained because of their historic associations. But I am absolutely opposed to spending public money to provide half a dozen residences for the governor general, no matter who he may be. I do not think it is necessary; such expenditure is a waste of money. I believe there is in the city of Winnipeg a group of rooms in the Royal Alexandra hotel, called the royal suite, which apparently was good enough for His Royal Highness the Prince of Wales when he was in that city.

An hon. MEMBER: Order.

Mr. EDWARDS (Frontenac): What is the matter? Already we have a lieutenant governor's residence in each provincial capital, where I dare say His Excellency would be very welcome indeed for a few days' stay, and in addition he has his own palatial private car. Therefore I submit that to spend a quarter of million dollars on furniture, carpets and that sort of thing—with another residence for His Excellency contemplated on the Pacific coast—is a criminal waste of money in view of the many necessary public works throughout the country which are being left in abeyance. If the minister will tell us how much of this $150,000 is required for real repair work to maintain the Quebec citadel as an historic landmark, I shall be prepared to vote for that portion of the item; but since he has told us that at least $70,000 or $80,000 is to provide for carpets and furniture, I must vote against that expenditure. I think he ought to inform us how much more money is required, in addition to the $100,000 voted last year, which was voted, not with the primary object of establishing another residence for His Excellency but to maintain an historic landmark. Let him divide this amount between what is really required for putting the citadel in proper condition to maintain it as a national monument and what is required to furnish the governor general's quarters. I am prepared to make a motion just as soon as the minister gives us that information.

Mr. KAISER: I am pleased, Mr. Chairman, to see the member for Labelle and the member for Frontenac agreeing for once, and I rise to support them both, for this reason. Like the member for Labelle, I promised some friends of mine that at this session I would

draw the attention of parliament and of the country to the condition of the Louisburg ruins. I had the pleasure of visiting that old landmark about two days ahead of the hon. member for Labelle last summer. Three things there very much surprised me: first, the many historic points of absorbing interest that were neglected; second, the very beautiful shaft erected on the site, which I expected would be inscribed with a brief account of the once magnificent fortress. Instead I found the shaft had been placed there by the American Historical Society to perpetuate the colonial historic associations of Louisburg. Third, I saw an endeavour to restore some parts of the old fort, but I found that this work had been undertaken by an American resident who, unfortunately, died before he was able to complete his plans. I am in thorough accord with the view that we should maintain our historic landmarks, and if any of this money is to be spent on such restoration I am sure it will meet with the approval of the country as a whole; but I do not think we are in a position to spend a quarter of a million dollars just to make a summer residence for the governor general.

Mr. CHAPLIN: Mr. Chairman, I beg to move, seconded by Mr. Stevens:

That the vote for Quebec citadel, governor general's quarters, be reduced by $70,000, stated to be the cost of the furnishings.

Mr. STEVENS: Just a word, Mr. Chairman, in support of my action in seconding the motion. I take second place to no one in providing suitable accommodation for His Excellency the Governor General. But last year we were asked for $100,000, and in harmony with the views expressed by the then leader of the opposition the hon. member for South Wellington (Mr. Guthrie), I supported the vote, on the understanding that it was for the purpose primarily of preserving or restoring that historic spot, including provision for certain accommodation. But we had no idea that it would cost any more than $100,000. Now we are asked to vote another $150,000 for this work, which we were informed last year would be completed with the expenditure of the amount then voted. The statement has been made, in support of this vote, that it is required for the preservation of the walls of this historic site. And then we are told that $70,000 is to be spent in curtains, carpets and furnishings. We certainly are not going to preserve the walls of that place by spending $70,000 on lace curtains and fancy carpets. To me the thing is preposterous in the present circumstances, and I take pleasure in seconding the motion of the hon. member for Lincoln that the vote be reduced by $70,000.

Mr. HEAPS: When this vote was before the house last year, the Minister of Public Works made the following statement:

This vote is required for the remodelling of the Governor General's quarters in the Quebec citadel. The improvements embrace works of a miscellaneous character consisting of the remodelling and renovating of the quarters and the erection of a permanent addition for servants' quarters, kitchen and so forth. The work, it is estimated, will cost approximately, $100,000.

This was the estimate which the minister gave to the house last year. On a subsequent occasion in the same debate he was asked by myself how this money was to be apportioned, how much was to go towards repairs of the historic part of the work and how much towards the governor general's residence. He replied:

I am unable to give very definite details. The architect has been over the building but I may frankly tell my hon. friend that at this time of year it is quite difficult to estimate what it will cost to preserve a considerable portion of the existing structure.

Mr. ELLIOTT: Will the hon. member read the rest of the paragraph?

Mr. HEAPS: I quote further:

This vote is merely an estimate. The full amount will, however, be required and before the department is able to put the premises in that permanent shape which we desire, I rather think the amount will be exceeded. An attempt is being made to render the place habitable, as it is not now, both for winter and summer. Furthermore, a good deal of furnishing will be required as well as inside fittings. This is the estimate which the architect, after a careful survey of the whole place, was able to submit to us.

I had no idea a year ago that the minister would come back at this session and ask for an extra $150,000. Had the estimate been exceeded by 25 per cent, one could understand it. However, I desire to know from the minister how the $100,000 has been spent. How much has gone to the governor general's residence and how much has been spent in repairs to the historic part of the citadel? Also, how much of the present amount is to be spent exclusively on furnishings for His Excelency's residence? The minister might tell us at the same time what it costs to maintain the residence annually.

Mr. ARTHURS: I have no brief for or against His Excellency, nor have I any desire to restrict the number of residences he may or may not have. Last year we were asked

to vote a sum of approximately $100,000 for the betterment of the battlefield memorial at Quebec. That was under the guise of a vote similar to this, and the defence put forward by the government was that the money was largely for the purpose of preserving historic memorials in the city of Quebec. We have this year, on page 60 of the estimates, a vote of $180,000 for battlefield memorials; the amount last year was $200,000. A bill has been introduced this session granting to the government permission to spend $75,000 per annum for ten years, or $750,000, in addition to the grants I have previously mentioned, in relation to the battlefield memorials. There is no question in my mind as regards the right or the wrong of this vote. We have no desire on this side of the house—certainly I have none personally—to do anything that would detract from the memorials which we should preserve in this country. But I have a decided opposition to spending $100,000, voted last year, and $150,000 this year, in addition to various sums in the future under the guise—and I say this purposely, under the guise—of providing a residence for His Excellency in the province of Quebec. If this money were for the purpose of a residence in that province, then each province should be given exactly the same treatment. But the fact is that this is simply for the purpose of having the vote passed more easily through the house. I for one am prepared to vote against any estimate of this kind, especially in view of the fact that we have provided, as I have said, $75,000 per annum for ten years, and that there is a vote of $180,000 in the estimates this year, in addition to the $200,000 last year for battlefield memorials. While there are so many places where the expenditure of public money is necessary, I am prepared to vote against this or any other item of a similar character.

Mr. LAVIGUEUR: I am really surprised to hear the hon. gentleman state that he will vote against this estimate for repairs to the citadel of Quebec.

Mr. ARTHURS: That is not correct; I am not prepared to vote against that and I never said I was. I am prepared to vote against any vote of money to establish a residence for His Excellency in Quebec or anywhere else.

Mr. LAVIGUEUR: My hon. friend knows that this amount is to repair the governor general's quarters at Quebec.

Mr. ARTHURS: No, it is not; the $70,000 is for carpets.

Mr. LAVIGUEUR: The vote is $150,000.

Mr. ERNST: There is $70,000 for furniture.

Mr. LAVIGUEUR: That is to rehabilitate the residence of the Governor General in the citadel of Quebec.

Mr. ARTHURS: What about last year's vote?

Mr. LAVIGUEUR: This is to complete the work. May I point out to my hon. friends opposite that the residence which we are discussing is the place where the Prince of Wales lodges when he is in Quebec; it is the place where King George himself put up when in Quebec in 1908. If there is any property that should be maintained by this country it is the citadel and the fortifications of Quebec. But it is always the same: every time money is asked for Quebec an objection is raised. What about the $9,000,000 for Ottawa? What about the $100,000,000 for Toronto?

Mr. ARTHURS: One hundred millions?

Mr. LAVIGUEUR: Yes, if you take the whole amount voted for Toronto. This session we are to vote $10,500,000 for Toronto, but hon. gentlemen opposite do not say so much about votes for Toronto or for Ottawa. I am not prepared to say that the amount voted for Ottawa was not justified, but there was no great opposition to it.

Mr. ARTHURS: I would suggest, Mr. Chairman, that this is entirely out of order.

Mr. LAVIGUEUR: I want to say that every time an amount is requested for the city of Quebec hon. gentlemen opposite raise objections.

Mr. EDWARDS (Frontenac): That is not correct.

Some hon. MEMBERS: No, no.

Mr. LAVIGUEUR: The hon. gentleman cannot mention a single instance where objection has not been taken to votes provided for the city of Quebec.

Mr. CANNON: The discussion which has taken place so far has disclosed the fact that members of the committee are at least unanimous on one point, that is, that our historical monuments throughout the country should be maintained. There has been no dissenting voice to that suggestion, so the question which I would like to bring before the committee is whether this vote is really for the maintenance of a historical monument or whether, as some hon. members have contended, it is giving way in a too generous spirit to extravagant and altogether unnecessary expenditures. What is the Quebec citadel?

It is a work which was erected by the imperial authorities over one hundred years ago at a total cost of over $40,000,000. It is a very considerable piece of work, judging from the cost and considering the value of money over a hundred years ago. The citadel comprises not only that part of the structure which overlooks the harbour of Quebec but also the series of walls which surround the inner or older part of our city. Ever since its erection the citadel has been the headquarters of the representative in Canada of His Majesty the King.

Mr. ARTHURS: No, no.

Mr. CANNON: It has. If the hon. gentlemen who have visited Quebec will recall, the quarters of the governor general are not a separate building from the citadel as the hon. member for Labelle has intimated, but are a part of the citadel itself.

Mr. BOURASSA: That is not so.

Mr. CANNON: The quarters of the governor general are that part of the citadel beginning at the quarters now occupied by the 22nd battalion on to the bastion which overlooks the river, but these quarters do not comprise a separate structure or building; they are not distinct from the citadel but are part and parcel of the citadel itself.

Mr. ARTHURS: If the hon. gentleman would answer a question I would ask whether these quarters were prepared for that purpose.

Mr. CANNON: Certainly they were.

Mr. ARTHURS: A hundred years ago?

Mr. CANNON: Certainly.

Mr. ARTHURS: We had no governor general a hundred years ago not until thirty years later.

Mr. LAPOINTE: Where does my hon. friend get his history?

Mr. CANNON: In answer to my hon. friend I would say that that part of the citadel always has been used as the headquarters of the representative in Canada of His Majesty the King.

Mr. ARTHURS: That is not what the hon. gentleman said.

Mr. CANNON: Those are the facts, and to show just what kind of historical monument this is I would remind hon. gentlemen that when you enter the quarters of the governor general you see on all the fireplaces the arms of England. You will also notice the date and the fact that William IV was king of England at the time this building was constructed. These being the facts, can we pretend on the one hand that we are in favour of maintaining the historical monuments of Canada while we support an amendment designed to eliminate an expenditure for the maintenance of such a monument as the Quebec citadel? That is the whole question.

Some hon. MEMBERS: That is not the question.

Mr. CHAPLIN: The question is as to the carpets and curtains.

Mr. CANNON: I am coming to that, if my hon. friend will allow me to explain my position. This question has been often asked of my colleague the Minister of Public Works: "How much of that money has been expended in repairing the walls and how much has been expended for the embellishment of the quarters of the governor general?" It is impossible to put the quarters of His Excellency the Governor General in proper shape without repairing the walls, because the quarters are enclosed by those very walls.

Mr. BOURASSA: If the hon. gentleman will allow me, the walls which are tumbling down are five hundred feet from the quarters of the governor general.

Mr. CANNON: Not at all.

Mr. BOURASSA: I saw them last fall.

Mr. CANNON: Not at all.

Mr. BOURASSA: The walls on St. Louis street were tumbling down last year; I called the matter to the attention of the government and I went there again last fall and saw them in the same condition.

Mr. CANNON: My hon. friend is not discussing the question at all. He talks about walls on St. Louis street, but I am talking about the walls of the citadel where the quarters of the governor general are located. My hon. friend cannot take one section of the walls and leave aside the other section in order to build up his case. I am talking of the walls as a whole.

Mr. CHAPLIN: I would suggest that some of these curtains be hung over the holes in the wall.

Mr. CANNON: If my hon. friend will permit, I will continue to discuss this question seriously. I was trying to show the committee that the walls which have been mentioned and which every member of the committee desires to see maintained and kept in

proper condition, are the very walls which enclose the quarters now being repaired. How can it be contended that this expenditure is simply to provide quarters for the governor general when it provides for repairing and maintaining the old walls?

Mr. ARTHURS: No one claims that.

Mr. CANNON: That was claimed by the hon. member for Labelle a few moments ago. Now, Mr. Chairman, let me touch another aspect of this question. Why did the governor general choose to live in Quebec for a certain period during the year, ever since we have had British rule? For the very excellent reason that this country is peopled by two different races, and that Quebec is historically and traditionally the capital of French Canada. It is true we have a federal capital, Ottawa; but so far as the oldest section of Canada is concerned, its capital is Quebec. In recognition of this ethnical fact, in order to promote the very highest object that any man in public life may have, namely the union of the two races in this country, the British governors chose to come to Quebec in order to keep as closely as possible in touch with French Canada. They did that up to 1915 or 1916, when conditions in the citadel were such that it was impossible for the representative of the king any longer to grace with his presence our city of Quebec. This government has decided to revive an old tradition and to allow the representative of our king in Canada to come into the city of Quebec for certain periods during the year. The only way to do that is to restore the old quarters and to allow Their Excellencies to live on the citadel, as has been done by all governors general for a hundred years past.

Coming to the last argument put forward by my hon. friend, they talk of carpets, of laces, and of extravagance. I am astounded at hearing such remarks coming from Tory lips. We are living in a period where appeals to demagogy are very often heard. Social unrest is frequently produced by appeals such as those we have heard in this house with regard to laces, curtains, extravagance. Tonight we talk about laces, curtains and extravagance in very exalted quarters, and my hon. friends opposite are those who are responsible for this appeal. On the other hand they are always eager to rise when any attack along the same line is made against people who sometimes are not as worthy of defence, namely, the capitalists of this country. They are willing to have as high a tariff as possible in order to allow the capitalists to reap as large a profit as they possibly can. That is their policy; that is what they call their national policy. But when we suggest that we revive an old tradition, that we continue a movement to promote union in Canada, their answer is "curtains, laces, extravagance."

Coming from the province of Quebec, I may tell these gentlemen that although we have been accused at times of not representing as high an ideal of British traditions as they do, we are not afraid of expenditures when it comes to giving to the representatives of His Majesty proper accommodation. Our province is a model to every other province in Canada in that regard. Our lieutenant-governor lives at Spencerwood, and our provincial government votes every year over forty thousand dollars, sometimes a hundred thousand, to see to it that the lieutenant-governor of Quebec is enabled to occupy his very high position in a becoming manner. I have no doubt, Mr. Chairman, that this committee will also come to the conclusion that our Canada is big enough, large enough a country, to see to it that proper accommodation is provided for the representative of His Majesty in Canada.

Mr. ADSHEAD: Was not the city of Ottawa chosen as the capital of Canada because it was contiguous to the sections occupied by both races?

Mr. CANNON: Yes, to a great extent because it was the centre of the country. But as I stated before, although Ottawa is the federal capital, Quebec will always remain the capital of French Canada.

Mr. POWER: I understand that before I entered the chamber this evening reference was made to certain remarks which I had made in support of the vote last year. According to my information it was said that there had been an atempt on my part to deceive the house by stating that the amounts voted were for the purpose of repairing the ancient walls, in which the older members of this house know I have taken considerable interest for some years. I have taken the trouble to look up the record, and I find that I stated my position in words which are found at page 1114 of Hansard of 1926-27. After referring to the walls and to the sympathetic attention which this house had always given to any request to have them repaired, I stated with reference to this vote:

> With regard to this particular vote, in so far as it will help to build up the walls near where the governor general's quarters are, it has my hearty support and endorsement. In order that the house may know that there is nothing political in this, I may say that the

citadel is situated in my constituency, and I never knew until the estimates came down that there was any question of having a vote to repair the governor general's quarters.

That was absolutely true, and I repeat the story told the house last year with respect to that. Then I went on to say:

I have made no representations to the Minister of National Defence or any minister with reference to this matter, but I may say that the repairs had been asked for by His Excellency, Lord Byng, and by other governors general. Moreover it is, I understand, the intention of the government and of Their Excellencies to receive the Prince of Wales at the Quebec citadel next summer when he comes to Canada, and it is only fitting that the quarters should be put into proper repair and made fit to receive the Prince.

Mr. ERNST: That was done.

Mr. POWER: No, it was not. The committee will understand that last year no attempt was made on my part to deceive any member. I stated my position quite frankly and to a large extent that is my position to-day. I am supporting this appropriation because I understand the estimate first provided was not sufficient to carry out the work intended. Whatever may be said with reference thereto by other members, I can assure the committee that the governor general's quarters are part and parcel of the ancient citadel. Those of us who have been to Quebec and have come up the river have seen the citadel frowning over the river St. Lawrence. It is that portion in which the governor general's quarters are situated.

Mr. CHAPLIN: We would rather see it smile.

Mr. POWER: More than likely the hon. member would. If he will come to Quebec I shall not be on the citadel but I shall be on the wharf and I shall meet him with a smile and a long one—quite a few smiles. As I was saying, this was part and parcel of the old citadel. The outer walls are falling on the terrace known as the Lord Grey terrace. It is true, as the hon. member for Labelle (Mr. Bourassa) says, that the inner walls and the walls of the moats are perhaps in a more dangerous condition, but I think he will also tell the committee that he may have noticed scaffolding on the outer walls where repairs were actually going on last year. I am particularly interested, quite apart from the historic standpoint, in that the portion of my constituency which gives me the largest majority is situated immediately beneath the citadel and if the walls fall down I shall lose a great deal of my majority. I have made repeated representations to the government to see to it that my majority is not wiped out by a landslide, and I am in hopes that within a very short time steps will be taken to ensure that that portion of the cliff and citadel do not fall down. This amount, however, is being expended to a large extent in repairing the walls.

With reference to the interior I understand the reluctance which hon. gentlemen opposite and indeed hon. gentlemen in all parts of the house have to voting money for interior fittings; but as has been explained by the Solicitor General the quarters are part and parcel of the citadel, and I do not think any member would wish us, in repairing the outer walls, to leave the inside an empty shell. If we are to do something with the inside of it, would there be anything better than to continue the tradition of housing the governor general of the country therein? Hon. members will understand that if we are to expend money on the walls, we must also see to it that there is something inside. As has been explained by the Solicitor General, the governors of this country, long before confederation, long before the start of the British regime, since the early days of the colony, have resided in Quebec. The earlier governors resided in the Chateau St. Louis on the site of which the famous Chateau Frontenac has been erected. Later the governors were commanders in chief of the garrison and they were quartered with the troops in the citadel. It is only fair, it is only reasonable, if we intend to maintain the traditions of the past, that we should so maintain them as to make these ancient historic places comfortable to the uses to which they were put in past years. For that reason I think members should without too much difficulty be enabled to make up their minds to vote again for the estimate.

With regard to laces and so forth, I want to be quite frank with the committee. When I supported this vote last year I had no idea that this amount was to be expended for such uses as this. But it has been shown by the minister and by other speakers that if we are to house the governor general, we must house him in a manner befitting his position and dignity. Personally I would not need $70,000 worth of furniture in a house and I do not know any hon. member who would require as much as that. But education and my ex-

perience on the few occasions when I have visited vice-regal residence lead me to believe it is the common thing in such places and forms, so to speak, part of the position.

Mr. ARTHURS: Not $70,000 for a year.

Mr. POWER: I quite understand that $70,000 for a year would be a great deal of money. My hon. friend is mistaken. The amount of $70,000 is not per annum. Let us hope with this amount the furniture purchased will be of such a nature that it will last for a considerable number of years. The hon. member for Rimouski (Sir Eugene Fiset) suggests that it should last for another century. If it does —and I have no doubt that is what is in the mind of the Minister of Public Works—no doubt a hundred years hence those who follow us will be protesting in the same way as hon. members are to-night against an expenditure of such an amount of money as $70,000 for furniture.

I commend the vote to hon. members, first, on the ground that we cannot dissociate from the citadel and from the walls themselves the quarters of the governors within them, and, second, that as we are to house the governor, whether it be in Quebec or in Ottawa, we must see to it that the furnishings and the interior of the building are so arranged that he can receive in a manner befitting his dignity and proper to the governor of a country like ours the distinguished visitors whom he often has to receive.

Mr. HEAPS: A few moments ago I asked the minister if he would give the committee some idea as to the annual upkeep of the governor general's quarters in the citadel of Quebec, what the amount of $100,000 voted last year was spent on in connection with making the place habitable for the governor general, and also what the present item of $150,000 is for.

Mr. ELLIOTT: With regard to the probable cost of upkeep in the future, it is quite impossible to give an accurate estimate. One can judge only from what has happened in the past. Up to 1871 the imperial government had maintained this structure, but the Canadian government took it over in that year. From 1871 up to about fifteen years ago we spent money upon it from time to time, but about then the expenditures practically ceased From December 2, 1871, up until twelve years ago we had expended $269,929.

Mr. CHAPLIN: That was up until twelve years ago?

Mr. ELLIOTT: It is nearly fifteen years now. There has been no expenditure since the outbreak of the war. My hon. friend the Solicitor General has stated that the cost of this whole structure was in the vicinity of $40,000,000. That is the best estimate we can obtain. It is impossible to consider the governor general's quarters apart from the citadel itself. A point that I think is being lost sight of by my hon. friends is that this is not an innovation by any means; it is not a new form of expenditure. Until circumstances during the war made it impossible to continue the expenditures, these expenditures were always made, and of course now we have to make good the great depreciation that took place during the years in which the building was allowed practically to fall into decay. That is the position with which we are now confronted. I just want to say, as one coming from a province other than that in which this expenditure is to be made, that surely we are not in the present condition of affairs going to take a backward step in so far as providing accommodation of this kind in our neighbouring province is concerned.

I want for a moment to direct the attention of the committee to the position in which we would find ourselves if the motion moved by my hon. friend were to carry. The money that we have expended has been spent on building and structural repairs. An additional amount is required. I think my hon. friends will agree that it was made perfectly clear by me last year that the amount then voted was only an estimate, because it was impossible to tell at that time what the condition of the building was. As they took up the floors and certain repairs were made, it was found that in many cases the condition was even worse than had been expected, and that, of course, necessitated larger expenditures. The amount that is now required is what we are asking for here. The principle of maintaining a residence for the governor general at the city of Quebec was settled last year.

Some hon. MEMBERS: No.

Mr. ELLIOTT: Yes, that priciple was accepted practically unanimously by the house last year.

Some hon. MEMBERS: No, no.

Mr. ELLIOTT: It was. There was no vote on it, and the discussion which took place was all along that line.

Mr. FANSHER (Last Mountain): The vote last year was just for repairs.

Mr. ELLIOTT: My hon. friend is quite wrong. It was for remodelling, renovating and rebuilding, and to provide for a permanent addition for servants' quarters. Will any hon. gentleman say that after the expenditure of $100,000 we should stop short of making the necessary repairs to bring this building into a habitable condition, and into such a state of perfection as will make it a suitable residence for the representative of the sovereign in this country? Once the repairs are made, will anyone say that the motion of my hon. friend that we do not furnish these quarters, after we have built the house, is a reasonable proposition?

Mr. SPENCE: What furnishings are there now?

Mr. ELLIOTT: They are the old furnishings, a number of which have practically fallen apart and are of practically no use. It means renewal of the furniture. The motion before the house means that we can go on and complete the building, but not furnish it after it is built, and I would urge upon the committee that we do not place ourselves in any such position as that.

Mr. EDWARDS (Frontenac): How long is it since the governor general stayed there?

Mr. ELLIOTT: I think 1915 was the last year he resided there.

Mr. HANSON: How many weeks in the year did the governor general reside there when he did go there?

Mr. ELLIOTT: It varied.

Mr. HANSON: About two weeks in the year.

Mr. ELLIOTT: Not a great portion of the year; that is quite right.

Mr. HANSON: Two weeks per annum—$70,000.

Mr. ELLIOTT: I want to give the house all the information we have. I have given this matter very careful consideration. I hope that I am as economically inclined as any member of this committee, and with perhaps a little more intimate knowledge of the circumstances than any other member of the committee, I have come to the conclusion that this is the only thing we can do if we are to maintain the position which I am sure all hon. members are anxious that we should maintain for the representative of the sovereign in this country. I submit to my hon. friend that it is not desirable to build a house and then leave it absolutely unfurnished, and I urge upon him not to press his motion.

[Mr. W. R. Fansher.]

Mr. SPENCE: The minister said that if this money was spent it would bring the citadel to a state of perfection. Will he give the committee the assurance that he will not come back next year and ask for another $150,000? Have you seen the citadel yourself? Do you know what you are talking about? Hon. members come here and tell this committee what other people have told them. They know nothing of the situation themselves, and they try to fool the committee. That is all they are trying to do. Let the minister give this committee the assurance—we have confidence in him—that he will not come back again next year for another vote for this purpose. If he will give us a positive statement of that kind he will get some support, but you cannot get any the way you are going. We are not opposed to this vote at all because it is for Quebec. We are all proud of the city of Quebec, and we would be glad to vote money for the citadel if we knew that it would be spent in the right way, but we do not know anything about it. There is nothing but deception everywhere.

Mr. MACKENZIE KING: Mr. Chairman, the hon. member for Frontenac (Mr. Edwards) a moment ago asked what was the last time the governor general's quarters at Quebec had been occupied by the representative of the crown in this country. The answer already given is I believe, correct: it was in 1915 during the regime of His Royal Highness the Duke of Connaught. That was I understand the last occasion on which the governor general made Quebec his headquarters for any considerable part of the year. Prior to that time it had been the custom, running back many years beyond the days of confederation, for the representative of the crown to spend part of his time at what we, of this Dominion, speak of at times as the ancient capital. His Royal Highness the Duke of Connaught discontinued the customary visits to Quebec because of the war and the conditions arising therefrom throughout the country.

When His Excellency Lord Byng came to Canada he wished as the representative of the crown, to resume the practice of visiting Quebec during part of the year and residing at the citadel. I recall very well the conversation I had with His Excellency in regard to his visit there. Lord Byng said to me at the time that he much regretted having to give up the custom that all his predecessors had followed, for the reason that the quarters of the governor general at the citadel had fallen into such disrepair during the time of

the war and the years succeeding that they were no longer habitable. He made special reference to the difficulty of finding suitable quarters for the servants. He remarked that if he were to visit Quebec as his predecessors had done it would be necessary to have the governor generals quarters at the citadel considerably refitted, new quarters built for the servants, and the house in part refurnished. His Excellency said he thought that as the country had just come out of the war, and there were many obligations with respect to re-establishing our returned men, and the like, it would not do for him to urge on the government to make those expenditures at that time. But he expressed the hope that postponement would not in any way militate against the old custom being continued in the future of having the king's representative spend part of the year in Quebec. Owing to the representations made in that particular the government did not ask the house at that time for the necessary moneys to put the citadel in proper repair. At the same time the members for Quebec were repeatedly directing the attention, not only of the government, but of this house, to the extent to which the historic walls of the citadel were being allowed to fall into disrepair and the degree to which the citadel as an historic monument was being more and more impaired.

Shortly after His Excellency Lord Willingdon reached Canada he said to me, speaking as the representative of the king, that it was his hope and his desire that he might be able as speedily as possible to take up quarters again at Quebec during the summer and also during the winter. I explained to His Excellency that this would involve considerable expenditure—

Mr. BENNETT: Mr. Chairman, I think there is a well-defined practice not to bring the representative of the crown into discussions of this kind. The rule is very clear that the Prime Minister of all men should not mention what was said to him by the representative of the crown. He will recall what happened to Mr. Lowe, afterwards Lord Sherbrooke, and the view taken by Mr. Gladstone as to the absolute and wholly erroneous practice from the standpoint of order of introducing the name of the sovereign into any discussion at all.

Mr. MACKENZIE KING: I have considered, Mr. Chairman, this phase quite as carefully as my hon. friend has. There is a great difference between bringing the name of His Majesty into controversy in the House of Commons and the making known the wish of His Majesty, or His Majesty's representative, with respect to what pertains to his own immediate household.

Mr. BENNETT: No. The Prime Minister will recall the difficulty Mr. Lowe got into was through bringing into debate the name of the sovereign, charging that Mr. Disraeli did a certain thing at the instance of Her Majesty. Mr. Disraeli went to the queen and got her permission before he even introduced her name into debate. Now the Prime Minister is telling of conversations which he had with His Excellency.

Mr. MACKENZIE KING: I am not saying that the government is doing this at the request of the Governor General. I am pointing out to the house exactly the position in which with respect to Quebec the crown's representative in this country has been placed, and I am giving to the house the authortative source of my information in that particular.

Mr. BENNETT: So far as the opposition is concerned, I protest in the name of the House of Commons against dragging the name of the sovereign's representative into debate, in view of what took place at the imperial conference as to the position of the governor general, who acts only on the advice of his ministers, and can effect no matter touching the Canadian people unless he is so advised by the government of the day. I protest it is wrong not only from the standpoint of the constitution but from the standpoint of the Canadian people.

Mr. MACKENZIE KING: I submit, Mr. Chairman, that I am not dragging the name of His Majesty's representative into this discussion.

Some hon. MEMBERS: You are.

Mr. MACKENZIE KING: Hon. gentlemen opposite apparently feel that the government is not to be allowed even to mention the name of the residence of the governor general or His Majesty's representative, because it involves mentioning his name.

Mr. STEVENS: Nobody suggested that.

Mr. MACKENZIE KING: May I again say to the house that the government takes full responsibility for what it is asking the

house at the present time to do with respect to making the citadel suitable quarters during part of the year for the representative of the king in Canada. His Majesty's representative has expressed a wish to reside there part of the year. I submit there is nothing unconstitutional in allowing the house to know what the representative of the crown has expressed a wish to do. If in the discharge of his responsible duties as the representative of the crown no latitude is to be given to His Excellency to make known his wishes through his responsible ministers, I fail to see how the house in a matter of this kind can get the information which is so essential to enable it to vote.

Mr. EDWARDS (Frontenac): Does the Prime Minister think then that it would be permissible and proper for us to criticize the language or expressed wish of His Excellency in criticizing this item?

An hon. MEMBER: That is what you have been doing.

Mr. EDWARDS (Frontenac): No; and we would have been called to order if we had attempted to do so.

Mr. MACKENZIE KING: My hon. friend may criticize anything I have said if he wishes, and I will take full responsiblity for all that I have said. In that way we will avoid the possible conflict which my hon. friend has in mind. What I wish to make perfectly clear to the house with respect to this vote is that not only does the government take responsibility for seeking to arrange to have suitable headquarters for the king's representative in this country at Quebec, but that in so doing it is furthering what I have already said is the desire of the sovereign's representative himself with respect to his relation to the people of this country. As I have intimated, to all intents and purposes the quarters of the governor general at Quebec have not been officially occupied since 1915. Every hon. member knows that when a house is left unoccupied for the most part over a period of ten or fifteen years, particularly when it has been years before since it was in a fit and proper condition, you cannot make it habitable, and particularly you cannot make it suitable for the residence of the representative of the crown without some expenditure on furnishings and equipment, to say nothing of extensive repairs. Hon. members know that the cost of material, the cost of labour, the cost of furniture, the cost of furnishings have all increased enormously in the last few years, and any figures that may be quoted with respect to these expenditures, in comparison with earlier years, are very far from representing the true position.

The government have gone carefully into the probable expenditures with the chief architect of the Public Works department, and we have intimated that we desire that nothing of an extravagant character be done. More than that, we have indicated that we wish everything to be done as economically as it can possibly be done, having regard to what in the circumstances is fitting and adequate. I believe that if hon. gentlemen will take that fact into consideration, and also the fact that the citadel at Quebec is after all not only the greatest historical monument on this continent, but, as I believe, an historical monument of greater significance to the British Empire as a whole than any monument existing anywhere else in the world, they will feel that what we are asking for at the present time is wholly right and proper and should be voted without a division in the house.

Mr. BENNETT: I do not propose to discuss the merits of this item in view of what has been said by the Prime Minister. The right hon. gentleman has stated in his place in parliament, as the first minister of the country and as being in control of this chamber, that he now expresses the wish of His Excellency—those are the words he used in one instance—and his desire, to quote his other expression. In other words, in introducing His Excellency's name into a controversial matter—and it is now a matter of controversy, an amendment having been moved before the Prime Minister delivered his speech—the right hon. gentleman is endeavouring to influence the mind of the committee by stating that it is the wish or the desire of His Excellency that this should be done. We on this side of the house will therefore place ourselves against the wish of His Excellency, against the desire of His Excellency; and we protest against the Prime Minister introducing His Excellency's name and endeavouring to influence us in the discharge of our public duties by a speech such as that to which we have just listened.

Mr. EVANS: The time has come when this country and this parliament must decide whether we want to preserve these old national heirlooms or not. Throughout the British Isles numbers of old castles are falling into ruin and no attempt is being made to preserve them in a modern way. It seems to me

that if this great heirloom in Quebec is modernized it ceases there and then to be a link with the past. I view this vote as an act of extravagance on the part of the government, and I must say I cannot support it. We have been told of the great prosperity in this country; that fact has been impressed upon us ever since we have come to Ottawa this session. It seems to me that we have simply run mad in our expenditures this year. For the concentration of wealth and industry and acts of extravagance I do not think there has been any parliament since confederation that has indulged itself as this one has done. A vote of $10,000,000 for one city in one year is rather too much. The other day we were called upon to support a vote to beautify this city in the interests of national culture. I hesitated to get up to oppose this vote, being afraid that I might be deemed to show a want of culture. Let me say that to me culture does not consist in lavish extravagance. I can remember out west not so many years ago when some of the churches were built of sod, and in one particular case the old superintendent, who was one of the greatest of the nation builders of Canada, insisted on a Gothic window even in that church, because he said it made it look like a church. And the settlers were only too glad to have it so. There was more evidence of culture there than there is in any lavish expenditure of this kind for beautifying a city on so large a scale. If it is to cost so many millions to maintain this old heirloom at Quebec, I think we had better let it go right here and now. I think I can see the end pretty well, placing burdens as we are on the taxpayers of this country. I can see the exit of the old settler from western Canada, the settler who wants to live and not merely to exist. He will have to say goodbye to his home, which will be taken over by the sheepskin coated peasant of central Europe, whom we are so frantically seeking now to take the place of the farmer in the west. I say again I am opposed to this vote. I do not see that we have suffered at all in prestige either in the British Empire or anywhere else through any lack of a residence at this old place during the last twelve years. Ottawa is our capital now, and I think that is quite enough to maintain as it is. I am strenuously opposed to this vote.

Mr. MANION: In view of the debate that took place a moment ago regarding the use of the governor general's name, I desire to put on record what May has to say, at page 320 of the thirteenth edition:

> The irregular use of the king's name to influence a decision of the house is unconstitutional in principle and inconsistent with the independence of parliament. Where the crown has a distinct interest in a measure, there is an authorized mode of communicating His Majesty's recommendation or consent, through one of his ministers (see page 598): but His Majesty cannot be supposed to have a private opinion, apart from that of his responsible advisers; and any attempt to use his name in debate to influence the judgment of parliament, would be immediately checked and censured. On the 12th November, 1640, it was moved that some course might be taken for preventing the inconvenience of His Majesty being informed of anything that is in agitation in the house before it is determined; and on the 16th December, 1641, the Lords and Commons tendered to Charles I a remonstrance to that effect. On the 17th December, 1783, the Commons resolved—
>
> "That it is now necessary to declare, that to report any opinion or pretended opinion of His Majesty, upon any bill or other proceeding depending in either house of parliament, with a view to influence the votes of the members, is a high crime and misdemeanour, derogatory to the honour of the crown, a breach of the fundamental privileges of parliament, and subversive of the constitution of this country."

Mr. MACKENZIE KING: Perhaps the committee will permit me to continue where my hon. friend left off. Following exactly from where my hon. friend quoted, May has the following to say:

> On the 26th February, 1808, in the debate on Mr. Canning's motion for papers relating to Denmark, Mr. Tierney said, "The right hon. gentleman had forfeited the good opinion of the country, the house, and, as I believe, of his sovereign". This the Speaker held to be such an introduction into debate of the personal opinion of the sovereign, respecting the conduct of a member of the house, as justified Mr. Tierney's being called to order. On the 19th March, 1812, complaints were made in the House of Lords of the use of the Prince Regent's name in debate.

Then May continues:

> The rule, however, must not be construed so as to exclude a statement of facts by a minister in which the sovereign's name may be concerned.

I contend that the statement I made to the house was a statement of fact to the effect that the representative of the crown desired to reside in Quebec part of the year in accordance with the custom of his predecessors. That is the reference and the extent to which in this connection I brought in the name of the representative of the crown. From that point on, with respect to this vote, I made no reference whatever to His Excellency; I only spoke of what the government is seeking to do, that is, to make the quarters at Quebec suitable for the repre-

sentative of His Majesty. If hon. gentlemen consider the rules as laid down in May they will find that I was wholly within the rules in making the statement of fact which I did make in this connection.

Mr. MANION: I do not wish to carry the controversy further; the remarks of my right hon. friend and myself will speak for themselves. So long as the Prime Minister simply gave it as the opinion of the government that these repairs should be made for the proper convenience of His Excellency I think he was absolutely on solid ground, but the moment he began quoting a conversation between His Excellency and himself he was quoting the opinions of the representative of the sovereign to influence a vote of this house.

Mr. KAISER: Why was the conversation delayed so long?

The CHAIRMAN: Order.

Mr. GARDINER: I have always held a very high regard for the Prime Minister's knowledge of constitutional procedure, but I would remind him of some things which happened in 1926. He will remember that memorable occasion when he resigned his position because the governor general of the day did not accept his advice, and following that resignation this country got into more or less of a squabble over the question of constitutional procedure. On many occasions the Prime Minister stated that it was the duty of the government to advise the representative of the king, but to-night it has been contended that the Prime Minister has been advised by the representative of the king.

Mr. MACKENZIE KING: Not at all.

Mr. GARDINER: Under these circumstances I submit that it is very improper for the Prime Minister to use a conversation which took place between His Excellency and himself for the purpose of influencing this vote.

Mr. MACKENZIE KING: May I say to my hon. friend that he has drawn an entirely erroneous impression from my remarks, as I think he will see when he reads them over carefully. There is a very great difference between the representative of the crown expressing a wish which he regards as important in relation to his own office as the representative of the sovereign in this country and that wish being communicated as a statement of fact to the house, and whether or not, for the purpose of making certain quarters suitable for the governor general to occupy, a particular vote shall be passed by this house. With respect to the latter, the government take the whole responsibility; His Excellency never advised that quarters should be provided at Quebec but merely expressed the wish that during part of the year he might reside there. The government have to take the responsibility as to whether or not it is desirable that that wish shall be complied with, and what provision may accordingly be necessary. Quite apart from any wish having been expressed, even if such had not been the case, I would have felt it desirable that these quarters should be provided as formerly and that the ancient custom should be continued.

Mr. CAMPBELL: The interesting feature of this item which we are discussing and of the debate which has taken place is that hon. gentlemen opposite stand revealed as the upholders of tradition and precedent, and the Prime Minister's words to-night are in striking contrast to the speeches he makes throughout the country, particularly in western Canada. This is a new country; we have very heavy liabilities, and it seems absurd that we should spend about $250,000 for the purpose of providing a seasonal residence for His Excellency. Let me just compare this amount with some other votes which are found in the estimates. If hon. gentlemen will turn to page 60 they will find the following:

Grant to the Canadian Council on Child Welfare, $5,000.
Grant to the Canadian Dental Hygiene Council, $5,000.
Grant to the Canadian Social Hygiene Council, $10,000.
Grant to the Canadian Tuberculosis Association, $25,000.

I am sure that when the people who are spending a great deal of effort and time in these different organizations, doing a great deal in the public interest, compare this item with the meagre sums they receive by way of assistance in their work, they will not look upon this vote with any great favour. I am sure the house was not very much impressed by the camouflage, if I may call it such, of the Solicitor General when he attempted to bring in the racial issue in connection with this vote.

Mr. CANNON: I rise to a point of order. If the statement that I made use of camouflage had been made by any other hon. gentleman than the hon. member for Mackenzie I would insist upon my point of order.

Mr. CAMPBELL: I was just going to say, when I was interrupted, that I had too high an opinion of the good sense of the French-speaking people of Canada to believe that

they would take an attack on this vote as an affront to their race. I have many French people in my own constituency, and I believe if they were here to-night each one would vote as I propose to vote in connection with this particular item. In connection with this matter I would take the opinion of the hon. member for Labelle as readily as I would take that of the Solicitor General as representing the opinion of the people of French Canada. The words of the Solicitor General remind me of an expression used by the late President Wilson, which was something like this:

—the devious use of words by which a horse chestnut is made to appear as a chestnut horse.

Mr. FAFARD (Translation): Mr. Chairman, I am somewhat astonished to note the hostile attitude of my friends sitting on the opposite side of the house over this item of $150,000, of which $70,000 is for a suitable residence for His Excellency the Governor General. I am the more so astonished because, this afternoon their leader (Mr. Bennett), made it sufficiently clear to the hon. Minister of Public Works (Mr. Elliott), that the postmaster at Calgary was not suitably lodged and that the sum of $1,000,000 would have to be spent to give him comfortable quarters. We, from Quebec, resent this hostile attitude taken at present by the opposition and which might result —what we would sincerely regret—in depriving us each year of the traditional visit of His Excellency the Governor General. Nevertheless, the discussion we have had to-night clearly indicates that the British flag which floats over the Quebec citadel encloses in its folds as much patriotism as that of the flag which floats over Toronto or Calgary.

Mr. COOTE: I would like to ask the minister a question in regard to furnishing these quarters. Can he tell us how many rooms are to be furnished with this $70,000?

Mr. ELLIOTT: It includes furnishing, carpeting and curtaining practically the whole of the premises.

Mr. COOTE: I understand the minister does not know how many rooms?

Mr. ELLIOTT: No, I cannot give that.

The CHAIRMAN: The question is on the amendment.

Amendment (Mr. Chaplin) negatived: yeas, 64; nays, 75.

Item agreed to.

Quebec — Savard Park hospital — repairs, alterations and additions, $75,000.

Mr. GARDINER: Will the minister give us an explanation of this item?

Mr. ELLIOTT: The amount of $75,000 is required for the repairs of Savard Park hospital and additions to the building. The proposed work consists of repairs, alterations, improvements and so on in the existing building, amounting to $7,000; and the construction of an additional hospital unit, $68,000.

Mr. FRASER: Who controls this hospital?

Mr. ELLIOTT: The Department of Health. They have requested the extra unit.

Mr. FRASER: What is the hospital for?

Mr. ELLIOTT: It is used in connection with immigration work.

Mr. SPENCER: Does this amount cover all the necessary expenses, or will this only partly do the work?

Mr. ELLIOTT: This covers everything.

Item agreed to.

St. Jacques L'Achigan public building, $9,000.

Mr. CHAPLIN: What is the population of this place, and what is the revenue?

Mr. ELLIOTT: The population in 1921 was 1,714, and the postal revenue, $2,107.

Mr. CHAPLIN: There was a vote last year of $21,000. Has that money all been spent?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: And $9,000 is estimated to complete the work?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: That is to say, in a town or village of 1,700 people a public building is put up at a cost of $30,000, the revenue, as given by the minister, being less than $2,000 a year?

Mr. ELLIOTT: No, a little over $2,100.

Mr. CHAPLIN: What does the minister himself think of this expenditure? What does he think of the policy of spending that much money in a place of that size?

Mr. SEGUIN (Translation): Mr. Chairman, in answer to the hon. member for Lincoln (Mr. Chaplin), I must say that over and above the annual revenue that the Post Office Department receives from the Saint-Jacques l'Archi-

gan post office and which amounts to about $2,000, the excise branch collects from this municipality many thousands of dollars yearly. I wish to further add that in this public building to be used as a post office, some space also will be occupied by the Customs and Excise department.

I may say that the revenue from this building for the government of Canada should be about $10,000 or $12,000 a year.

Mr. CHAPLIN: I did not ask the hon. gentleman what the revenue was, although he appears to know more about it than the minister. I should like to get a reply from the minister.

Mr. SEGUIN: There is an excise office in this same building; the revenue from the post office only has been given. The total revenue would come from both excise and post office.

Mr. CHAPLIN: In view of the report that was made by the customs commission regarding the desirability of doing away with customs houses in a great many outlying places, what does the minister say about this expenditure?

Mr. LAPOINTE: This is excise. It is in a tobacco district.

Mr. SEGUIN: This place produced more tobacco than the whole of the rest of the province of Quebec.

Mr. CHAPLIN: If the revenue is only $12,000 and they produce more tobacco than all the rest of the province of Quebec, I ask the minister whether it is necessary to have a building of this extent and cost in a village of that kind?

Mr. ELLIOTT: In the opinion of the minister it is necessary or it would not be in the estimates. The item is not new. It was inserted in the estimates for 1914-15 and carried until 1917-18, when it was dropped on account of war conditions. Under both governments apparently it was thought to be necessary or it would not have been placed in the estimates.

Mr. CHAPLIN: There are hundreds of just such cases throughout the country.

Mr. ELLIOTT: Not where conditions are as they are in this case. The site was purchased years ago, the government committed to the work, and it was considered advisable and necessary to make the expenditure.

[Mr. Seguin.]

Mr. LUCAS: What are the conditions peculiar to this place, apart from the population and the revenue that have been given, that make a public building of this character necessary?

Mr. ELLIOTT: There is no other accommodation available that is suitable for the needs of the public. That is the main consideration, and apparently governments of both political complexions have for years thought it desirable to erect a building there. We could not get properly housed in anything that was available and we felt we should erect a building of our own.

Mr. EDWARDS (Frontenac): This building is evidently not being erected for post office purposes, because it is inconceivable that the government would spend money to put up a post office in a place where the post office revenue is only $2,100, while there are throughout the country hundreds of places where the revenue is three, five and ten times that amount and there is no accommodation at all. Therefore we must consider that it is being erected on account of the excise collected on tobacco grown in that particular district. It seems to me that if we take the revenue into consideration the estimate is greater than is warranted. I believe millions upon millions of dollars of the money of Canada have been wrongfully expended on public buildings of this kind; scores and hundreds of buildings have been erected in this or that constituency at a cost of two, three, four, or five times the amount really required to meet the needs of the people concerned. Why? Because an individual has had sufficient pull with the government. For years the question has been not of what is required but of to what extent the political favourites of the government can pull the leg of the minister and for how much money. In many cases throughout Canada, therefore, we have post office buildings erected at a cost of $50,000 or $100,000 where one costing half that amount would amply fulfil the needs of the district. Since I have been in parliament there has not been any system based on population and revenue to guide governments in the erection of public buildings; consequently in many places buildings have been erected at entirely too high a cost, while in others the people have received no consideration whatever and cannot secure the much needed accommodation. The minister says that the site for this building was purchased years ago. There are many hon. members who can tell him a similar story and who can point to sites that were bought before the war. Nevertheless through

all these years we have had to put up with very inadequate accommodation, and we have always been met with the cry, not that the building was not needed, not that better accommodation was not urgently required, but that the money was not available. I want once more to impress upon the minister and the government that they will have to get some other kind of argument or excuse than that to present to the committee, in view of the fact that they apparently have plenty of money to spend on embassies at Washington, Tokyo and Paris, and millions to devote to tearing down whole city blocks in Ottawa—certainly not a matter of urgent necessity,—while in various parts of the country the people are struggling along without any accommodation worthy of the name. The government is following a wrong course. Regardless of what side of politics we are on or what party we are affiliated with, hon. members have been extremely patient, appreciating to the full the obligations upon the government arising out of the war and the post-war years. But it seems to me that the government is not giving the members or their constituencies the consideration they deserve in spending money lavishly on such things as the purchase of the Russell block for about a million and a quarter dollars and the tearing down of perfectly good buildings merely in order to gratify the personal whim of the Prime Minister, who wants to erect a monument to his name in the shape of a public park in this city.

Item agreed to.

Waterloo public building, $22,000.

Mr. LUCAS: Will the minister explain the item?

Mr. ELLIOTT: This amount is required for the erection of a public building in Waterloo for postal purposes. The probable total cost will be $22,000. An order in council was passed in September last granting authority to purchase a site and the town council, the local board of trade and other organizations urged upon the government the necessity of proceeding to provide the accommodation. The postal revenue is $6,356, and the population is a little over 2,000.

Mr. CHAPLIN: How much has already been spent on this?

Mr. ELLIOTT: $7,804 to the 31st of March of this year.

Mr. CHAPLIN: And $22,000 more will complete it?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: The original estimate for the building was how much?

Mr. ELLIOTT: This is the estimate. We are just starting the building now.

Mr. CHAPLIN: But more than $7,000 have been spent.

Mr. ELLIOTT: That was for the site.

Mr. GARDINER: Will that come out of this vote?

Mr. ELLIOTT: That was spent out of last year's vote, before the end of the fiscal year.

Item agreed to.

Westmount—armoury, $13,000.

Mr. SPENCER: Will the minister explain this item?

Mr. ELLIOTT: This amount is required to pay the Westmount armoury association the instalments due for the year 1928-29 for armoury accommodation at Westmount. There are two instalments of $6,312.15 due on June 8 and December 8, 1928, respectively, under an agreement dated May 25, 1925, between the Westmount armoury association and the Department of Public Works, whereby the association undertook the financing of the construction of an armoury, and the Dominion government undertook to pay an amount not exceeding $13,000 for twenty years.

Mr. GARDINER: What was the original cost?

Mr. ELLIOTT: $175,000.

Mr. GARDINER: Is the government entering upon a policy of renting buildings for armouries? Has not the policy been to provide armouries out of public funds?

Mr. ELLIOTT: It is the usual policy to build them ourselves, but occasionally there is an opportunity like this of obtaining the building more cheaply.

Mr. GARDINER: Will these amounts pay for the building, or are they only rentals?

Mr. ELLIOTT: The armoury will become the property of the government after twenty payments. It is like a rental-purchase.

Item agreed to.

Mr. STEVENS: I would point out, Mr. Chairman, that the whole of vote 126 is not carried. One item stands.

The CHAIRMAN (Sir Eugene Fiset): Yes, one item stands.

Ontario — Dominion public buildings — improvements, repairs, etc., $115,000.

Mr. MANION: I wish to refer to an unfortunate situation that exists in one of the public buildings at Fort William. I have had it drawn to my attention on a number of occasions by the people of Fort William and by those who are affected by the conditions which have prevailed. It is seventeen years since any improvement or enlargement was made to the post office, and yet the business has increased very greatly since that time. The revenue from the post office, according to the last report, is between $72,000 and $73,000 per annum. As to the ability of the officials in the post office to carry on under the conditions prevailing, while I do not wish to quote them unnecessarily or to bring them into the discussion in any way that would do them harm, I have gone out of my way to ask their opinion and they are agreed that the post office really requires some form of enlargement in order to cope with the business that has to be done. Since 1911, when, so far as I can find out, the last improvement was made, the population has greatly increased, the mails have doubled, c.o.d. and parcel post have been added, I believe, and there is required additional accommodation for parcel post packages, extra wickets, and more lobby space, because at Christmas it is practically impossible to cope with the heavy business owing to the crowding. I do not wish to take up the time of the committee further. I understand that the minister is familiar with the situation; it has been taken up with him by the board of trade, I believe, or the city council, and I am bringing it to his attention now simply for the sake of the service. Indeed, that is the only ground upon which I would dare to press any expenditure of any kind. But due to the long time since any enlargement has been made to the post office at Fort William, and to the very real need of additional accommodation due on account of the overcrowding which the people using the post office have to endure, I would ask the minister to give this matter his attention at the earliest possible opportunity.

Mr. ELLIOTT: Representations have been made in the matter; my attention was personally drawn to it when I was in Fort William last fall, and it was suggested that further accommodation be provided. The matter is now under consideration, I can assure my hon. friend.

Mr. McQUARRIE: Is this just a vote to cover contingencies? If so, would the minister give details of the expenditure last year?

[The Chairman.]

Mr. ELLIOTT: This has been an annual vote for a number of years. The expenditure in 1922-23 was $109,000; 1923-24, $102,000; 1924-25, $97,000; 1925-26, $103,000; 1926-27, $114,993.

Mr. McQUARRIE: What buildings does it cover?

Mr. ELLIOTT: I have a long list here, which includes examining warehouses, the office of the assistant receiver general, various postal stations in Toronto—

Mr. McQUARRIE: I do not want the whole list.

Mr. KAISER: This is a general vote, but has the minister in mind any particular places where he is going to expend this money? If so, I should like to draw to his attention the condition in the post office in the city of Oshawa. In the first place, let me say that the customs house accommodation in the city of Oshawa is entirely inadequate to serve the needs of the people. A customs revenue of $12,000,000 is collected annually in Oshawa, and the government has not provided its officials with proper accommodation for carrying on their work. The same is true of the post office. I have no doubt that the postmaster who has recently been appointed is endeavouring to do his best, but under the conditions that obtain there it is impossible for the best service to be given, and there are bound to be difficulties all over the district where mails are distributed. I would respectfully urge upon the minister the necessity of affording relief and providing the necessary accommodation and equipment there to serve that large district.

Mr. ELLIOTT: I am aware that the conditions in Oshawa are much as my hon. friend indicates. Business there has increased very greatly, and I shall be glad to give consideration to the matter that he mentions. I might add that this amount is not allotted to any particular place, but is used where repairs for buildings are found necessary. There has been spent in Ontario annually for the last number of years a sum running from $112,000 to $115,000 to keep the government buildings in a state of reasonable repair.

Mr. KAISER: Will the minister look into the claim which the city of Oshawa has against the department for arrears of local improvement tax, amounting to $87.35? I see no reason why he should not attend to this gigantic matter and get it off our hands.

Item agreed to.

Durham—public building, $4,000.

Mr. ELLIOTT: This is to complete a public building. It includes fittings and lock boxes, $2,300; grading and sidewalks, $1,000; superintendence and contingencies, $700.

Mr. LUCAS: What are the population and revenue of this town?

Mr. ELLIOTT: The population is 1,640; the revenue, $5,684.

Mr. LUCAS: Is this recommended by the Post Office department?

Mr. ELLIOTT: Yes. This is an excerpt from the report of the chief post office superintendent made in 1920: Population 1,640; four industrial concerns employing about 300 hands; two banks; sixteen stores. The post office is located in a building, one of a block of stores. The floor space is 650 square feet, of which the public lobby comprises 350 square feet, leaving a working space of only 300 square feet. The carriers working in the office are not separated from the rest of the staff. It is recommended that more space be provided.

Item agreed to.

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

Mr. GARDINER: Is that the usual price for a tractor?

Mr. ELLIOTT: Yes.

Item agreed to.

Niagara Falls—public building, $100,000.

Mr. ELLIOTT: The existing building was partly destroyed by fire on November 9, 1927. A larger building is necesary to provide accommodation for the post office and customs. The present property is not large enough to give the desired accommodation, and it may be necessary to purchase a new site and erect a new building. In either case $100,000 is necessary for a beginning. There is nothing political in the vote.

Item agreed to.

Ottawa departmental buildings—fittings, etc., $60,000.

Mr. HEAPS: The minister will remember that I put a question on the order paper about three weeks ago with respect to the lighting of this and the other public buildings in Ottawa. I find that for the year 1927-28 the government paid to the privately-owned corporation for electrical energy $86,524.31, and to the publicly-owned utility $38,964.86. In other words, considerably more than twice the amount was paid to the privately-owned corporation.

Mr. CHAPLIN: What was the quantity of current used?

Mr. HEAPS: I am going to ask the minister for that information. I think when there is a publicly-owned utility able to supply light and power for the buildings the government ought to give it the preference, particularly in Ontario. I do not know whether the minister has information as to the amount of energy supplied to the government buildings by both the privately-owned and the publicly-owned utility, and the price paid to each. If he has not that information available to-night, I hope he will be able to bring it down when we take up a vote of a similar character on another occasion.

Mr. ELLIOTT: An answer to a similar question was given a few days ago. The hon. member has the figures of what has been paid to the two companies. One is a local company; the other provincial. One pays taxes to the city; the other does not. One has a stand-by power plant which can be used in cases of emergency; the other has not. I am not able to give my hon. friend information as to the amount of current, but I shall be glad to obtain it for him. The prices paid to each company are the same.

Mr. HEAPS: Why should not the government patronize a publicly-owned utility?

Mr. ELLIOTT: We patronize it to a certain extent.

Mr. HEAPS: But why to such a small extent compared to the privately-owned company? That the latter pays taxes is not a very good reason for this discrimination, especially in view of the fact that the government itself does not pay any taxes to the city of Ottawa.

Mr. ELLIOTT: The local concern does not get all the business, but we thought it was entitled to its share. I do not think it would be fair to give everything to the provincial concern that has the local business in the heart of the city, when the local concern is supplying light on the outskirts where the service is a little more costly on account of distance. After careful consideration of all the circumstances it was thought to be a fair division between the two concerns.

Mr. GEARY: The hydro is a local concern.

Mr. ELLIOTT: It does not pay taxes here.

An hon. MEMBER: It is municipally owned.

Mr. ADSHEAD: This is one of the votes where the Public Works department probably has erred in the wrong direction. Last year

I drew the minister's attention to the condition of the building occupied by the Bureau of Statistics. I was there to-day, and I found it in a most deplorable condition. If a fire occurred many priceless documents would be destroyed. I hope he will do something to protect those documents instead of leaving them in this ramshackle place, which is nothing better than a fire trap and a discredit to Ottawa or any other place.

Mr. ELLIOTT: What my hon. friend says is true; the predicament we should be in if a fire unfortunately occurred in the building now housing the statistical branch has been a matter of serious concern for some time. Steps are being rapidly taken with a view to having at an early date the branch located in a building which will provide suitable accommodation and will be at the same time absolutely fireproof.

Mr. ADSHEAD: How long will that be?

Mr. ELLIOTT: We are hoping that it will be within sixty days.

Mr. MALONEY: Where is the new location?

Mr. ELLIOTT: I have no hesitation in stating where it will be, if an appropriation which I am going to ask the house to pass in the supplementary estimates is made for the purchase of a property known as the New Edinburgh mills. One of the buildings on that property will house the statistical branch.

Mr. MALONEY: I understand it is a saw mill.

Mr. ELLIOTT: It is in the city just on the other side of Earnscliffe, if my hon. friend knows where that is.

Mr. STEVENS: At the mouth of the Rideau river.

Mr. ELLIOTT: Immediately east of Dalhousie street.

Mr. COOTE: Would it not be nearly two miles from the parliament buildings?

Mr. ELLIOTT: No.

Mr. COOTE: At any rate it is a long way for members to go for information.

Mr. CHAPLIN: Is it not a fact that the government own property in the neighbourhood of the building in which the statistical branch is now located?

Mr. ELLIOTT: Yes.

[Mr. Adshead.]

Mr. CHAPLIN: Why on earth move them a mile and a half away, or even half a mile? It will be inconvenient for those who have to use the branch.

Mr. ELLIOTT: The building on the other property we can use right away.

Mr. CHAPLIN: Is it proposed to use that building temporarily or permanently?

Mr. ELLIOTT: We shall fix it up with a view to utilizing it probably for many years.

Mr. STEVENS: It will cost a lot of money to repair it and put it into proper shape.

Mr. ELLIOTT: It will cost about one year's rental; that is the estimate.

Mr. GARDINER: Have you not better accommodation in the Daly building if you cleaned up the mess that is there? Could you not put the bureau there?

Mr. ELLIOTT: It is filled to overflowing now.

Mr. MALONEY: Do you propose to house these people in that old saw mill?

Mr. STEVENS: That is it—the New Edinburgh saw mill.

Mr. CHAPLIN: They call it new, but it is a little old.

Mr. COOTE: Is it proposed to erect a departmental building in Ottawa this year?

Mr. ELLIOTT: Yes.

Mr. COOTE: Does that come under some other item?

Mr. ELLIOTT: Yes, on page 30.

Mr. COOTE: Is it to be erected where the cornerstone stands at the present time.

Mr. ELLIOTT: Yes.

Mr. COOTE: Can the minister do something to improve the ventilation in this chamber? The air in the chamber is very bad to-night, and it is the same practically every night. Coming in from the fresh air which one gets at the front door one at once realizes how far this chamber is from perfection. The atmosphere is certainly not what it should be, and the ventilation could unquestionably be improved. Will the minister have his engineers look into the matter, giving them definite instructions to improve the ventilation?

Mr. ELLIOTT: The matter is by no means new. Within the last week I have taken it up with some of the engineers. When the building was erected they thought they had the most modern system of ventilation obtainable, and perhaps they have. But I am told that in a building occupied, as this chamber is, during a great part of the day, it is almost impossible to devise a system which will properly ventilate the place and at the same time avoid draughts. On this side of the chamber at certain times in the day we can feel a draught at our backs when the ventilators are open. I have recently asked the engineers to investigate the matter to see whether something cannot be done.

Mr. GEARY: I suppose you would like to turn the draught over here.

Mr. ELLIOTT: That might have some advantages. Really, after all is said and done the system is perhaps about as good as we can get it.

Mr. STEVENS: It is not good enough.

Mr. ELLIOTT: I am bound to say it is not absolutely satisfactory.

Mr. COOTE: I can assure the minister there is something wrong with the system in the building as a whole. I know that in some of the lavatories upstairs more than half the time the air, instead of being drawn from the lavatory through the ventilator, comes through the ventilator into the lavatory. There is obviously something wrong with a system when it works backwards in that way. The sergeant-at-arms is acquainted with the situation and on many occasions he has sent someone to correct it. I do not know how it is done. It will work all right for a day or a day and a half, but the next time you go back you find the current of air reversed in the manner I have indicated.

Mr. STIRLING: It would not be so unbearable of an evening here if the air were not heated so much. Is the minister aware that this evening, for the third time this week, the thermometer has been 74½? The difference between 64 and 74 seems to make all the difference between reasonable comfort and absolute misery.

Mr. MALONEY: In addition to the vitiated state of the atmosphere there is another—a worse—feature. I refer to the acoustic properties of the chamber. Here is a room which has cost the country many thousands of dollars and I doubt whether there is in Canada another room of its size where a voice carries a shorter distance than it does in this chamber.

Some hon. MEMBERS: Louder.

Mr. MALONEY: The day has come when our voice should be heard. The day has come also when we must provide accommodation for a library of parliament. At the present time we have a building allocated for this purpose, a building which has been filling rapidly and is now taxed almost to capacity. I offer this suggestion to the minister for his consideration: convert this chamber into a real library and convert the present library into a chamber, after the style of the old amphitheatre, where the boys will have to stand up on a pedestal before the crowd and say what they know. That would give us a chance to make our voices heard.

Mr. KENNEDY: I do not want to see the Bureau of Statistics removed from a position a few hundred yards distant to a place a few miles away from the House of Commons without making a protest. I know of no department that means more to us than the Bureau of Statistics. We are always dealing with figures and facts from which we make our own deductions and it is quite important that we should be able to keep in touch with the bureau. It is true that we shall be able to do so by telephone or by letter, but some of us find it much more convenient to discuss matters personally with someone who is conversant with the facts, and to get our information at firsthand in that way. If the bureau is moved out two miles, which I think is about the distance, it will be almost impossible for members to take the time to go there to discuss matters with the officials who have the desired facts. I do not see why it would not be possible to rush the construction of this departmental building in order to have the bureau located within a reasonable distance of the House of Commons.

Mr. ELLIOTT: The present building must be moved away before the departmental building can be erected, because the latter will be constructed partly on the present site of the statistical branch.

Mr. KENNEDY: I understand that, but I also understood the minister to say that they were fixing up this building in New Edinburgh to provide for the accommodation of the bureau for a number of years, so to all intents and purposes this will be its permanent location.

Mr. ELLIOTT: That will be so for a number of years, at any rate.

Mr. KENNEDY: I am very much dissatisfied with that arrangement; I think it is wrong.

Mr. SPENCER: Would the minister inform the committee who owns the building which it is proposed to buy?

Mr. ELLIOTT: The Gatineau Power Company.

Mr. SPENCER: Who are the people behind the Gatineau Power Company?

Mr. ELLIOTT: The International Paper Company.

Mr. SPOTTON: I hesitate to add to the discomfort of the Minister of Public Works, and I am not going to discuss this particular item. However, all these items have been rolling through and I have not noticed any appropriation for a post office in the village of Brussels in the riding of North Huron, which was most urgently needed in the first few weeks of September last. I am not accusing the Minister of Public Works of promising this post office, but I did call upon him and upon the Prime Minister through the press to say to the people in my riding that money would be provided where needed regardless of any political consideration. A number of years ago the government purchased a site in Brussels on which stood a building unfit even for a common livery stable.

Mr. ELLIOTT: Can my hon. friend tell me the year?

Mr. SPOTTON: It was ten or twelve years ago.

Mr. ELLIOTT: The government were not so careful then.

Mr. SPOTTON: Quite so, and we will just drop it at that for the present. At any rate, the government of Canada thought this village needed a post office, and during the first few weeks of September 1927 most hon. gentlemen opposite were fully convinced of that fact, although I am not charging the Minister of Public Works with making any such statement. However, he did not slap any of his confreres on the wrist when they promised it. We already own this site, in a prosperous section of this province and surely we could complete that project before we start to tear down public buildings in Ottawa, and before we erect other buildings all over the country. According to press reports men have been going to such places as the village of Arthur and the town of Southampton to look for sites for public buildings, but I find that in Brussels, where a post office is expected, where the goods were delivered, and, where a post office is needed, we own a site containing a ramshackle building, and I can find nothing in the estimates to construct this post office. The Minister of Finance says that we have emerged from poverty into prosperity; the treasury of Canada is heaped up, pressed down and flowing over, and I would like to ask the Minister of Public Works, in this great period of prosperity when we are buying buildings costing a million and a quarter to tear down, when we may expect him to take into consideration the completion of this work which was started by the government some years ago. I believe the revenue from this village is good; every person representing the government early in September was convinced that a post office was urgently needed and that if the proper thing were done a post office would be erected. The village of Brussels did the fit and proper thing; I am not twitting the government nor am I holding a post mortem in this chamber, but the fact is that an urgent canvass was made; a minister of the crown visited that village on election morning, got the factions together and a post office was definitely promised. If necessary I can bring affidavits from a few hundred men, regardless of their political affiliations, stating that that is the fact. I do not accuse the Minister of Public Works of making any public promises in my riding; he made no statement in connection with public buildings, but I think before we spend money so recklessly and extravagantly in buying buildings like the Russell house at one million and a quarter dollars only to wreck them, the good citizens of North Huron should be considered and an amount should be placed in the supplementary estimates for a public building in the village of Brussels.

The province of Ontario is being penalized. During the war a previous government voted $336,000 annually for agricultural education, but, now that the war is over even though the treasury is overflowing that amount is cut off, and we are told that the contribution for technical education is to cease. I would ask the Minister of Public Works to take this matter into his serious consideration.

Item agreed to.

Progress reported.

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

END OF VOLUME II.